

# Annual Report

**LandMark White Limited and its Controlled Entities**  
**For the year ended 30 June 2009**

**ABN 50 102 320 329**





**Brad Piltz**  
Chief Executive Officer

**Glen White**  
Chairman

## **ANNUAL REVIEW 2009**

### **The Global Economic Backdrop**

When our annual review was published 12 months ago it was evident that the global markets were slowing and that in terms of property we were in a downward phase. While it was clear that we faced challenging times ahead, few could have foreseen the ferocity and speed of the global economic fall that we have all experienced over the last year. Despite our losses it has been a positive result against this background of unprecedented market uncertainty. This has been evident in the well documented share market fall with the Australian ASX 200 falling from peak to trough by 54% while AREIT's fell 64.8%.

A significant part of LMW Group is our commercial valuation practice LandMark White. As a service company, the level of instructions in this business is influenced to a significant degree by the level of commercial property transactions and lending volumes. The severity of the liquidity crisis and the fall in commercial property values has seen a reluctance and/or inability to fund commercial property translating to minimal transactions. Investment in property has experienced a dramatic decline. This lack of activity has been further aggravated by the level of global governmental support to the banks which has led to the support of property companies rather than the wholesale disposal of assets (forced sales) that we saw in previous downturns, especially during the early 1990's.

Against the backdrop of a global credit crisis LMW Group has done well to reduce costs and restructure the business responding to these new market conditions. While the market will undoubtedly continue to offer challenging times we are in a position to take full advantage of a market upturn which will ultimately, as proven in previous downturns, occur.

Despite the current difficult market conditions LMW Group continues to be in a sound financial position with a strong valuation basis and a well constructed expansionary business plan through LMW Invest that will improve our results taking full advantage of our property knowledge, experience and expertise.

**Glen White**  
**Chairman**

## **ANNUAL REVIEW 2009 (continued)**

### **LandMark White Limited (LMW Group) Summary of Results for the year ending 30 June 2009.**

As noted in our half year report for the six months to 31 December 2008, LMW Group has not escaped the negative effects of the global credit crisis. However, as previously advised, LMW Group has focused its efforts on both cost cutting and growth. As a result we have substantially improved our operating performance returning to an operating profit before impairment for the last six months and reducing our full year loss before income tax and impairment write-downs to \$141,374 compared to the \$608,186 loss reported for the first six months. While always a major focus, cash management has become an even higher priority and the benefits from improved management practices in relation to working capital and cash collection have been highlighted by the positive cash flow from operating activities over the 12 months of \$1,041,326.

A summary of our results is as follow;

- Sales revenue decreased to \$23.563 million, down 21.7% from 2008.
- Pre tax loss of \$556,168, including impairment write-downs of \$414,794.
- Positive cash flow from operating activities \$1,041,326
- Dividend in respect of the 2009 financial year of 2.0 cents payable 7 October 2009 for all shareholders on the register as at 22 September 2009.
- Dividends fully franked.
- LandMark White remains debt free.
- Current bank balance at 31 August 2009 \$2.914 million.
- Continued diversification into Funds Management including the launch of LMWI Diversified Property Fund and the joint venture establishing DenisonLMWI.

### **Debt Free**

As noted above LMW Group continues to carry no debt, a significant point of difference from many publicly listed companies and beneficial in a time of tight and increasingly expensive liquidity.

Without the concerns of debt, Management can continue to implement strategies to combat the effect of the current poor trading environment; concentrating on sound business practice rather than defensively addressing gearing.

### **Dividend**

LMW Group has declared a dividend of 2.0 cents for the financial year down from 5.8 cents for the 2008 financial year. Despite our loss in 2009, the dividend reflects LMW Group's strong cash position, commitment to our shareholders and our expectations of a positive performance for financial year 2010 as a result of management initiatives over the last 12 months and anticipated improvement in economic conditions.

### **Valuation Performance**

LMW Group's property valuation business practices (LandMark White & LMW Residential) remained profitable for the financial year.

As the market conditions deteriorated significantly over the last year so did the level of instructions for valuations and their purpose, moving from acquisition and new lending purposes to reviews for receiver/managers and financial institutions. The fall in property values has led to reduced loan to value ratios on existing loans to the point where for many loan covenants have been breached. Financial organizations continue to monitor their loan books closely and maintain more of a watching brief rather than an expansionary lending policy. The combination of existing loan exposure and limited access to funds has led to many development companies and corporations deferring the commission of valuations.

The effect of a 21.7% reduction in revenues has impacted on our performance resulting in a profit for our valuation businesses for the year of \$879,377. While a significant decline from our previous year our positive performance especially over the last quarter reflects the resilience of our core business to the

## **ANNUAL REVIEW 2009 (continued)**

current depressed economic conditions. These results should improve over this current financial year as a result of structural changes introduced to our valuation practices over the last 12 months.

While we are confident of the continued improvement in both LandMark White and LMW Residential I note that these traditional valuation practices are linked to transaction activity and lending volumes. Market activity will improve only when credit markets recommence lending at a level that will support property acquisitions and development and when banks seek to expand their loan exposure to property. There is little sign of financial markets opening up at present as markets wait to see if further falls in value will occur as a result of distressed sales from both lenders and borrowers.

### **LMW Invest**

We have continued to invest in funds management. While this has had a negative impact on our 2009 performance, this is seen as an essential part of the future growth of the LMW Group over the longer term.

Within the current poor trading environment, immediate expansion of our existing valuation services will be difficult. We do however remain committed to growing both the company (LMW Group) and shareholder value by leveraging off our exceptional property expertise, experience, integrity and national brand. Following extensive expenditure on infrastructure over several years, we are now in a position to effectively support a significantly larger operation and are excited about the prospects of growth that LMW Invest can offer.

During the year we launched our Diversified Property Fund and more recently our first direct property trust, the DenisonLMWI Property Trust #1. If you have not done so already, I encourage you to have a look at the website [www.lmwinvest.com](http://www.lmwinvest.com) which highlights the two funds currently open.

We formally started active management of the LMWI Diversified Property Fund in early August 2009. Our LMW Invest website includes a daily pricing of the fund which has delivered positive returns since opening. The fund invests in Australian REIT's (Listed Property Funds), overseas REIT's, Unlisted Property and cash. The PDS together with a Lonsec rating report can be found on our website. While both global and Australian REIT's have fallen considerably in value since their peak, they have recovered since their market lows and indications are that the cycle may well have turned and we are well situated to take advantage of the future upswing in REIT's.

At the time of writing we are currently raising funds for our DenisonLMWI Property Trust #1. This is a joint venture between LMW Invest Pty Ltd and Denison Group Pty Ltd. DenisonLMWI has been developed to create a suite of property syndicates with a focus on income returns, marketed primarily to retail investors. DenisonLMWI aims to become the leading property syndicator of commercial property in the Australian marketplace by leveraging the resources each company brings, and offering retail investors a highly experienced team of property professionals.

Again the PDS, and Lonsec report can be viewed on the LMW Invest website. The trust has an option to acquire (subject to the raising of funds) a commercial building at 165 Walker St North Sydney. The forecast return to investors is 9%p.a. plus advantages through the deferral of tax. It is a closed-end core property trust with an investment term of between 5 and 7 years.

### **Guardian Securities Limited**

The last 12 months has been a particularly difficult time for Guardian, primarily a contributory mortgage fund working predominately in South East Queensland. The support of the federal government to the banking system has come at the expense of mortgage funds. The banks' performance over the last 12 months has been significantly strengthened by the government guarantee of their deposits which led initially to significant withdrawals from mortgage funds prompting funds to freeze redemptions. This in turn further reduced investors confidence in mortgage funds with many taking a "wait and see" attitude before investing. Compounding this has been the fall in development activity in South East Queensland and the general banking systems review of borrowers which when combined with falling values, has seen most developers adopting a defensive strategy rather than pursuing further development.

LMW Invest has a 55% interest in Guardian Securities Limited and LMW Invest's share of the loss for the year ended 30 June 2009 was \$114,758. The Board has taken the prudent decision to take an impairment

## **ANNUAL REVIEW 2009 (continued)**

write-down on our investment in Guardian which has had a significant impact on LMW Group's result.

### **The Board**

Recognising the potential for growth through LMW Invest Pty Ltd and the need to expand the Board's expertise in the area of Funds Management we welcomed Mr Andrew Meakin as an independent non executive director of the company in February 2009. Mr. Meakin brings considerable experience in property funds management having worked in senior management positions with Commonwealth Bank and Multiplex Capital.

Mr. Meakin has already had a significant impact in the development of our newly established funds management subsidiary, LMW Invest Pty Ltd.

### **Adapting to Change - Looking to the Future - Emerging Stronger**

Responding to the severity of the global downturn we have reviewed all costs, services, infrastructure and marketing, adapting as appropriate to changing market conditions during the past year. While reviewing and adopting new strategies we have remained true to our beliefs – an understanding of our clients' needs, our culture of excellence and long term vision.

The knock-on effects of these extraordinary global conditions may vary but we recognise that the great majority of our clients face the same key issues that we do – the need for downsizing, capital cost reduction, total value management, business sustainability, and the control and reduction of overheads and expenditure.

Our operational teams have clear primary objectives – to deliver services of the highest quality, to be responsive, retain existing clients, and win new ones. Our aim through this economic downturn has been to come out of it stronger than we were before it started.

Market conditions may have changed but the priorities that drive our vision have not. We have not lost sight of the need to continue to invest for the future. It is recognised that troubled markets create opportunity. So while we have made significant commitment to realign the business to reflect market conditions, we have never lost our focus.

As previously noted funds management (LMW Invest Pty Ltd) continues to be a key focus of growth for LMW Group leveraging off our strong independent property valuation practices. LMW Group remains committed to growing both the company and shareholders' returns.

With improved property conditions now appearing on the horizon, we are in a strong position to improve turnover and net profit as the market recovers. We do note that an important part of the national and global recovery, especially for property, will be the ongoing availability of finance and this will continue to affect most companies and markets over the next few years.

The 2009–2010 year will continue to prove challenging, but the market will recover, steadily improve, and we have every confidence that LMW Group will emerge as an even stronger force in the future.

As always, but especially in these market conditions, I would like to thank management and staff, not only for their dedication and commitment to the company, but their understanding and assistance in making those very tough changes needed to ensure our ongoing success. It has been a great pleasure to work with some of the most experienced people within the property valuation profession. We have seen a significant improvement in our businesses over the last quarter of the 2009 financial year and I look forward to bringing better news to staff and our shareholders as this financial year unfolds.

**Brad Piltz**  
**Chief Executive Officer**

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**INDEX**

Directors' report (including corporate governance statement and remuneration report)	7
Lead auditor's independence declaration	25
Income statements	26
Statements of recognised income and expense	27
Balance sheets	28
Statements of cash flows	29
Notes to the consolidated financial statements	30
Directors' declaration	70
Independent auditor's report	71
ASX additional information	73

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

The Directors present their report together with the financial report of LandMark White Limited ("the Company") and of the Consolidated Entity, being the Company and its controlled entities, for the year ended 30 June 2009 and the auditor's report thereon.

**DIRECTORS**

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

**Mr Glen J White— appointed 26 September 2002**

***Chairman***

The co-founder of LandMark White's practice, Glen is a registered valuer with over 35 years extensive experience in the real estate industry throughout Queensland and New South Wales. Working in both the public and private sectors, Glen commenced his valuation career in 1968 and gained experience with the Queensland Lands Department, National Mutual Life Association and with a private valuation firm before working in the Queensland practice that has become LandMark White since the 1980s. A fellow of the Australian Property Institute, Glen has appeared in courts as an expert witness, lectured in valuation and is highly experienced in rental determinations. Glen was appointed Chairman on 1 November 2005.

**Mr Bradley J Piltz – appointed 26 September 2002**

***Executive Director (Chief Executive Officer)***

Brad has been involved in financial and property markets since 1975 and was co-founder of LandMark White. In addition to extensive experience with the Commonwealth Bank, Brad has acted for major corporations and government instrumentalities providing advice from portfolio analysis to property acquisition, disposal and tenancy requirements. Brad specialises in cash flow and management sensitive properties such as hotels, international and domestic tourism, hospitality and retail centres. Brad has acted in court as an expert witness; is highly experienced in rental determinations; prepared educational valuation materials; lectured in valuation; and appeared on Sydney radio and television providing property market commentary. He is a fellow of the Australian Property Institute, a senior associate of the Financial Services Institute of Australia and a member of the Australian Institute of Company Directors.

**Mr Norman P Craig – appointed 9 October 2003**

***Independent Non-Executive Director***

As a non-executive director, Norman contributes a great depth of experience in accounting and financial affairs to the board. A Chartered Accountant and auditor, he was a partner in the international accounting firm KPMG from 1972 to 1993, where he obtained substantial experience in management and the banking and finance industry. From 1978 to 1990, Norman was chairman of KPMG's banking practice and a member of the firm's international banking committee from 1984 to 1990. He was a Director of Citigroup Pty Ltd from 1995 to 2008 (and chairman of its Audit and Risk Committee), MEPC Limited from 1996 to 2001 and Allied Brands Limited from 2004 to 2006. He has been a member of the compliance committee for Deutsche Funds Management, the Challenger Group and Ausgrowth.

**Mr Stuart C Gregory – appointed 9 October 2003**

***Independent Non-Executive Director***

Stuart is a non-executive director of the board and until 30 June 2005 was Chief Executive Officer of McCullough Robertson, a Brisbane based law firm. Stuart held that position for 12 years. He has extensive experience in dealing with the broad range of issues unique to professional service organisations. Stuart is a Certified Practising Accountant who, during his career, has gained experience in financial services, investment banking, manufacturing and agribusiness. He has been a director of Australian Food & Fibre Limited from July 4, 2001 to July 17, 2004 and from June 6, 2005 to present. Stuart is also a director of Brisbane Housing Company Limited.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**DIRECTORS (CONTINUED)**

**Mr David P Hobart** – appointed 1 May 2005

***Independent Non-Executive Director***

David is a non-executive director of the board and is currently Managing Director of IFC Capital Limited. David brings a wealth of property and financial experience outside that of main stream property valuation. His appointment reflects the board's commitment to expansion and development of property related services. David is a valuer, has a masters degree in Commerce, is an affiliate of FINSIA, an associate of the Australian Property Institute and a member of the Australian Institute of Company Directors.

**Mr Andrew Meakin** – appointed 23 February 2009

***Independent Non-Executive Director***

Andrew brings extensive experience in financial services and in investment management. He is highly regarded throughout the property funds management field. Andrew has previously held senior roles with Commonwealth Bank and Multiplex Capital. His appointment to the board aims to broaden the expertise of the board as the LMW Group diversifies into Property Funds Management.

**COMPANY SECRETARY**

Ian Bangs was appointed Company Secretary and Chief Financial Officer on 20 May 2008. He has over 25 years experience in senior financial roles. He had 10 years as the CFO of the Regent Hotel in Sydney, Finance Director for Hooper Bailie Industries and CFO of Consolidation Coal of Australia. He is also Company Secretary of IFC Capital Limited. He has a Bachelor of Commerce degree and is a Fellow CPA.

**DIRECTORS MEETINGS**

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

Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Mr G White	6	6	-	-	-	-
Mr B Piltz	6	6	-	-	-	-
Mr N Craig	6	5	4	3	-	-
Mr S Gregory	6	6	4	4	-	-
Mr D Hobart	6	5	-	-	-	-
Mr A Meakin	1	1	-	-	-	-

**COMPANY PARTICULARS**

LandMark White Limited is incorporated in Australia. The address of the registered office is: Ground Floor, 3 Holden Place, Bundall QLD 4217.

**CORPORATE GOVERNANCE STATEMENT**

In developing LandMark White's corporate governance policies, the board has been guided by the 'Corporate Governance Principles and Recommendations' published by the ASX Corporate Governance Council. This statement outlines the main corporate governance practices in place throughout the financial year, and the extent to which LandMark White follows the Best Practice Recommendation. Where the Company has not followed a recommendation, the recommendation is identified and the reasons are given for not following it.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)**

**Role of the Board**

The board's primary role is the protection and enhancement of long-term shareholder value. The board is comprised of four independent and two non-independent directors.

To fulfil this role, the board is responsible for the overall corporate governance of the Consolidated Entity including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal controls, management information and risk management systems. It is also responsible for approving and monitoring financial and other reporting. Details of the board's charter are located on the Company's website.

**CORPORATE GOVERNANCE STATEMENT**

The board has delegated responsibility for operation and administration of the Company to the Chief Executive Officer (CEO) and senior executives. Responsibilities are delineated by formal authority delegations. The performance of senior executives is reviewed annually by the CEO. The performance of the CEO is reviewed annually by the Chairman.

**Board processes**

To assist in the execution of its responsibilities, the board has established an Audit and Risk Management Committee and a Remuneration Committee. The committees have a written mandate and operating procedures, which are reviewed on a regular basis.

The board has elected not to establish a Nominations Committee (Best Practice Recommendation 2.4 as set by the ASX Corporate Governance Council) on the basis that it is only a relatively small board and the board is able to efficiently carry out the functions that would otherwise be delegated to the Nominations Committee. The conditions of the appointments of non-executive directors are set in a letter of appointment including expectations of attendance at board meetings, appointments to other boards, procedures for dealing with conflicts of interest and availability of independent professional advice.

The full board currently holds at least four scheduled meetings each year including a strategy meeting. Extraordinary meetings are held at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings is prepared in conjunction with the Chairman, Chief Executive Officer and Company Secretary. Standing items include the Chief Executive Officer's report, financial reports, strategic matters, governance and compliance. Submissions are circulated in advance.

**Director and executive education**

The Consolidated Entity has a process to inform new directors about the nature of the business, current issues, the corporate strategy and the expectations of the Consolidated Entity concerning performance of directors. Directors also have the opportunity to visit Consolidated Entity facilities and meet with management to gain a better understanding of business operations.

The Group also has a process to educate new senior executives upon taking such positions. The induction process includes reviewing the Group's structure, strategy, operations, financial position and risk management policies. It also familiarises the individual with the respective rights, duties, responsibilities and roles of the individual and the Board.

**Independent professional advice and access to company information**

Each director has the right of access to all relevant company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the Consolidated Entity's expense. The director must consult with an advisor

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)**

suitably qualified in the relevant field, and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the board.

**Composition of the Board**

The names of directors of the Company in office at any time during or since the end of the financial year are set out in the Directors' report on pages 7 and 8.

The composition of the board is determined using the following principles:

- a minimum of five directors, with a broad range of expertise, a majority of directors having extensive knowledge of the Company's industry, and those who do not, have extensive expertise in significant aspects of auditing and financial reporting or operational and financial management of a professional services organisation
- a majority of independent directors

The current composition of the board meets these two principles.

The Chairman of the Company is Mr Glen White who is non-executive and non-independent. ASX Best Practice Recommendation 2.2 is that the Chairperson of the board should be independent however the board believes that its current composition is appropriate. Mr White is a co-founder of the group and brings over 35 years extensive experience in the valuation profession. In addition, appropriate conflict of interest policies are in place to ensure material personal interests are disclosed. At the date of this report the board is comprised of a majority of (four) independent directors.

An independent director is a director who is not a member of management, known as a non-executive director, and who:

- holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than 5% of the voting shares of the Company
- has not within the last three years been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment
- within the last three years has not been a principal or employee of a material\* professional advisor or a material\* consultant to the Company or another group member
- is not a material\* supplier or client of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material\* supplier or client
- has no material\* contractual relationship with the Company or another group member other than as a director of the Company
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially\* interfere with the director's ability to act in the best interests of the Company

\* the board considers, 'material', in this context, to be where any director-related business relationship has represented or is likely in future to represent the lesser of at least 10% of the relevant segment's or the director-related business's revenue. The board considered the nature of the relevant industries' competition, and the size and nature of each director related business relationship, in arriving at this threshold.

**Audit Committee**

The Audit Committee has a documented charter, approved by the board. All members must be independent non-executive directors. The Chairman of the Audit Committee may not be the Chairman of the board. The committee advises on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Consolidated Entity.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)**

The members of the Audit Committee during the year were:

- Mr Norman Craig, FCA (Chairman) – Independent Non-Executive
- Mr Stuart Gregory, CPA – Independent Non-Executive

The Audit Committee only comprises two members, which is not in line with the Best Practice Recommendation 4.3 set by the ASX Corporate Governance Council. Due to the size of the Company and the number of non-executive directors it is currently not possible to comply with Recommendation 4.3. The external auditors, the Chief Executive Officer and Chief Financial Officer are invited to Audit Committee meetings at the discretion of the committee. The committee met 4 times during the year and attendance is recorded on page 8 of this report. The Chief Executive Officer and the Chief Financial Officer declared in writing to the board that the Company's financial reports for the year ended 30 June 2009 present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. This statement is required annually and is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the board.

The Audit Committee's charter is available on the Company's website. Information on procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners is on the Company's website.

The responsibilities of the Audit Committee include reporting to the board on:

- reviewing the annual and half year financial reports and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and generally accepted accounting principles, and assessing whether the financial information is adequate for shareholder needs
- assessing management processes supporting external reporting
- assessing corporate risk assessment processes
- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. The external auditor provides an annual declaration of independence as set out in APES 110 Code of Ethics for professional Accountants
- reviewing the nomination and performance of the external auditor
- establishing procedures for selecting, appointing, and if necessary, removing the external auditor
- assessing the adequacy of internal control framework and the Company's code of ethical standards
- monitoring the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements
- addressing any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, ASX and financial institutions.

The Audit Committee reviews the performance of the external auditors on an annual basis and normally meets with them during the year to:

- discuss the external audit plans, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed
- review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, and to recommend board approval of these documents, prior to announcement of results

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)**

- finalise half-year and annual reporting to:
  - review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made
  - review the draft financial report and recommend board approval of the financial report
- as required, to organise, review and report on any special reviews or investigations deemed necessary by the board

**Risk Management**

***Oversight of the risk management system***

Management has established and implemented a fully comprehensive formal Risk Management System for assessing, monitoring and managing operational, financial reporting and compliance risks for the Consolidated Entity. The Chief Executive Officer and the Chief Financial Officer declare annually, in writing to the board, that the financial reporting risk management and associated compliance and controls have been assessed and found to be operating efficiently and effectively in all material respects.

***Risk management and compliance and control***

The Consolidated Entity strives to ensure that its services are of the highest standard. Towards this aim it has undertaken a program to achieve AS/NZS ISO 9002 standards for each of its business segments.

The board is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities.

Comprehensive practices have been established to ensure:

- capital expenditure and revenue commitments above a certain size obtain prior board approval
- occupational health and safety standards and management systems are monitored and reviewed to achieve high standards of performance and compliance with regulations
- business transactions are properly authorised and executed
- financial reporting accuracy and compliance with the financial reporting regulatory framework (see below)
- environmental regulation compliance (see below)

***Financial reporting***

Monthly actual results are reported against budgets approved by the directors and revised forecasts for the year are prepared regularly

***Environmental regulation***

The Consolidated Entity's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

***Ethical Standards***

All directors, managers and employees are expected to observe the highest standards of corporate and individual integrity and objectivity, striving at all times to enhance the reputation and performance of the Consolidated Entity. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. The board reviews the Directors' Code of Ethics and the Code of Conduct for Transactions in securities regularly and processes are in place to promote and communicate these policies. A formal code of conduct for employees has been given to all Directors and Employees.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**CORPORATE GOVERNANCE STATEMENT (CONTINUED)**

***Conflict of interest***

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company.

Where the board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Details of director related entity transactions with the Company and Consolidated Entity are set out in Note 28 to the financial statements.

***Trading in general company securities by directors and employees***

The key elements of the Code of Conduct for Transactions in Company Securities by Directors and Employees are:

- identification of those restricted from trading – directors and all staff may acquire shares in the Company, but are prohibited from dealing in Company shares:
  - during the five week period preceding the announcement of half-year and annual results to the Australian Stock Exchange ("ASX")
  - whilst in possession of price sensitive information not yet released to the market
- requiring details to be provided of intended trading in the Company's shares and approval to be given
- details may be required to be provided of the subsequent confirmation of the trade
- identification of processes for unusual circumstances where discretion may be exercised in cases such as financial hardship.

The policy is reproduced in full on the Company's website.

***Communication with shareholders***

The board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters on a timely basis that may have a material effect on the price of the Company's securities, ensuring the matters are factual and expressed in a clear and factual way, notifying the ASX, posting them on the Company's website, and issuing media releases. The Chief Executive Officer and Company Secretary of the Company are accountable for ensuring adherence to the Continuous Disclosure Policy. Details of the policy are available on the Company's website.

Consistent with the Continuous Disclosure Policy, LandMark White is committed to communicating with shareholders in an effective and timely manner, so as to provide them with ready access to information relating to LandMark White. LandMark White maintains an extensive website ([www.lmw.com.au](http://www.lmw.com.au)).

Shareholders are encouraged to attend and participate in general meetings of the Company. Shareholders are provided with details of any proposed meetings well in advance of the relevant dates. The external auditor will attend any Annual General Meeting and be available to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**REMUNERATION REPORT- AUDITED**

**Remuneration Committee**

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

The members of the Remuneration Committee during the year were:

- Mr Glen White (Chairman) – Non-independent and non-executive
- Mr David Hobart – Independent and non-executive
- Mr Stuart Gregory - Independent and non-executive

**Remuneration policies**

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced directors and senior executives. Remuneration packages of executives and the Chief Executive Officer include a mix of fixed remuneration and performance-based remuneration. The executive remuneration structures set out below are designed to attract suitably qualified candidates, and to effect the broader outcome of increasing the Consolidated Entity's net profit attributable to members of the parent entity.

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

Non-executive directors do not receive any retirement benefits.

The board considers that the above performance-linked remuneration structure is generating the desired outcome even in the very difficult trading conditions that have been experienced during the past twelve months due to the global economic crisis.

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

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Services revenue	23,562,751	30,099,079	27,987,338	20,543,920	17,645,704
Net profit/(loss) to equity holders of the company	(635,467)	2,107,717	1,755,156	1,743,534	1,443,961
Dividends declared (per share)	\$0.02	\$0.058	\$0.052	\$0.050	\$0.045
Share price at the end of the period	\$0.26	\$0.62	\$0.65	\$0.65	\$0.63
Change in share price	(\$0.36)	(\$0.03)	-	\$0.02	(\$0.03)

Remuneration and other terms of employment for the executive directors and senior management are formalised in service contracts. Senior management contracts are for an unlimited period but are capable of termination on 3 months notice, or by making payment equal to 3 months pay in lieu of notice. Mr Bradley Piltz, chief executive officer, has a contract for an unlimited period which may be terminated with 24 months

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2009**

**REMUNERATION REPORT- AUDITED (CONTINUED)**

notice, or by making payment equal to 24 months pay in lieu of notice. The terms of remuneration are designed to align senior management compensation with the interests of shareholders by including performance related bonuses. These payments are linked to the achievement of individual and company objectives which are relevant to meeting LandMark White's overall goals.

Non-executive directors are paid an annual fee for their service on the board and committees which is determined by the Remuneration Committee. Total remuneration for all non-executive directors is not to exceed \$400,000 per annum. The non-executive directors' total fees for the year were \$250,771. These fees include statutory superannuation. Non-executive directors do not receive bonuses nor are they currently entitled to be issued with further options on securities in the Company.

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

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2009

REMUNERATION REPORT- AUDITED (CONTINUED)

**Directors' and senior executive officers' remuneration**

Details of the nature and amount of each major element of the remuneration of each Director of the Company and the Consolidated Entity's senior executives and each of the five named executives receiving the highest remuneration are:

Directors	Year	Short term		Post-employment		Equity compensation		Other fees (C) \$	Movement in annual leave & long service leave provision	Total \$	Proportion of remuneration performance related (%)	Value of options as proportion of remuneration (%)
		Salary and fees \$	Bonus (B) \$	Superannuation benefits \$	Options (A) \$							
<b>Non-executive</b>												
Mr G White - Chairman	2009	68,637	-	6,177	-	-	(5,764)	69,050	-	-	-	-
Mr N Craig	2009	38,903	-	3,501	-	-	(1,249)	41,155	-	-	-	-
Mr S Gregory	2009	38,903	-	3,501	-	-	(1,561)	40,843	-	-	-	-
Mr D Hobart	2009	53,815	-	4,740	27,243	-	(390)	85,408	-	-	31.9%	-
Mr A Meakin (23/02/2009-30/06/2009)	2009	-	-	-	-	-	-	14,315	-	14,315	-	-
<b>Executive</b>												
Mr B Piltz – CEO	2009	233,303	22,548	21,227	-	-	457	277,535	-	8.1%	-	-

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2009

REMUNERATION REPORT- AUDITED (CONTINUED)

Directors' and senior executive officers' remuneration (continued)

Executive officers	Year	Short term Salary and fees \$	Bonus (B) \$	Post-employment Superannuation benefits \$	Equity compensation Options (A) \$	Other fees (C) \$	Movement in annual leave & long service leave provision \$	Total \$	Proportion of remuneration performance related (%)	Value of options as proportion of remuneration (%)
<b>The Company</b>										
Mr G Coonan – Chief Operating Officer	2009	173,086	-	14,606	-	-	7,575	195,267	-	-
Mr I Bangs – Chief Financial Officer	2009	71,361	-	6,422	-	40,560	7,479	125,822	-	-
<b>Consolidated – Top 5 remunerated executives of the Consolidated Entity</b>										
Mr J McEvoy - Director, LandMark White (Brisbane) Pty Ltd	2009	185,038	152,480	29,411	-	-	(1,668)	365,261	41.7%	-
Mr B McFarlane - Director, LandMark White (Brisbane) Pty Ltd	2009	182,034	151,850	29,863	-	-	(5,412)	358,335	42.4%	-
Mr J Muchall - Director, LandMark White (Gold Coast) Pty Ltd	2009	184,312	109,214	25,517	-	-	(5,437)	313,606	34.8%	-
Mr T Hodge - Director, LandMark White (NSW) Pty Ltd	2009	178,193	58,424	21,296	-	-	748	258,661	22.6%	-
Mr B Fatouros - Director, LandMark White (NSW) Pty Ltd	2009	179,514	58,424	19,975	-	-	11,323	269,236	21.7%	-

Key Management Personnel who are not Directors are Mr I Bangs and Mr G Coonan. The Company has no other senior executive officers.

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2009

REMUNERATION REPORT- AUDITED (CONTINUED)  
Directors' and senior executive officers' remuneration (continued)

Directors	Year	Short term		Post-employment		Equity compensation		Movement in		Proportion of remuneration performance related	Value of options as proportion of remuneration
		Salary and fees \$	Bonus (B) \$	Superannuation benefits \$	Options (A) \$	annual leave and long service leave provisions \$	Total \$				
<b>Non-executive</b>											
Mr G White - Chairman	2008	87,156	-	8,146	-	2,938	98,240	-	-	-	
Mr N Craig	2008	41,284	-	3,858	-	471	45,613	-	-	-	
Mr S Gregory	2008	41,284	-	3,858	-	783	45,925	-	-	-	
Mr D Hobart	2008	55,046	-	5,097	-	106	60,249	-	-	-	
<b>Executive</b>											
Mr B Piltz – CEO	2008	240,184	2,151	20,677	-	(3,618)	259,394	0.8%	-	-	

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2009

REMUNERATION REPORT- AUDITED (CONTINUED)  
Directors' and senior executive officers' remuneration (continued)

Executive officers	Year	Short term	Post-employment	Equity compensation	Other fees (C)	Movement in annual leave and long service leave provision	Total \$	Proportion of remuneration performance related	Value of options as proportion of remuneration
		Salary and fees \$	Bonus (B) \$	Superannuation benefits \$	Options (A) \$				
<b>The Company</b>									
Mr G Coonan - Chief Operating Officer (17/3/08-30/6/2008)	2008	184,378	-	16,223	89,151	(819)	288,933	-	30.9%
Mr J Clements - Chief Financial Officer (1/7/2007 - 2/1/2007)	2008	49,259	-	4,895	-	(10,992)	43,162	-	-
Mr R Stewart Moore - Chief Financial Officer - (3/1/2007 - 21/5/2008)	2008	74,454	-	5,097	-	-	79,551	-	-
Mr I Bangs - Chief Financial Officer (21/5/2008 - 30/6/2008)	2008	923	-	83	-	6,240	7,246	-	-
<b>Consolidated - Top 5 remunerated executives of the Consolidated Entity</b>									
Mr B McFarlane - Director, LandMark White (Brisbane) Pty Ltd	2008	184,462	288,991	42,586	-	24,172	540,211	53.5%	-
Mr J McEvoy - Director, LandMark White (Brisbane) Pty Ltd	2008	185,138	158,254	30,207	15,106	27,032	415,737	38.1%	3.6%
Mr F Bentley - Director, LandMark White (Brisbane) Pty Ltd	2008	184,693	159,404	30,581	-	15,472	390,150	40.9%	-
Mr J Muchall - Director, LandMark White (Gold Coast) Pty Ltd	2008	184,312	114,178	25,996	-	23,078	347,564	32.9%	-
Mr R Bransdon - Director, LandMark White (NSW) Pty Ltd	2008	137,615	142,075	25,648	-	(4,584)	300,754	47.2%	-

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2009

REMUNERATION REPORT- AUDITED (continued)

Directors' and senior executive officers' remuneration (continued)

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

**(A) Analysis of options included in remuneration**

The fair value of the options is calculated at the date of grant using a Black-Scholes model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the proportion of the fair value of the options allocated to this reporting period. In valuing the options market conditions have been taken into account in both the current and prior periods.

The following factors and assumptions were used in determining the fair value of options on grant date:

Grant Date	Expiry Dates	Exercise price	Price of shares on grant date	Estimated volatility	Risk free interest rate	Dividend yield	Fair Value per option
30 December 2005 <sup>1</sup>	1 July 2012 to 1 July 2015	\$0.59	\$0.58	40%	6.75%	11.02%	\$0.04
30 August 2007 <sup>2</sup>	30 June 2008	\$0.85	\$0.66	40%	6.75%	9.85%	\$0.09

<sup>1</sup> During the year, nil options vested as a result of performance conditions not being met.

<sup>2</sup> The 1,000,000 options granted on 30 August 2007 were forfeited during the 2008 year as performance conditions were not met.

**(B) Analysis of bonuses included in remuneration**

Details of the vesting profile of short-term incentive cash bonuses awarded as remuneration to each director of the Company, the Consolidated Entity's senior executives and each of the five named executives receiving the highest remuneration who received short term incentive bonuses is detailed below:

**Short term incentive bonus**

	Included in remuneration \$	% vested in year	% forfeited in year
<b>Directors</b>			
Mr Brad Piltz	22,548	100%	-
<b>Executives</b>			
<b>Consolidated</b>			
Mr J McEvoy	152,480	100%	-
Mr B McFarlane	151,850	100%	-
Mr J Muchall	109,214	100%	-
Mr T Hodge	58,424	100%	-
Mr B Fatouros	58,424	100%	-

Amounts included in remuneration for the financial year represents the amount that vested in the financial year based on achievement of personal goals and satisfaction of specified performance criteria. No amounts vest in future financial years in respect of the short-term incentive bonus schemes for the 2009 financial year.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**REMUNERATION REPORT- AUDITED (continued)**

**(C) Analysis of other remuneration**

Mr Andrew Meakin's fees were invoiced by a company related to Mr Meakin.

Mr Ian Bangs was employed by IFC Capital Limited and the Consolidated Entity paid a monthly consultancy fee to IFC Capital Limited until 15 January 2009 for services rendered in his role as Chief Financial Officer. From that date he was paid directly by the Company as he is now employed by the Consolidated Entity as Company Secretary and Chief Financial Officer.

**Analysis of share based payments granted as remuneration**

During the year, nil options have been granted as remuneration to directors of the Company, and no options were issued to the Company and Consolidated Entity's senior executives or each of the five named executives receiving the highest remuneration

**Analysis of movements in options**

During the year, no options over ordinary shares in LandMark White Limited have been granted to a Company director or the Company and Consolidated Entity's senior executives or each of the five named executives receiving the highest remuneration and no options have been exercised, by the executives. Options which lapsed had no value.

**Option Plan - Share Based Payments**

The directors at their discretion allocate share options that entitle key management personnel and senior employees to purchase shares in the entity. The terms of the options including vesting conditions and performance criteria vary depending upon the incentive arrangements appropriate for key management personnel and senior.

**Contracted Commitment**

Salary commitments under a non-cancellable employment contract for the CEO, Brad Piltz not provided for in the financial statements and payable as follows:

	\$
Within one year	260,000
One year or later and no later than five years	260,000
Later than five years	-
	<u>520,000</u>

For other named senior executives, the Consolidated Entity's liability for early termination of employment contracts, beyond normal termination notices are considered remote.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**PRINCIPAL ACTIVITIES**

The principal activity of the Company and Consolidated Entity during the course of the financial year was property valuation. On 3 September 2008, the company announced the launch of a new property funds management business, LMW Invest. The business will focus on creating investment opportunities for retail investors with a bias towards the commercial property sector along with industrial, retail, development, tourism and infrastructure assets.

There were no significant other changes in the nature of the activities of the Company and Consolidated Entity during the year.

**OPERATING AND FINANCIAL REVIEW**

The consolidated loss for the 12 months ended 30 June 2009 from ordinary activities after income tax attributable to equity holders of the company amounted to \$635,467 which was a decrease of \$2,743,184 from the profit recorded in the previous year. A detailed review of operations is contained in the review from the Chairman and CEO included in this Annual Report.

**DIVIDENDS**

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

Type	Cents per share	Total Amount \$	Franked/ Unfranked	Date of payment
<i>Declared and paid during the year:</i>				
	3.3	910,429	Franked at tax rate of 30%	7 October 2008
<i>Declared after end of year:</i>				
	2.0	551,776	Franked at tax rate of 30%	7 October 2009

The financial effect of the dividend declared after year end has not been brought to account in the financial statements for the year ended 30 June 2009.

**EVENTS SUBSEQUENT TO REPORTING DATE**

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 Consolidated Entity, the results of those operations, or the state of affairs of the Consolidated Entity, in future financial years.

**STATE OF AFFAIRS**

On 3 September 2008, the company announced the launch of a new property funds management business, **LMW Invest**. The business will focus on creating investment opportunities for retail investors, with a bias towards the commercial property sector along with industrial, retail, development, tourism and infrastructure assets.

Other than the matters described above and in this report, there were no significant changes in the state of affairs of the Company or Consolidated Entity that occurred during the year under review.

**LIKELY DEVELOPMENTS**

Refer to the Chairman's and CEO's review included in this Annual Report.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**DIRECTORS' INTERESTS**

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

	<b>Ordinary Shares</b>	<b>Options over Ordinary Shares</b>
Mr G White	10,093,004	-
Mr B Piltz	6,813,369	-
Mr S Gregory	129,000	-
Mr N Craig	29,000	-
Mr D Hobart	-	-
Mr A Meakin	-	-

**SHARE OPTIONS**

**Employee Options**

No options over unissued ordinary shares in LandMark White Limited have been granted during or since the end of the financial year, to the directors or to the five most highly remunerated officers of the Company and Consolidated Entity.

**Unissued shares under option**

At the date of this report unissued shares of the Company under option are:

<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Number of options</b>
1 July 2012	\$0.59	400,000
1 July 2013	\$0.59	400,000
1 July 2014	\$0.59	400,000
		<u>1,200,000</u>

All options expire on the earlier of their expiry date or the termination of the employees' employment. These options do not entitle the holder to participate in any share issue of the Company.

**Shares issued on exercise of options**

50,000 options were exercised during the year by staff members. No other ordinary shares have been issued as a result of the exercise of options.

**INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS**

**Indemnification**

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

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

**Insurance Premiums**

Since the end of the previous financial period, the Company has paid premiums in respect of Directors and Officers liability insurance, for all past, present, or future director, secretary, officer or employee of the Company and its controlled entities. Conditions of the Insurance policy restrict disclosure of the premium amount.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2009**

The insurance premiums relate to:

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

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

**LEAD AUDITORS INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

The Lead auditor's independence declaration is set out on page 25 and forms part of the Directors' Report for the financial year ended 30 June 2009.

**NON-AUDIT SERVICES**

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

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

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

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

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Statutory audit</b>		
Auditors of the Company		
- audit and review of financial reports	123,700	78,500
<b>Services other than statutory audit</b>		
<b>Other services</b>		
- Taxation services	24,609	6,500

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



Brad Piltz  
Chief Executive Officer  
Dated at Sydney this 4th day of September 2009



**LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

To: the directors of LandMark White Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 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.

A handwritten signature in blue ink that reads 'KPMG'.

KPMG

A handwritten signature in blue ink that appears to read 'S J Board'.

S J Board  
*Partner*

Bundall  
4 September 2009

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**INCOME STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Note	Consolidated		Company	
		2009	2008	2009	2008
		\$	\$	\$	\$
Revenue from rendering of services	4	23,562,751	30,099,079	2,287,631	1,942,883
<b>Expenses from ordinary activities:</b>					
Employee expenses		17,097,928	21,146,394	1,896,554	1,748,748
Valuation reports presentation expenses		1,295,542	1,211,360	191,825	133,445
Marketing expenses		382,231	472,606	16,336	16,426
Administration expenses		1,883,878	1,345,972	269,440	46,717
Occupancy expenses		1,504,334	1,499,582	99,812	104,033
Depreciation and amortisation expenses		617,580	607,675	285,752	273,365
Impairment losses	10,12,15,16	414,794	-	1,994,529	217,718
Other expenses from ordinary activities	10	986,809	945,641	112,780	77,103
<b>Results from operating activities</b>		<b>(620,345)</b>	<b>2,869,849</b>	<b>(2,579,397)</b>	<b>(674,672)</b>
Net finance income	6	64,177	138,590	1,006,097	966,412
<b>Profit/(loss) before tax</b>		<b>(556,168)</b>	<b>3,008,439</b>	<b>(1,573,300)</b>	<b>291,740</b>
Income tax expense/(benefit)	7	173,192	907,189	(88,444)	(104,633)
<b>Profit/(loss) for the year</b>		<b>(729,360)</b>	<b>2,101,250</b>	<b>(1,484,856)</b>	<b>396,373</b>
<b>Attributable to:</b>					
Equity holders of the company		(635,467)	2,107,717	(1,484,856)	396,373
Minority interest		(93,893)	(6,467)	-	-
<b>Profit/(loss) for the year</b>		<b>(729,360)</b>	<b>2,101,250</b>	<b>(1,484,856)</b>	<b>396,373</b>
Basic earnings per share	8	(0.0230)	0.0766		
Diluted earnings per share	8	(0.0230)	0.0761		

*The Income Statements are to be read in conjunction with the notes to and forming part of the financial statements.*

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**STATEMENTS OF RECOGNISED INCOME AND EXPENSE**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	Note	Consolidated		Company	
		2009 \$	2008 \$	2009 \$	2008 \$
<b>Profit/(loss) for the period</b>		(729,360)	2,101,250	(1,484,856)	396,373
<b>Total recognised income and expense for the period</b>		<u>(729,360)</u>	<u>2,101,250</u>	<u>(1,484,856)</u>	<u>396,373</u>
<b>Attributable to:</b>					
Equity holders of the company		(635,467)	2,107,717	(1,484,856)	396,373
Minority interest		<u>(93,893)</u>	<u>(6,467)</u>	<u>-</u>	<u>-</u>
		<u>(729,360)</u>	<u>2,101,250</u>	<u>(1,484,856)</u>	<u>396,373</u>

There were no items of recognised income and expenses other than the profit/(loss) for the year.

*The Statements of Recognised Income and Expense are to be read in conjunction with the notes to and forming part of the financial statements.*

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

BALANCE SHEETS  
AS AT 30 JUNE 2009

		Consolidated		Company	
	Note	2009	2008	2009	2008
		\$	\$	\$	\$
<b>Assets</b>					
Cash and cash equivalents	9	2,156,035	2,119,080	903,378	1,280,859
Trade and other receivables	10	2,612,293	4,186,466	635,622	-
Current tax assets	13	413,072	188,144	407,874	158,696
Inventories	11	195,229	212,757	-	-
Other		193,730	255,416	173,748	211,318
<b>Total current assets</b>		<b>5,570,359</b>	<b>6,961,863</b>	<b>2,120,622</b>	<b>1,650,873</b>
Receivables	10	-	-	-	2,141,201
Investments	12	-	-	5,507,932	6,420,005
Deferred tax assets	14	576,085	535,159	73,520	54,942
Term deposits and other		427,517	426,994	295	295
Property, plant and equipment	15	918,349	1,142,563	262,622	474,547
Intangible assets	16	4,917,986	5,112,779	-	-
<b>Total non-current assets</b>		<b>6,839,937</b>	<b>7,217,495</b>	<b>5,844,369</b>	<b>9,090,990</b>
<b>Total assets</b>		<b>12,410,296</b>	<b>14,179,358</b>	<b>7,964,991</b>	<b>10,741,863</b>
<b>Liabilities</b>					
Trade and other payables	17	2,672,863	3,519,992	4,152,254	4,609,481
Employee benefits	18	1,268,450	1,236,215	131,736	107,281
Provisions	19	198,407	-	-	-
<b>Total current liabilities</b>		<b>4,139,720</b>	<b>4,756,207</b>	<b>4,283,990</b>	<b>4,716,762</b>
Employee benefits	18	223,604	282,064	6,983	10,451
Provisions	19	518,175	-	27,153	-
<b>Total non current liabilities</b>		<b>741,779</b>	<b>282,064</b>	<b>34,136</b>	<b>10,451</b>
<b>Total liabilities</b>		<b>4,881,499</b>	<b>5,038,271</b>	<b>4,318,126</b>	<b>4,727,213</b>
<b>Net assets</b>		<b>7,528,797</b>	<b>9,141,087</b>	<b>3,646,865</b>	<b>6,014,650</b>
<b>Equity</b>					
Issued capital	20	6,007,924	5,980,424	6,007,924	5,980,424
Reserves	20	40,450	40,450	40,450	40,450
Retained earnings	20	1,438,030	2,983,926	(2,401,509)	(6,224)
<b>Total equity attributable to equity holders of the Company</b>		<b>7,486,404</b>	<b>9,004,800</b>	<b>3,646,865</b>	<b>6,014,650</b>
<b>Minority Interest</b>	20	42,393	136,287	-	-
<b>Total equity</b>	20	<b>7,528,797</b>	<b>9,141,087</b>	<b>3,646,865</b>	<b>6,014,650</b>

The Balance Sheets are to be read in conjunction with the notes to and forming part of the financial statements.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

		<b>Consolidated</b>		<b>Company</b>	
<b>Cash flows from operating activities</b>	<b>Note</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Cash receipts in the course of operations		25,154,439	30,706,441	3,253,577	5,919,979
Cash payments in the course of operations		(23,754,639)	(27,913,132)	(2,969,622)	(2,585,350)
Interest received		80,572	153,622	47,492	88,912
Income tax paid		(439,046)	(1,125,977)	(433,846)	(1,096,528)
<b>Net cash provided by/(used in) operating activities</b>	<b>27</b>	<b>1,041,326</b>	<b>1,820,954</b>	<b>(102,399)</b>	<b>2,327,013</b>
<b>Cash flows from investing activities</b>					
Payments for property, plant and equipment		(104,524)	(170,328)	(46,776)	(244,009)
Receipts from controlled entities		-	-	1,413,285	418,400
Payments to controlled entities		-	-	(462,168)	(619,455)
Investments in subsidiaries		-	-	(280,099)	-
Funds placed on security (deposit)/withdrawn		(523)	15,876	-	-
<b>Net cash provided by/(used in) investing activities</b>		<b>(105,047)</b>	<b>(154,452)</b>	<b>624,242</b>	<b>(445,064)</b>
<b>Cash flows from financing activities</b>					
Proceeds from share issues		27,500	46,750	27,500	46,750
Interest paid		(16,395)	-	(16,395)	-
Dividends paid		(910,429)	(1,514,484)	(910,429)	(1,514,484)
<b>Net cash provided by/(used in) financing activities</b>		<b>(899,324)</b>	<b>(1,467,734)</b>	<b>(899,324)</b>	<b>(1,467,734)</b>
Net increase/(decrease) in cash held		36,955	198,768	(377,481)	414,215
Cash at beginning of the financial year		2,119,080	1,920,312	1,280,859	866,644
<b>Cash at the end of the financial year</b>	<b>9</b>	<b>2,156,035</b>	<b>2,119,080</b>	<b>903,378</b>	<b>1,280,859</b>

*The Statements of Cash Flows are to be read in conjunction with the notes to and forming part of the financial statements.*

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

LandMark White Limited (the 'Company') is a company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2009 comprises the Company and its subsidiaries (together referred to as the 'Consolidated Entity'). The principal business activities of the Company are commercial and residential property valuations and funds management.

The financial report was authorised for issue by the directors on 4 September 2009.

**(a) Statement of compliance**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial reports of the Consolidated Entity and the Company comply with International Financial Reporting Standards ('IFRS') and interpretations adopted by the International Accounting Standards Board ('IASB').

**(b) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis.

**(c) Functional and presentation currency**

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

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 entities within the Consolidated Entity.

**(d) Use of estimates and judgements**

The preparation of financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below.

*Impairment of goodwill and intangibles with indefinite useful lives*

The Consolidated Entity assesses whether goodwill and intangibles with indefinite useful lives are impaired at least annually in accordance with the accounting policy in notes (h) and (l). These calculations involve an estimation of the recoverable amount of the cash-generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

*Provisions*

The Consolidated Entity assesses whether a provision should be raised at balance date to settle future potential obligations. The calculation for determining the amount of the provision is based on the potential loss from the future obligation and the likelihood of the company incurring that obligation.

*Impairment of investments in controlled entities*

The Company assesses whether its investments in and loans receivable from controlled entities are impaired at least annually in accordance with the accounting policy in note (l). These calculations involve an estimation of the future cash flows expected to be derived from the respective subsidiary in comparison to the carrying value of investments and loans receivable recorded by the Company.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) New standards and interpretations not yet adopted**

- Revised AASB 3 *Business Combinations* (2008) incorporates the following changes that are likely to be relevant to the Consolidated Entity's operations:
  - The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations
  - Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss
  - Transaction costs, other than share and debt issue costs, will be expensed as incurred
  - Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss
  - Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

Revised AASB 3, which becomes mandatory for the Consolidated Entity's 30 June 2010 financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Consolidated Entity's 2010 consolidated financial statement.

- Amended AASB 127 *Consolidated and Separate Financial Statements* (2008) requires accounting for changes in ownership interests by the Consolidated Entity in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Consolidated Entity loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to AASB 127, which become mandatory for the Consolidated Entity's 30 June 2010 financial statements, are not expected to have a significant impact on the consolidated financial statements.
- AASB 8 *Operating Segments* introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Consolidated Entity's 30 June 2010 financial statements, will require a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Consolidated Entity's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Consolidated Entity presents segment information in respect of its business and geographical segments (see note 4). The Consolidated Entity has not yet determined the potential effect of this standard.
- Revised AASB 101 *Presentation of Financial Statements* (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the Consolidated Entity's 30 June 2010 financial statements, is expected to have a significant impact on the presentation of the consolidated financial statements. The Consolidated Entity plans to provide total comprehensive income in a single statement of comprehensive income in a single statement of comprehensive income for its 2010 consolidated financial statements.
- AASB 2008-1 *Amendments to Australian Accounting Standard – Share-based Payment: Vesting Conditions and Cancellations* clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to AASB 2 will be mandatory for the Consolidated Entity's 30 June 2010 financial statements, with retrospective application. The Consolidated Entity has not yet determined the potential effect of the amendment.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(e) New standards and interpretations not yet adopted**

- *AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process* and *2008-6 Further Amendments to Australian Accounting Standards arising from The Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Consolidated Entity's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.
- *AASB 2008-7 Amendments to Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* changes the recognition and measurement dividend receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statements. The amendments become mandatory for the Consolidated Entity's 30 June 2010 financial statements. The Consolidated Entity has not yet determined the potential effect of the amendments.

**(f) Basis of consolidation**

**(i) Subsidiaries**

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements less impairment losses.

**(ii) 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.

**(g) Property, plant and equipment**

**(i) Recognition and measurement**

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy (l)). The cost of property, plant and equipment at 1 July 2004, the Consolidated Entity's date of transition to AASBs, was determined by reference to its fair value at that date.

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 on 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 net within "other income" in profit and loss.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(g) Property, plant and equipment (continued)**

**(ii) Subsequent costs**

The Consolidated Entity recognises in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs are recognised in the income statement as an expense as incurred.

**(iii) Depreciation**

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

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

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

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

**(h) Intangible assets**

**(i) Goodwill**

***Business combinations***

**Acquisitions prior to 1 July 2003**

Goodwill is included on the basis of its deemed cost, which included an annual assessment of impairment, which represents the amount recorded under previous GAAP. The classification and accounting treatment of business combinations that occurred prior to 1 July 2003 has not been reconsidered in preparing the Consolidated Entity's opening AIFRS balance sheet at 1 July 2004.

**Acquisitions since 1 July 2003**

All business combinations are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the fair value of the net identifiable assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is no longer amortised but is tested annually for impairment (see accounting policy (l)).

Where Goodwill includes amounts that are payable contingent on the achievement of performance targets, the Company reviews its performance annually and if the estimate of the amount payable needs to be revised it adjusts the cost of the business combination accordingly.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(h) Intangible assets (continued)**

**(ii) Subsequent expenditure**

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

**(i) Trade and other receivables**

**Other trade and other receivables**

Trade and other receivables are stated at their amortised cost less impairment losses (see accounting policy (i)).

**(j) Work in progress**

Client engagements in progress at balance date are recorded in the Balance Sheet as an asset and revenue in the Income Statement, based on the stage of completion of the engagement. Payments in advance are recognised as unearned income until the services are provided.

**(k) Cash and cash equivalents**

Cash and cash equivalents comprise cash balances, short term bills and call deposits. The Consolidated entity does not have Bank overdrafts or loans facilities in place

**(l) Impairment**

**(i) Financial assets**

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.

All impairment losses are recognised in profit or loss. 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.

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 Consolidated Entity's non-financial assets, other than inventories and 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, recoverable amount is estimated at each reporting date.

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) **Impairment (continued)**

(ii) **Non-financial assets (continued)**

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.

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.

(m) **Share capital**

Ordinary shares are classified as equity.

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

(n) **Employee benefits**

(i) **Wages, salaries, annual leave and non-monetary benefits**

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, are calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits are expensed based on the net marginal cost to the Consolidated Entity as the benefits are taken by the employees.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(n) Employee benefits (continued)**

**(ii) Other long-term employee benefits**

The Consolidated Entity'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, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on government bonds that have maturity dates approximating the terms of the Consolidated Entity's obligations. Any actuarial gains or losses are recognised in profit or loss in the period in which they arise.

**(iii) Share based payment transactions**

The fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except where forfeiture is only due to share prices not achieving the threshold for vesting.

**(iv) Defined contribution plans**

A defined contribution plan is a post-employment benefit under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as a personnel expense in profit or loss when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

**(o) Provisions**

A provision is recognised in the balance sheet when the Consolidated Entity has a present legal or constructive obligation as a result of a past event, 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, where appropriate, the risks specific to the liability.

**(p) Leased assets**

Leases in terms of which the Consolidated Entity assumes substantially all the risks and rewards of ownership are classified as finance leases.

Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance to that asset.

Other leases are operating leases and the leased assets are not recognised on the Consolidated Entity's balance sheet.

**(q) Trade and other payables**

Trade and other payables are stated at their amortised cost. Trade payables are non-interest bearing and are normally settled on 30-day terms.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(r) Revenue and other income**

**Goods sold and services rendered**

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

**Rendering of services**

Revenue from the rendering of services is recognised in the period in which the services are provided: where it is probable that the compensation will flow to the entity; the amount to be received can be reliably measured; and the state of completion of the contract can be reliably measured.

**(s) Expenses**

**(i) Operating lease payments**

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

**(ii) Net financing income**

Finance income comprises interest income on funds invested and dividend income. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the Consolidated Entity's right to receive payment is established.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

**(t) Income tax**

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement 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 balance sheet date, and any adjustment to tax payable in respect of previous years.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

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

**(i) Tax consolidation**

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

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(t) Income tax (continued)**

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

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the 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 tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity receivable (payable) equal in amount to the tax liability (asset) assumed. The inter-entity receivable (payable) are at call.

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

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

**(u) 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.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**(v) Financial instruments**

**Non-derivative financial instruments**

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described in notes (i), (k), (l) and (q).

Accounting for finance income and expense is discussed in note s(ii).

**(w) Earnings per share**

The Consolidated Entity 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 Company 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 share options granted to employees. Ordinary shares outstanding are anti-dilutive for any year that a loss is incurred.

**(x) Segment reporting**

A segment is a distinguishable component of the consolidated group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segment information is presented in respect of the Consolidated Entity's business and geographical segments. The Consolidated Entity's primary format for segment reporting is based on business segments. The business segments are determined based on the Consolidated Entity's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**2. DETERMINATION OF FAIR VALUES**

A number of the Consolidated Entity'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. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**(a) 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.

**(b) Intangible assets**

The fair value of intangible assets is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

**(c) 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.

**(d) Non-derivative financial liabilities**

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

**(e) Share-based payment transactions**

The fair value of employee stock options is measured using the Black-Scholes 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.

**3. FINANCIAL RISK MANAGEMENT**

The Company and Consolidated Entity have exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk.

This note presents information about the Company's and Consolidated Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**3. FINANCIAL RISK MANAGEMENT (continued)**

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

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

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

**(i) Credit risk**

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consolidated Entity's receivables from wholesale and retail customers. For the Company it arises from inter-company loans receivable from subsidiaries.

**Trade and other receivables**

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

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

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

The Company and Consolidated Entity have established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables and investments. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**3. FINANCIAL RISK MANAGEMENT (continued)**

**(ii) Liquidity risk**

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

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

**(iii) Market risk**

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

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

**(iv) Capital management**

The board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Consolidated Entity defines as net operating income divided by total shareholders' equity, excluding minority interests. The Board of Directors also monitors the level of dividends to ordinary shareholders.

The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Consolidated Entity's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

Refer to note 22 for additional analysis.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**4. SEGMENT REPORTING**

Segment information is presented in respect of the Consolidated Entity's business segments. The Consolidated Entity's operations and clients are located entirely in Australia.

The Consolidated Entity comprises the following main business segments:

*Valuation:* The provision of valuation, research and advice services in relation to property and businesses, including Quantity Surveying.

*Funds Management:* Primarily Property Syndication and Mortgage Funds.

	<b>Valuation</b>		<b>Funds Management</b>		<b>Unallocated</b>		<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total revenues	23,113,370	29,722,324	449,381	376,755	-	-	23,562,751	30,099,079
<b>Total segment revenue</b>	<b>23,113,370</b>	<b>29,722,324</b>	<b>449,381</b>	<b>376,755</b>	<b>-</b>	<b>-</b>	<b>23,562,751</b>	<b>30,099,079</b>
<b>Segment result</b>	<b>1,224,993</b>	<b>2,897,467</b>	<b>(1,501,867)</b>	<b>(27,618)</b>	<b>(343,471)</b>	<b>-</b>	<b>(620,345)</b>	<b>2,869,849</b>
Net finance income	57,307	128,186	6,870	10,404	-	-	64,177	138,590
Income tax (expense)/benefit	(402,923)	(910,031)	229,731	2,842	-	-	(173,192)	(907,189)
<b>Profit/(loss) for the year</b>	<b>879,377</b>	<b>2,115,622</b>	<b>(1,265,266)</b>	<b>(14,372)</b>	<b>(343,471)</b>	<b>-</b>	<b>(729,360)</b>	<b>2,101,250</b>

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

4. SEGMENT REPORTING (continued)	Valuation		Funds Management		Unallocated		Consolidated	
	2009	2008	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$	\$	\$
Segment assets	11,735,747	13,867,594	674,549	311,764	-	-	12,410,296	14,179,358
<b>Total assets</b>	<b>11,735,747</b>	<b>13,867,594</b>	<b>674,549</b>	<b>311,764</b>	<b>-</b>	<b>-</b>	<b>12,410,296</b>	<b>14,179,358</b>
Segment liabilities	3,947,772	5,029,330	933,727	8,941	-	-	4,881,499	5,038,271
<b>Total liabilities</b>	<b>3,947,772</b>	<b>5,029,330</b>	<b>933,727</b>	<b>8,941</b>	<b>-</b>	<b>-</b>	<b>4,881,499</b>	<b>5,038,271</b>
Capital expenditure	51,532	120,915	4,457	4,618	-	-	55,989	125,533
Depreciation	608,717	600,356	8,863	7,319	-	-	617,580	607,675
Impairment losses on intangible assets & property, plant & equipment	-	-	414,794	-	-	-	414,794	-

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

5. AUDITOR REMUNERATION

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Audit services</b>				
Auditors of the Company – KPMG Australia				
Audit and review of the financial reports	123,700	78,500	95,000	78,500
<b>Other services</b>				
Auditors of the Company – KPMG Australia				
Taxation services	24,609	6,500	22,000	6,500
<b>Total audit services</b>	<u>148,309</u>	<u>85,000</u>	<u>117,000</u>	<u>85,000</u>

6. NET FINANCE INCOME

Interest income	80,572	153,622	47,492	88,912
Interest expense	(16,395)	(15,032)	(16,395)	-
Dividends – subsidiaries	-	-	975,000	877,500
<b>Net finance income</b>	<u>64,177</u>	<u>138,590</u>	<u>1,006,097</u>	<u>966,412</u>

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

7. INCOME TAX EXPENSE

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Recognised in the income statement</b>				
Current tax expense				
Current year	140,280	913,499	(146,470)	(171,764)
Adjustments for prior years	73,874	(71,683)	76,634	-
	<u>214,154</u>	<u>841,816</u>	<u>(69,834)</u>	<u>(171,764)</u>
Deferred tax expense				
Origination and reversal of temporary differences	(40,962)	65,373	(18,610)	67,131
	<u>(40,962)</u>	<u>65,373</u>	<u>(18,610)</u>	<u>67,131</u>
<b>Total income tax expense in income statement</b>	<u>173,192</u>	<u>907,189</u>	<u>(88,444)</u>	<u>(104,633)</u>
All income tax expense is attributable to continuing operations				
<b>Reconciliation between tax expense and pre-tax profit</b>				
Profit/(loss) before tax	(556,168)	3,008,439	(1,573,300)	291,740
Prima facie income tax expense/(benefit) calculated at 30% on the profit from ordinary activities	(166,850)	902,531	(471,990)	87,522
Increase/(decrease) in income tax expense due to:				
Entertainment	46,596	67,297	1,052	1,248
Sundry items	5,272	4,532	-	4,532
Non deductible expenses	-	4,512	-	65,315
Impairment losses	124,438	-	598,360	-
Losses not recognised	89,862	-	-	-
Non-assessable dividends	-	-	(292,500)	(263,250)
Income tax under/(over) provided in prior year	73,874	(71,683)	76,634	-
Income tax expense/(benefit) on pre-tax net profit	<u>173,192</u>	<u>907,189</u>	<u>(88,444)</u>	<u>(104,633)</u>
<b>Deferred tax asset recognised directly in equity</b>				
Relating to share issue expenses	-	24,062	-	24,062

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**8. EARNINGS PER SHARE**

***Basic earnings per share***

The calculation of basic earnings per share at 30 June 2009 was based on the loss attributable to ordinary shareholders of \$635,467 (2008: profit of \$2,107,717) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2009 of 27,577,822 (2008: 27,523,534) calculated as follows:

	<b>Consolidated</b>	
	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Profit/(loss) attributable to ordinary shareholders</b>	<u>(635,467)</u>	<u>2,107,717</u>
<b>Weighted average number of ordinary shares</b>		
Issued Ordinary Shares at 1 July	27,538,781	27,453,781
Effect of share options exercised	39,041	69,753
	<u>27,577,822</u>	<u>27,523,534</u>
Weighted average number of ordinary shares at 30 June	<u>27,577,822</u>	<u>27,523,534</u>

***Diluted earnings per share***

The calculation of diluted earnings per share at 30 June 2009 was based on the loss attributable to ordinary shareholders of \$635,467 (2008: profit of \$2,107,717) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2009 of 27,577,822 (2008: 27,686,886) calculated as follows:

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Profit/(loss) attributable to ordinary shareholders</b>	<u>(635,467)</u>	<u>2,107,717</u>
<b>Weighted average number of ordinary shares (diluted)</b>		
Weighted average number of ordinary shares at 30 June	27,577,822	27,523,534
Effect of share options on issue	-	163,352
	<u>27,577,822</u>	<u>27,686,886</u>
Weighted average number of ordinary shares (diluted) at 30 June	<u>27,577,822</u>	<u>27,686,886</u>

Options on issue are anti-dilutive for the 2009 financial year due to the loss incurred for the year.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>9. CASH AND CASH EQUIVALENTS</b>				
Cash at bank and on hand	78,771	50,063	-	19,942
Bank short term deposits and cash management at call accounts	2,077,264	2,069,017	903,378	1,260,917
Cash and cash equivalents in the statement of cash flows	<u>2,156,035</u>	<u>2,119,080</u>	<u>903,378</u>	<u>1,280,859</u>
<b>10. TRADE AND OTHER RECEIVABLES</b>				
<b>Current</b>				
Trade debtors	2,723,498	4,427,454	454,729	-
Less: provision for impairment	(111,205)	(240,988)	-	-
	<u>2,612,293</u>	<u>4,186,466</u>	<u>454,729</u>	<u>-</u>
Amounts owing from controlled entities	-	-	1,200,168	-
Less: provision for impairment	-	-	(1,019,275)	-
	<u>-</u>	<u>-</u>	<u>180,893</u>	<u>-</u>
	<u>2,612,293</u>	<u>4,186,466</u>	<u>635,622</u>	<u>-</u>
<b>Non current</b>				
Amounts owing from controlled entities	-	-	-	2,358,919
Less: provision for impairment	-	-	-	(217,718)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,141,201</u>

*Impairment*

During the year the Company determined the recoverable amount for each amount owing by a subsidiary based on the assumptions set out in note 16 and recognised an impairment loss of \$801,557 (2008: \$217,718) with respect to amounts owing from controlled entities.

During the year, a reversal of bad and doubtful debts of \$129,783 (2008: \$214,686) were recorded in the income statement and included in other expenses.

	<b>Consolidated</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>11. INVENTORIES</b>				
Work in progress	<u>195,229</u>	<u>212,757</u>	<u>-</u>	<u>-</u>

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>12. INVESTMENTS</b>				
<b>Non current</b>				
Investments in controlled entities				
Unlisted shares and loans at cost				
(refer note 25)	-	-	6,700,904	6,420,005
Less: provision for impairment	-	-	(1,192,972)	-
	<u>-</u>	<u>-</u>	<u>5,507,932</u>	<u>6,420,005</u>

Investments include long term loans provided to subsidiaries by LandMark White Limited in its capacity as a shareholder.

*Impairment*

During the year the Company determined the recoverable amount for each investment in a subsidiary based on the assumptions set out in note 16 and recognised an impairment loss of \$1,192,972 (2008: \$0) with respect to its investments in controlled entities.

**13. CURRENT TAX ASSETS AND LIABILITIES**

The current tax asset for the Consolidated Entity of \$413,072 (2008: \$188,144) and for the Company of \$407,874 (2008: \$158,696) represents the amount of income taxes receivable in respect of current and prior financial periods. In accordance with the tax consolidation legislation, the Company as the head entity of the Australian tax-consolidated group has assumed responsibility for the current tax asset/liability initially recognised by the members in the tax-consolidated group.

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

14. DEFERRED TAX ASSETS AND LIABILITIES

**Recognised deferred tax assets and liabilities**

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2009	2008	2009	2008	2009	2008
	\$	\$	\$	\$	\$	\$
<b>Consolidated</b>						
Employee provisions	476,947	490,204	-	-	476,947	490,204
Accruals	139,519	72,989	-	-	139,519	72,989
Make good provisions	18,188	-	-	-	18,188	-
Inventories	-	-	(58,569)	(63,827)	(58,569)	(63,827)
Tax losses	-	35,793	-	-	-	35,793
<b>Net tax assets/(liabilities)</b>	<b>634,654</b>	<b>598,986</b>	<b>(58,569)</b>	<b>(63,827)</b>	<b>576,085</b>	<b>535,159</b>
<b>The Company</b>						
Employee provisions	46,838	39,910	-	-	46,838	39,910
Accruals	26,100	15,032	-	-	26,100	15,032
Make good provisions	582	-	-	-	582	-
<b>Net tax assets/(liabilities)</b>	<b>73,520</b>	<b>54,942</b>	<b>-</b>	<b>-</b>	<b>73,520</b>	<b>54,942</b>

**Unrecognised deferred tax assets**

Deferred tax assets of \$89,862 have not been recognised by the Consolidated Entity in respect of tax losses at 30 June 2009. The tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Consolidated Entity can utilise the benefits therefrom.

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

14. DEFERRED TAX ASSETS AND LIABILITIES (continued)  
*Movement in temporary differences during the year*

	Consolidated				Company		
	Balance 1 July 07	Recognised in income	Recognised in equity	Balance 30 June 08	Balance 1 July 07	Recognised in income	Recognised in equity
Employee provisions	447,122	43,082	-	490,204	52,979	(13,069)	-
Accruals	205,070	(132,081)	-	72,989	45,032	(30,000)	-
Equity	24,062	-	(24,062)	-	24,062	-	(24,062)
Inventories	(111,521)	47,694	-	(63,827)	-	-	-
Tax losses	239,759	(203,966)	-	35,793	129,518	(129,518)	-
	804,492	(245,271)	(24,062)	535,159	251,591	(172,587)	(24,062)
							54,942

  

	Consolidated				Company		
	Balance 1 July 08	Recognised in income	Recognised in equity	Balance 30 June 09	Balance 1 July 08	Recognised in income	Recognised in equity
Employee provisions	490,204	(13,256)	-	476,948	39,910	6,928	-
Accruals	72,989	66,530	-	139,519	15,032	11,068	-
Make good provisions	-	18,187	-	18,187	-	582	-
Inventories	(63,827)	5,258	-	(58,569)	-	-	-
Tax losses	35,793	(35,793)	-	-	-	-	-
	535,159	40,927	-	576,085	54,942	18,578	-
							73,520

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

15. PROPERTY, PLANT AND  
EQUIPMENT

Cost	Office Equipment \$	Consolidated		Office Equipment \$	Furniture and Fittings \$	Leasehold Improvements \$	Total \$	Company Furniture and Fittings \$	Leasehold Improvement \$	Total \$
		Office Equipment \$	Furniture and Fittings \$							
Balance at 1 July 2007	2,223,496		253,635	949,086	3,426,217			7,583	19,404	970,990
Additions	235,997		72,786	24,009	332,792			3,999	131,277	244,009
Disposals	(91,896)		(4,865)	(31,613)	(128,374)			-	-	(791)
Other-leased assets	-		-	(157,410)	(157,410)			-	-	-
Balance at 30 June 2008	2,367,597		321,556	784,073	3,473,225			11,582	150,681	1,214,208
Balance at 1 July 2008	2,367,597		321,556	784,073	3,473,225			11,582	150,681	1,214,208
Additions	99,216		5,313	518,175	622,704			659	27,152	75,582
Disposals	(23,457)		(635)	(22,647)	(46,739)			-	-	(14,585)
Balance at 30 June 2009	2,443,356		326,234	1,279,601	4,049,191			12,241	177,833	1,275,205

*Impairment*

During the year ended 30 June 2009, the Consolidated Entity determined the value in use for each cash-generating unit based on the assumptions set out in note 16 and recognised an impairment loss of \$220,000 (2008: \$0) with respect to property, plant & equipment.

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

15. PROPERTY, PLANT AND EQUIPMENT (continued)

	Office Equipment \$	Furniture and Fittings \$	Consolidated Leasehold Improvements \$	Total \$	Office Equipment \$	Furniture Fittings \$	Company & Leasehold Improvements \$	Total \$
Depreciation and impairment losses								
Balance at 1 July 2007	1,341,813	170,083	334,411	1,846,308	463,429	3,605	53	467,087
Depreciation charge for the year	420,464	40,741	146,470	607,675	244,814	1,591	26,960	273,365
Disposals	(91,896)	(4,865)	(26,559)	(123,320)	(791)	-	-	(791)
Balance at 30 June 2008	1,670,381	205,959	454,322	2,330,662	707,452	5,196	27,013	739,660
Balance at 1 July 2008	1,670,381	205,959	454,322	2,330,662	707,452	5,196	27,013	739,660
Depreciation charge for the year	424,943	24,011	168,626	617,580	251,877	1,902	32,074	285,854
Impairment losses	-	-	220,000	220,000	-	-	-	-
Disposals	(14,508)	(400)	(22,492)	(37,400)	(12,931)	-	-	(12,931)
Balance at 30 June 2009	2,080,816	229,570	820,456	3,130,842	946,398	7,098	59,087	1,012,583
Carrying Amounts								
At 1 July 2007	881,683	83,552	614,675	1,579,910	480,574	3,978	19,351	503,903
At 30 June 2008	697,215	115,597	329,751	1,142,563	344,493	6,386	123,668	474,548
At 1 July 2008	697,215	115,597	329,751	1,142,563	344,493	6,386	123,668	474,548
At 30 June 2009	362,540	96,664	459,145	918,349	138,733	5,143	118,746	262,622

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

16. INTANGIBLE ASSETS

The following cash generating units have significant carrying amounts of goodwill:

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
NSW	1,206,870	1,206,870	-	-
Brisbane	414,094	414,094	-	-
Gold Coast	212,378	212,378	-	-
LMW Residential	3,084,644	3,084,644	-	-
Guardian Securities	-	194,793	-	-
	<u>4,917,986</u>	<u>5,112,779</u>	<u>-</u>	<u>-</u>
<b>Movement in Goodwill</b>				
Balance at 1 July	5,112,779	5,451,880	-	-
Revised fair value of deferred consideration relating to the acquisition on goodwill of JLC Valuers (LMW Residential Pty Ltd)	-	(336,330)	-	-
Payment/(reversal) of liability relating to the acquisition of goodwill of Madden Hill Valuers	-	(2,771)	-	-
Impairment on goodwill in Guardian Securities Limited	(194,793)	-	-	-
	<u>4,917,986</u>	<u>5,112,779</u>	<u>-</u>	<u>-</u>

Goodwill is not amortised. The goodwill amount is tested for impairment annually by estimating the recoverable amount of the cash generating units based on value in use.

Due to a significant reduction in earnings the value in use of Guardian Securities was calculated as \$0 and an impairment loss of \$194,793 was charged to the income statement.

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

**Assumption**

Cash flows

**How determined**

The forecast 5 year cash flows are based on forecast results for the year ended 30 June 2010. The 2010 forecast forms the basis of cash flows in subsequent financial years adjusted based on the following assumptions determined on management's past experience:

- 3% increase in revenues and expenses
- increase in employee expense calculated as 45% of the increase in revenue since the prior year
- increase in variable expenses calculated as 18% of the increase in revenue since the prior year
- terminal value at the end of year 5 based on year 5 cash flows.

Discount rate

The discount rate adopted was a pre tax rate of 22.8% (FY2008: 19.1%) and was based on the current risk free interest rate, industry and business specific risk factors, market borrowing rates and investor expected returns.

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>17. TRADE AND OTHER PAYABLES</b>				
<b>Current</b>				
Trade payables	113,863	142,596	58,072	142,321
Other payables and accrued expenses	2,559,000	3,377,396	192,608	103,416
	<u>2,672,863</u>	<u>3,519,992</u>	<u>250,680</u>	<u>245,737</u>
Amounts owing to controlled entities	-	-	3,901,574	4,363,744
	<u>2,672,863</u>	<u>3,519,992</u>	<u>4,152,254</u>	<u>4,609,481</u>
<b>18. EMPLOYEE BENEFITS</b>				
<b>Current</b>				
Liability for annual leave	819,061	942,167	53,196	29,198
Liability for long service leave	449,389	294,048	78,540	78,083
	<u>1,268,450</u>	<u>1,236,215</u>	<u>131,736</u>	<u>107,281</u>
<b>Non Current</b>				
Liability for long service leave	<u>223,604</u>	<u>282,064</u>	<u>6,983</u>	<u>10,451</u>

**a) Share Based Payments**

The directors at their discretion allocate share options that entitle key management personnel and senior employees to purchase shares in the entity. The terms of the options including vesting conditions and performance criteria vary depending upon the incentive arrangements appropriate for key management personnel and senior employees.

The terms and conditions of the grants where options are still on issue are as follows, whereby all options are settled by physical delivery of shares:

**Share Options**

Grant Date	Number of options	Vesting Conditions	Contractual life of options
30 December 2005	1,200,000	2 years of employment and an annual cumulative increase in subsidiary profit before tax of 10%.	5 years

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**18. EMPLOYEE BENEFITS (continued)**

The number and weighted average exercise price of share options is as follows:

	<b>Weighted Average exercise price 2009</b>	<b>Number of options 2009</b>	<b>Weighted average exercise price 2008</b>	<b>Number of options 2008</b>
Outstanding at the beginning of the period	\$0.60	2,265,000	\$0.60	2,400,000
Forfeited during the period	\$0.57	(1,015,000)	\$0.55	(1,050,000)
Exercised during the period	\$0.55	(50,000)	\$0.55	(85,000)
Granted during the period	-	-	\$0.55	1,000,000
Outstanding at the end of the period	\$0.59	1,200,000	\$0.60	2,265,000
Exercisable at the end of the period	\$0.59	1,200,000	\$0.61	1,465,000

The options outstanding at 30 June 2009 have an exercise price in the range of \$0.59 and a weighted average contractual life of 5 years.

During the financial year, 50,000 share options were exercised at a price of \$0.55 each (2008: 85,000). The share price at the date of exercise was \$0.55.

The fair value of the options is calculated at the date of grant using a Black-Scholes model and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the proportion of the fair value of the options allocated to this reporting period.

	<b>Consolidated</b>		<b>Company</b>	
<b>Employee expenses</b>	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Expense arising from share options granted in 2006	-	15,106	-	15,106
Value of options issued	-	89,151	-	89,151
Shares options forfeited	-	(89,151)	-	(89,151)
Total expense recognised as employee costs	-	15,106	-	15,106

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

	Consolidated		Company	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>19. PROVISIONS</b>				
<b>Current</b>				
Legal	198,407	-	-	-
	<u>198,407</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Non Current</b>				
Make good	518,175	-	27,153	-
	<u>518,175</u>	<u>-</u>	<u>27,153</u>	<u>-</u>
<b>Consolidated</b>				
	<b>Make good</b>	<b>Legal</b>	<b>Total</b>	
	\$	\$	\$	
Balance at 1 July 2008	-	-	-	
Provisions made during the year	518,175	198,407	716,582	
Balance at 30 June 2009	<u>518,175</u>	<u>198,407</u>	<u>716,582</u>	

*Legal*

Legal action has been brought against the Consolidated Entity in respect of valuation services. Management is defending the case vigorously and based on advice of legal counsel estimates the most likely outcome is that the Consolidated Entity will be required to pay \$198,407 to settle this obligation, which includes expected legal costs.

*Make good*

A provision of \$518,175 was made during the year ended 30 June 2009 in respect of the Consolidated Entity's obligation to return office space leased by the Consolidated Entity to its original condition. The provision has not been discounted to its present value as the effect is not material.

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

20. CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves attributable to equity holders of the parent	Share Capital \$	Share Option Reserve \$	Retained Earnings \$	Total \$	Minority Interest \$	Total Equity \$
<b>Consolidated</b>						
Balance at 1 July 2007	5,933,674	25,344	2,390,692	8,349,710	142,754	8,492,464
Total recognised income and expense	-	-	2,107,717	2,107,717	(6,467)	2,101,250
Share options issued	-	104,257	-	104,257	-	104,257
Share options forfeited (1)	-	(89,151)	-	(89,151)	-	(89,151)
Share options exercised by employees	46,750	-	-	46,750	-	46,750
Dividends to shareholders	-	-	(1,514,483)	(1,514,483)	-	(1,514,483)
Balance at 30 June 2008	5,980,424	40,450	2,983,926	9,004,800	136,287	9,141,087
Balance at 1 July 2008	5,980,424	40,450	2,983,926	9,004,800	136,287	9,141,087
Total recognised income and expense	-	-	(635,467)	(635,467)	(93,893)	(729,360)
Share options issued	-	-	-	-	-	-
Share options forfeited	-	-	-	-	-	-
Share options exercised by employees	27,500	-	-	27,500	-	27,500
Dividends to shareholders	-	-	(910,429)	(910,429)	-	(910,429)
Balance at 30 June 2009	6,007,924	40,450	1,438,030	7,486,404	42,393	7,528,797

(1) Options were forfeited as a result of performance criteria not being achieved at 30 June 2008.

20. CAPITAL AND RESERVES (continued)

Reconciliation of movement in capital and reserves	Share Capital	Share Option Reserve	Retained Earnings	Total Equity
<b>Company</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2007	5,933,674	25,344	1,111,885	7,070,903
Total recognised income and expense	-	-	396,373	396,373
Share options issued	-	104,257	-	104,257
Share options forfeited	-	(89,151)	-	(89,151)
Share options exercised by employees	46,750	-	-	46,750
Dividends to shareholders	-	-	(1,514,482)	(1,514,482)
Balance at 30 June 2008	5,980,424	40,450	(6,224)	6,014,650
Balance at 1 July 2008	5,980,424	40,450	(6,224)	6,014,650
Total recognised income and expense	-	-	(1,484,856)	(1,484,856)
Share options issued	-	-	-	-
Share options forfeited	-	-	-	-
Share options exercised by employees	27,500	-	-	27,500
Dividends to shareholders	-	-	(910,429)	(910,429)
Balance at 30 June 2009	6,007,924	40,450	(2,401,509)	3,646,865

	Company	
	2009	2008
<b>Ordinary Shares</b>		
On issue at 1 July	27,538,781	27,453,781
Issued for cash upon exercise of options	50,000	85,000
Fully paid shares on issue at 30 June	27,588,781	27,538,781

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 Company.

**Share option reserve**

The options reserve comprises the fair value of options granted. These options have not been exercised and converted to share capital at balance date.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**21. DIVIDENDS**

Dividends recognised in the current year by the Company are:

	Cents per share	Total amount \$	Franked/ unfranked	Date of payment
<b>2009</b>				
Final 2008 ordinary	3.3	<u>910,429</u>	Franked	7 October 2008
<b>Total</b>		<u>910,429</u>		
<b>2008</b>				
Final 2007 ordinary	3.0	826,012	Franked	4 October 2007
Interim 2008 ordinary	2.5	<u>688,471</u>	Franked	14 March 2008
<b>Total</b>		<u>1,514,483</u>		

Franked dividends declared or paid during the year were fully franked at the tax rate of 30%.

After the balance sheet date, the directors have declared a final dividend of 2.0 cents per share, representing \$551,776 fully franked and payable on 7 October 2009. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2009. The declaration and subsequent payment of dividends has no income tax consequences.

**Dividend franking account**

	<b>Company</b>
	<b>2009                  2008</b>
	<b>\$                          \$</b>
30% franking credits available to shareholders of LandMark White Limited for subsequent financial years	<u>2,472,808          2,011,899</u>

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

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

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce it by \$236,785 (2008: \$390,193)

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**22. FINANCIAL INSTRUMENTS**

**Credit Risk**

**Exposure to credit risk**

The carrying amount of the Consolidated Entity's and Company's financial assets represents the maximum credit exposure. The Consolidated Entity's and Company's maximum exposure to credit risk at the reporting date was:

	Note	Consolidated Carrying amount		Company Carrying amount	
		2009 \$	2008 \$	2009 \$	2008 \$
Trade and other receivables	10	2,612,293	4,186,466	635,622	2,141,201
Cash and cash equivalents	9	2,156,035	2,119,080	903,378	1,280,859
Current tax assets	13	413,072	188,144	407,874	158,696
Term deposits & other		427,517	426,994	295	295
		<u>5,608,917</u>	<u>6,920,684</u>	<u>1,947,169</u>	<u>3,581,051</u>

The Consolidated Entity's and Company's maximum exposure to credit risk for trade and other receivables before impairment losses at the reporting date by type of customer was:

	Consolidated Carrying amount		Company Carrying amount	
	2009 \$	2008 \$	2009 \$	2008 \$
Financial customers	967,195	1,621,350	-	-
Commercial non financial customers	1,590,091	2,652,372	454,729	-
Residential non financial customers	166,212	153,732	-	-
Controlled Entities	-	-	1,200,168	2,358,919
	<u>2,723,498</u>	<u>4,427,454</u>	<u>1,654,897</u>	<u>2,358,919</u>

The Consolidated Entity's most significant customer, an Australian financial customer, accounts for \$322,734 of the trade and other receivables carrying amount at 30 June 2009 (2008: financial customer \$367,234).

**Impairment losses**

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

	Consolidated				Company			
	Gross 2009 \$	Impair- ment 2009 \$	Gross 2008 \$	Impair- ment 2008 \$	Gross 2009 \$	Impair- ment 2009 \$	Gross 2008 \$	Impair- ment 2008 \$
Not past due	1,495,178	-	2,444,074	-	1,647,597	1,019,275	2,358,919	217,718
Past due 0-30 days	531,578	-	836,730	-	2,204	-	-	-
Past due 31-120 days	419,329	-	990,197	84,535	5,096	-	-	-
Past due 121-365 days	277,413	111,205	130,270	130,270	-	-	-	-
More than one year	-	-	26,183	26,183	-	-	-	-
	<u>2,723,498</u>	<u>111,205</u>	<u>4,427,454</u>	<u>240,988</u>	<u>1,654,897</u>	<u>1,019,275</u>	<u>2,358,919</u>	<u>217,718</u>

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**22. FINANCIAL INSTRUMENTS (CONTINUED)**

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

	<b>Consolidated</b>		<b>Company</b>	
	<b>Carrying amount</b>		<b>Carrying amount</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July	240,988	455,614	-	-
Impairment loss (reduced)	(129,783)	(214,626)	-	-
Balance at 30 June	111,205	240,988	-	-

Based on historic default rates, the Consolidated Entity believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 90 days. The Consolidated Entity's policy is to enforce upfront payment from clients who do not have a good credit history or from those who are relatively unknown. Accordingly, the trade receivables balance is comprised of customers that have no previous history of poor credit with the Consolidated Entity.

**Liquidity Risk**

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

**Consolidated**

**30 June 2009**

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Non-derivative financial liabilities</b>							
Trade and other payables	2,672,863	(2,672,863)	(2,672,863)	-	-	-	-
	2,672,863	(2,672,863)	(2,672,863)	-	-	-	-

**30 June 2008**

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>6 months or less</b>	<b>6-12 months</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>More than 5 years</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Non-derivative financial liabilities</b>							
Trade and other payables	3,519,992	(3,519,992)	(3,443,904)	-	-	(76,088)	-
	3,519,992	(3,519,992)	(3,443,904)	-	-	(76,088)	-

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

22. FINANCIAL INSTRUMENTS (continued)

Company

30 June 2009

	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Non-derivative financial liabilities</b>							
Trade and other payables	4,152,254	(4,152,254)	(4,152,254)	-	-	-	-
	4,152,254	(4,152,254)	(4,152,254)	-	-	-	-

30 June 2008

	Carrying amount \$	Contractual cash flows \$	6 months or less \$	6-12 months \$	1-2 years \$	2-5 years \$	More than 5 years \$
<b>Non-derivative financial liabilities</b>							
Trade and other payables	4,609,481	(4,609,481)	(4,533,393)	-	-	(76,088)	-
	4,609,481	(4,609,481)	(4,533,393)	-	-	(76,088)	-

Interest rate risk

At the reporting date the interest rate profile of the Company's and the Consolidated Entity's interest-bearing financial instruments was:

	<b>Consolidated Carrying amount</b>		<b>Company Carrying amount</b>	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Variable rate instruments</b>				
Financial assets	2,156,035	2,119,080	903,378	1,280,859

Cash flow sensitivity analysis for rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2008.

	<b>Consolidated Profit or (loss)</b>		<b>Company Profit or (loss)</b>	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
<b>30 June 2009</b>				
Variable rate instruments	(21,560)	21,560	(9,034)	9,034
<b>30 June 2008</b>				
Variable rate instruments	21,191	(21,191)	12,809	(12,809)

Fair values

Fair values versus carrying amounts

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

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**23. COMMITMENTS**

**Capital expenditure commitments**

The Consolidated Entity and Company do not have any capital expenditure commitments at balance date.

**Operating lease commitments**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Within one year	1,215,889	1,026,437	-	-
One year or later and no later than five years	2,684,083	4,018,472	-	-
Later than five years	1,699,649	2,310,917	-	-
	<u>5,599,621</u>	<u>7,355,826</u>	<u>-</u>	<u>-</u>

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

The Company does not have any finance lease commitments.

**24. CONTINGENCIES**

The Consolidated Entity is involved in matters of litigation in the normal course of business in undertaking valuation services. At 30 June 2009, the consolidated entity has professional indemnity insurance, and under the terms of the insurance policy, each claim has an excess which is required to be paid by the Consolidated Entity. It was not practical to estimate the maximum contingent liability arising from litigation, however in a worse case situation there could be a material adverse effect on the Consolidated Entity's financial position. In the directors' opinion, disclosures of any further information in relation to litigation would be prejudicial to the interests of the Consolidated Entity.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**25. CONTROLLED ENTITIES**

**(a) Particulars in relation to controlled entities**

<b>Name</b>	<b>2009 ownership %</b>	<b>2008 ownership %</b>
<i>Parent entity/Ultimate controlling party</i>		
LandMark White Limited		
<i>Subsidiaries</i>		
LandMark White (NSW) Pty Ltd	100	100
LandMark White (VIC) Pty Ltd	100	100
LandMark White (Gold Coast) Pty Ltd	100	100
LandMark White (Brisbane) Pty Ltd	100	100
LMW Residential Pty Ltd	100	100
LMW Quantity Surveyors Pty Ltd	100	100
LMW Business Advisory Pty Ltd	100	100
LMW Invest Pty Ltd	99.3	100
LMWI Managed Investments Ltd	100	-
LandMark White (Melbourne) Pty Ltd	100	-
LMW Advisory Pty Ltd	100	-
GSL Services Pty Ltd	55	55
Guardian Securities Limited	55	55

All of the above controlled entities were incorporated in Australia.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**26. BUSINESS ACQUISITION**

There were no business acquisitions during the year (2008: Nil).

<b>27. RECONCILIATION OF CASHFLOWS FROM OPERATING ACTIVITIES</b>	<b>Consolidated</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities</b>				
Profit/(loss) for the period	(729,360)	2,101,250	(1,484,856)	396,373
Adjustments for the period:				
Depreciation and amortisation	617,580	607,675	285,854	273,365
(Profit)/loss on disposals of plant and equipment	9,339	-	-	-
Amounts set aside to employee provisions	(26,225)	3,937	20,987	(33,222)
Amounts set aside to other provisions	67,822	(220,795)	-	-
Increase/(decrease) in taxes payable	(265,854)	(218,788)	(267,756)	(262,022)
Share options issued	-	104,257	-	104,257
Finance expense	16,395	-	16,395	-
Share options forfeited	-	(89,151)	-	(89,151)
Impairment losses	414,794	-	1,994,530	217,718
Net cash provided by operating activities before change in assets and liabilities	104,491	2,288,385	565,154	607,318
Change in assets and liabilities during the financial period:				
(Increase)/decrease in receivables	1,703,949	963,495	(263,589)	2,160,208
(Increase)/decrease in work in progress	17,528	158,978	-	-
Increase/(decrease) in payables	(846,326)	(1,501,544)	37,570	(558,343)
(Increase)/decrease in prepayments	61,684	(88,360)	(441,534)	117,830
<b>Net cash provided by operating activities</b>	<b>1,041,326</b>	<b>1,820,954</b>	<b>(102,399)</b>	<b>2,327,013</b>

**28. RELATED PARTIES**

The following were key management personnel of the Consolidated Entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

**Non-Executive Directors**

Mr G White (Chairman)  
Mr N Craig  
Mr S Gregory  
Mr D Hobart  
Mr A Meakin

**Executive Director**

Mr B Piltz (CEO)

**Executives**

Mr I Bangs  
Mr G Coonan

The other executives disclosed in the remuneration report are not considered key management personnel.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**28. RELATED PARTIES (continued)**

***Compensation of the Directors of the Company, the Consolidated Entity's senior executives and each of the five named executives receiving the highest remuneration.***

The compensation included in 'employee expenses' are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Short-term employee benefits	2,182,474	2,653,770	764,679	862,360
Other long-term benefits	18,539	46,005	(2,702)	(1,982)
Post-employment benefits	186,236	222,952	60,174	67,934
Share-based payments	-	-	-	-
	<b>2,387,249</b>	<b>2,922,727</b>	<b>822,151</b>	<b>928,312</b>

Information regarding individual directors and executives' compensation and some equity instruments disclosure as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 is provided in the Remuneration Report section of the Directors' report on pages 14 to 21.

No director has entered into a material contract with the Company or the Consolidated Entity since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

***Options and rights over equity instruments***

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

<b>2009</b>	<b>Held at 1 July 2008</b>	<b>Granted as compens- ation</b>	<b>Exerci- sed</b>	<b>Other* changes</b>	<b>Held at 30 June 2009</b>	<b>Vested during the year</b>	<b>Vested and exercisable at 30 June 2009</b>
<b>Directors</b>							
Mr G White	-	-	-	-	-	-	-
Mr B Piltz	350,000	-	-	(350,000)	-	-	-
Mr N Craig	-	-	-	-	-	-	-
Mr S Gregory	-	-	-	-	-	-	-
Mr D Hobart	-	-	-	-	-	-	-
Mr A Meakin	-	-	-	-	-	-	-
<b>Executives</b>							
Mr I Bangs	-	-	-	-	-	-	-
Mr G Coonan	50,000	-	-	(50,000)	-	-	-

LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES  
ABN 50 102 320 329

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2009

28. RELATED PARTIES (continued)

2008	Held at 1 July 2007	Granted as compens- ation	Exercis- ed	Other* changes	Held at 30 June 2008	Vested during the year	Vested and exercisab- le at 30 June 2008
<b>Directors</b>							
Mr G White	-	-	-	-	-	-	-
Mr B Piltz	350,000	-	-	-	350,000	-	350,000
Mr N Craig	-	-	-	-	-	-	-
Mr S Gregory	-	-	-	-	-	-	-
Mr D Hobart	-	-	-	-	-	-	-
<b>Executives</b>							
Mr J Clements #	50,000	-	(50,000)	-	-	-	-
Mr R Stewart- Moore ##	-	-	-	-	-	-	-
Mr I Bangs	-	-	-	-	-	-	-
Mr G Coonan *	50,000	1,000,000	-	(1,000,000)	50,000	-	50,000

\* Other changes represent options that were forfeited during the year as performance conditions relating to profitability of a business unit for the year ended 30 June 2008 were not achieved.

# Mr Clements resigned 2 November 2007.

## - Mr Stewart Moore resigned 21 May 2008

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2009**

**28. RELATED PARTIES (continued)**

***Movement in shares***

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

	<b>Held at 1 July 2008</b>	<b>Purchases</b>	<b>Exercise of options</b>	<b>Sales</b>	<b>Held at 30 June 2009</b>
<b>2009</b>					
<b>Directors</b>					
Mr G White	9,798,344	294,660	-	-	10,093,004
Mr B Piltz	6,813,369	-	-	-	6,813,369
Mr N Craig	29,000	-	-	-	29,000
Mr S Gregory	129,000	-	-	-	129,000
Mr D Hobart	-	-	-	-	-
Mr A Meakin	-	-	-	-	-
<b>Executive officers</b>					
Mr I Bangs	-	-	-	-	-
Mr G Coonan	-	-	-	-	-
<b>2008</b>					
<b>Directors</b>					
Mr G White	9,738,994	59,350	-	-	9,798,344
Mr B Piltz	6,814,330	-	-	961	6,813,369
Mr N Craig	29,000	-	-	-	29,000
Mr S Gregory	129,000	-	-	-	129,000
Mr D Hobart	-	-	-	-	-
<b>Executive officers</b>					
Mr J Clements #	4,000	-	-	-	-
Mr R Stewart-Moore ##	-	-	-	-	-
Mr I Bangs	-	-	-	-	-
Mr G Coonan	-	-	-	-	-

# - Mr Clements resigned 2 November 2007.

## - Mr Stewart Moore resigned 21 May 2008

The executive officers named are those who are directly accountable and responsible for the strategic direction and operational management of LandMark White Limited or its subsidiaries. In 2009 there were no executive officers holding shares in the Company. The Directors are of the opinion that only the executive officers detailed above meet the definition of key management personnel as set out in AASB 124.

***Non-key management personnel***

***Identity of related parties***

The Consolidated Entity has a related party relationship with its subsidiaries (refer to note 25).

***Subsidiaries***

Loans are made between the Company and wholly owned subsidiaries to fund working capital. Loans outstanding between the Company and its controlled entities have no fixed date of repayment. At 30 June 2009, loans receivable from subsidiaries (before impairment) totalled \$1,200,168 (2008: \$2,358,919) and loans payable to subsidiaries totalled \$3,901,574 (2008: \$4,363,744).

Dividends of \$975,000 (2008: \$877,500) were paid to the Company during the year by the controlled entities. Management fees of \$2,101,862 (2008: \$1,942,883) were paid to the Company during the year by the controlled entities.

**LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES**  
**ABN 50 102 320 329**

**DIRECTORS' DECLARATION**

- 1 In the opinion of the directors of LandMark White Limited ('the Company'):
  - (a) the financial statements and notes set out on pages 26 to 69 and the remuneration disclosures of the Remuneration report in the Directors' report, set out on pages 14 to 21, are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the financial position of the Company and the Consolidated Entity as at 30 June 2009 and of their performance, for the financial year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
  - (b) the financial report also complies with International Financial Reporting Standards as discussed in Note 1(a);
  - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable
- 2 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2009.

Dated at Sydney this 4<sup>th</sup> day of September 2009.

Signed in accordance with a resolution of the directors:



---

Brad Piltz  
Chief Executive Officer

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANDMARK WHITE LIMITED

### Report on the financial report

We have audited the accompanying financial report of LandMark White Limited (the Company), which comprises the balance sheets as at 30 June 2009, and the income statements, statements of recognised income and expense and cash flow statements for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration set out on pages 26 to 70 of the Consolidated Entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

#### *Directors' responsibility for the financial report*

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1 (a), the directors also state, in accordance with the Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report of the Consolidated Entity and Company, comprising the financial statements and notes, complies with International Financial Reporting Standards.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Consolidated Entity's financial position and of their performance.

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

#### *Independence*

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANDMARK WHITE LIMITED (Continued)

### *Auditor's opinion*

In our opinion:

- (a) the financial report of LandMark White Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's and the Consolidated Entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- (b) the financial report of the Consolidated Entity and Company also complies with International Financial Reporting Standards as disclosed in note 1 (a).

### **Report on the remuneration report**

We have audited the Remuneration Report included on pages 14 to 21 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

### *Auditor's opinion*

In our opinion, the remuneration report of LandMark White Limited for the year ended 30 June 2009 complies with Section 300A of the *Corporations Act 2001*.



KPMG



S J Board  
*Partner*

Bundall  
4 September 2009

## ASX ADDITIONAL INFORMATION

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

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

### Shareholdings (as at 31 August 2009)

#### Substantial Shareholders

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

Shareholder	Number of Ordinary Shares
White Valuations Pty Ltd	10,093,004
Piltz Holdings Pty Ltd	6,813,369

#### Voting Rights

##### Ordinary Shares

Holders of ordinary shares are entitled to one vote per share at shareholder meetings.

##### Options

There are no voting rights attached to options.

##### Distribution of equity security holders

Category	Ordinary Shares		Options	
	Number of Shareholders	Number of Shares	Number of Option Holders	Number of Options
1 – 1,000	33	28,407	-	-
1,001-5,000	397	1,530,052	-	-
5,001-10,000	106	904,695	-	-
10,001-50,000	114	2,768,669	-	-
50,001-100,000	13	1,005,685	-	-
100,001 and over	25	21,351,273	1	1,200,000
<b>Total</b>	<b>688</b>	<b>27,588,781</b>	<b>1</b>	<b>1,200,000</b>

##### On-market buy-back

There is no current on-market buy-back.

##### Marketable Parcels

The number of shareholders holding less than a marketable parcel of 1,250 shares (based on closing price of \$0.40 on 31 August 2009) is 37 and they hold 33,279 securities.

## ASX ADDITIONAL INFORMATION (continued)

### *Twenty Largest Shareholders*

<b>Name</b>	<b>Number of Ordinary Shares held</b>	<b>Percentage of capital held</b>
White Valuations Pty Ltd	10,093,004	36.58%
Piltz Holdings Pty Ltd	6,813,369	24.70%
Llanzeal Pty Ltd	551,551	2.0%
Roskins Nominees Pty Ltd	519,028	1.88%
Bawden Custodians	443,146	1.61%
Mr Christian Ernest Hansen & Mrs Fay Elizabeth Hansen	400,000	1.45%
Kevin King Pty Ltd	300,000	1.09%
Dr Russell Kay Hancock	275,000	1.00%
Mrs Melinda Ellis	245,000	0.89%
Jetan Pty Ltd	179,672	0.65%
Independent Property Analysts Pty Ltd	175,000	0.63%
Philips Consolidated Pty Ltd	156,571	0.57%
Judi Dazeley Pty Ltd	144,470	0.52%
Locope Pty Ltd	135,200	0.49%
Cheviot Investments Pty Limited	135,000	0.49%
Bengle Pty Ltd	129,770	0.47%
Glenura Pty Ltd	125,000	0.45%
Mr Stuart Carlton Gregory	125,000	0.45%
Bond Street Custodians	119,250	0.43%
Mr Roger Adams	110,000	0.40%
	<hr/>	
	21,175,031	76.75%

### **Offices and officers**

#### *Company Secretary*

Mr Ian Bangs

#### *Principal Registered Office*

Ground Floor Waterside East Tower

3 Holden Place

Bundall QLD 4217

Telephone: 07 5510 3100

Facsimile: 07 5510 3200

Website: [www.lmw.com.au](http://www.lmw.com.au)

#### *Location of Share Registry*

Brisbane

Link Market Services

#### *Stock Exchange*

The Company is listed on the Australian Stock Exchange. The home Exchange is Brisbane

### **Other information**

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