ANNUAL REPORT 2019

LandMark White Limited ABN 50 102 320 329

ANNUAL REPORT 2019

WELCOME TO LMW'S 2019 ANNUAL REVIEW

Reporting on our financial and operational performance for the financial year, 1 July 2018 – 30 June 2019.

LMW is one of Australia's largest and most highly skilled independent property valuation and property consultancy firms publicly listed on the Australian Securities Exchange.

For LMW, our Annual Report is a journey toward more meaningful corporate reporting and is a process of continuous improvement, one that we believe will provide great benefit to both our business and our stakeholders

WHO IS LMW?

LMW is one of Australia's largest and most highly skilled independent property valuation and property consultancy firms publicly listed on the Australian Securities Exchange.

LMW has a long and proud history as leaders in the provision of commercial and residential property valuations and we have over 300 staff working throughout our 40 offices across Australia. We provide property valuation, research and property advice to homeowners, investors, developers and lenders.

Our vision is to unlock and realise the potential of property for our clients.

Our mission is to provide our clients with the highest quality independent professional advice that enables astute investment decisions and mitigates risk in the property industry.

Our approach to clients is we respect our clients and stakeholders, we consistently deliver on our commitments and we provide knowledge and insight.

Our Services and Clients

At LMW, our specialist teams provide advice across all property sectors delivering value and risk management outcomes.

We provide high quality, independent, Australia-wide professional property services to major lenders, corporates, institutions, Government and individuals.

Whether they are lenders, investors or homeowners, LMW is their essential partner when it comes to expert advice and quality valuation reports. Our focus is to provide an unrivalled service that minimises property risks.

Chairman's Report

Strength from Adversity

Dear Shareholders

The first half of FY19 started well for LMW with the acquisition of Taylor Byrne ("TB") in October 2019 in line with our strategy of diversification of clients and geographies. This acquisition allowed us to reduce reliance on both sub-contractors and licenced offices (acquired in conjunction with the MVS acquisition in 2017) to deliver services to our large national government clients via wholly owned offices and employees. The diversification strategy would have provided some buffer to the overall downturn in the property industry.

Unfortunately, as has been well publicised in the media and communicated to shareholders via ASX announcements, LMW was the victim of two data exfiltration incidents occurring in early February 2019 and late May 2019. These incidents resulted in personal information of our clients and their customers being published on the dark web and, in relation to the second incident, on the clear web. Following the incidents LMW worked tirelessly with our clients, NSW Police Force Cybercrime Squad, advisors & government agencies to ensure the individuals whose personal information had been disclosed were kept informed and the risk of harm minimised. Fortunately, the number of people at serious risk of harm was very negligible (less than thirty across both incidents)

As a result of these incidents, many banking clients suspended LMW from their valuation panels which had a very significant adverse impact on LMW's revenues and profitability.

Whilst we continue to work closely with the clients that are yet to reinstate LMW on their panels, we have also had to amend our strategy in line with anticipated lower revenues for the group going forward and to raise additional equity in order to recapitalise the company and replenish working capital eroded following the incidents. It was extremely heartening to see so many investors could see the huge potential of the company and were prepared to invest in the future. That included existing shareholders (especially current staff) and a number of new investors. I thank all for their support

During the period of recovery from the incidents, LMW has upgraded its IT platforms, security and privacy controls to what are now likely the highest levels within the industry.

These upgrades have included:

- introduction of multi-factor authentication to access our networks and programs;
- de-identification of personal information within our data bases;

- locking down of external access to "white listed" domains only;
- restructuring employee access to "need to know" programs and files only;
- removal of ability to extract files via USB drives or using non-corporate email accounts; and
- real time monitoring of all interactions across all of our IT devices.

As LMW emerges from a most challenging FY19, we are now a stronger business that is well positioned to prosper in a business environment that is increasingly threatened by cyber criminals and where data privacy is a primary focus for all businesses.

LMW will very shortly be certified under ISO 27001 – Information Security Standard and the Australian Cyber Security Centres "Essential 8" which will demonstrate, via third party audit, our new, highly secure IT platforms.

BOARD & GOVERNANCE

On behalf of the Board of LMW I would like to thank:

- Chris Coonan, our recently retired Chief Executive Officer, for his professionalism and energy in leading the company since his appointment in April 2016 until his departure on 12 March 2019; and
- Tim Rabbitt, acting Chief Executive Officer from 12 March 2019, appointed CEO 18 September 2019 for his significant contribution since accepting the role in very difficult circumstances.
- John Wise, our CFO and company secretary for his diligence, professionalism and commitment which has been invaluable.

Together with the senior executive team, they have steered the company through an incredibly challenging time and have enabled the company to position itself for a return to profitability and growth in FY2020.

Thank you to my Board colleagues and our employees for their continued loyalty through the difficulties and their dedication to continue to deliver excellent services to our clients. The Board and I are confident we have the right management and strategy in place and look forward to discussing these results with you at our Annual General Meeting in November.

Keith Perrett
Chairman

CEO's Report

Dear Shareholders

2018/2019 has been a difficult year for the business and one that has tested the strength, patience and goodwill of our staff, Shareholders and clients.

Since being appointed as Acting CEO in March, I have concentrated on resolving the issues arising from the cyber incidents and ensuring that the company can survive and to continue to provide a high quality service to our clients, to provide a secure and stable place to work for our very loyal and valuable staff, and ultimately to return LMW to a position where we can commence providing returns to our loyal and supportive Shareholder base.

INVESTMENT IN IT, SECURITY & PRIVACY PROTECTION

Over the past year we have invested significantly in our IT platform to provide a class leading, secure platform that will further enable us to provide services to our clients in an efficient, cost effective and secure manner.

We have moved to meet the International Standard ISO27001 – Information Security and we can now say we are ISO27001 compliant, and we are also in line with the Australian Cyber Security Centres "Essential 8" cyber security incident mitigation strategies.

We are also further investing in our job management system and moving away from third party valuation platform providers. This will allow us to customise and enhance our systems and services, react to client changes and provide tailored services that fit our clients' needs.

OUR PEOPLE

It would be remiss of me not to acknowledge and thank all the LMW staff. The last 6 months has been at times traumatising, challenging, stressful and tiring for them. Through all of this they have stuck with us and have allowed us to continue trading and servicing our clients, despite our issues.

Their loyalty, work ethic and dedication is greatly appreciated.

Thank you to all of you, you have shown great resilience, and because of our staff we will emerge from this as a stronger, better company. We are lucky to have such a great team.

EXPANSION OF COVERAGE

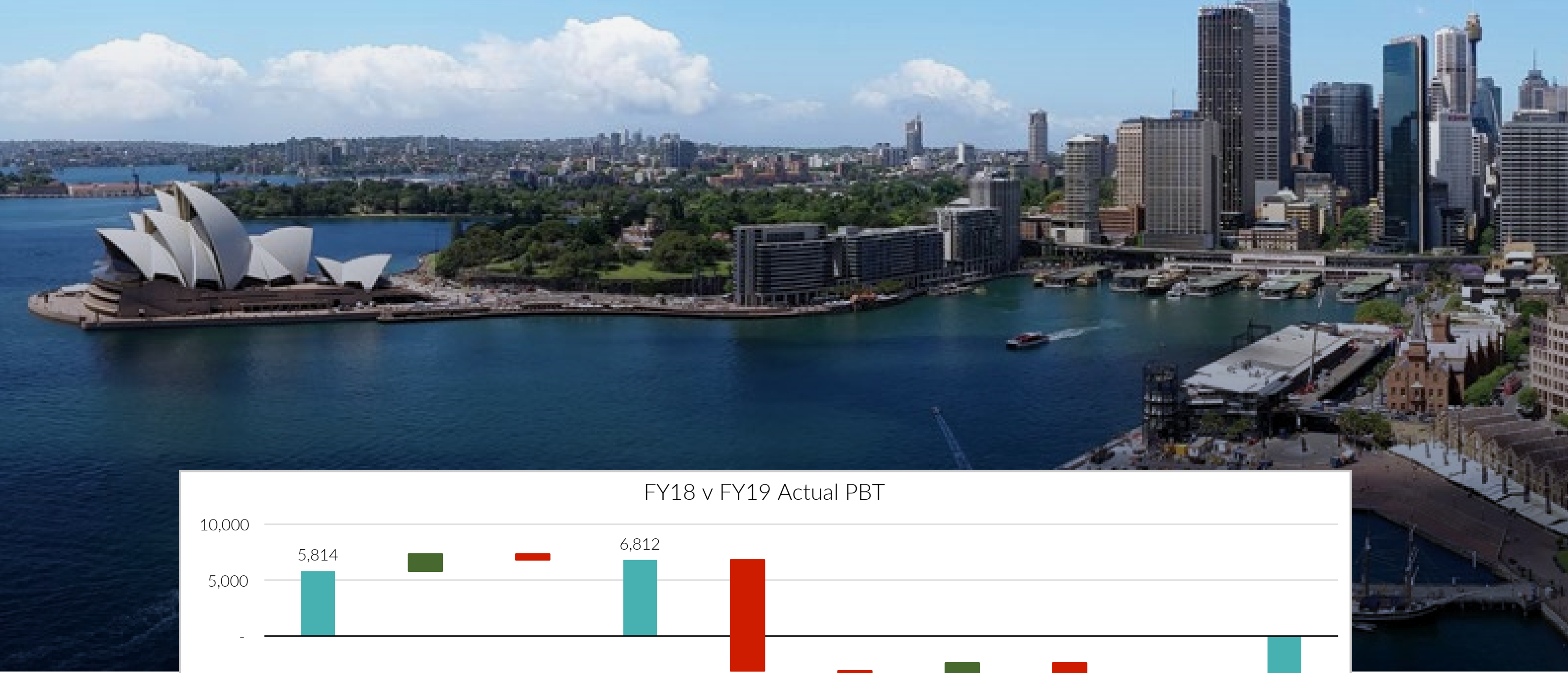
In October 2018 LMW acquired 100% of the shares in Taylor Byrne Holdings Pty Ltd which has resulted in the combined business further increasing its geographical footprint and breadth of services provided to clients.

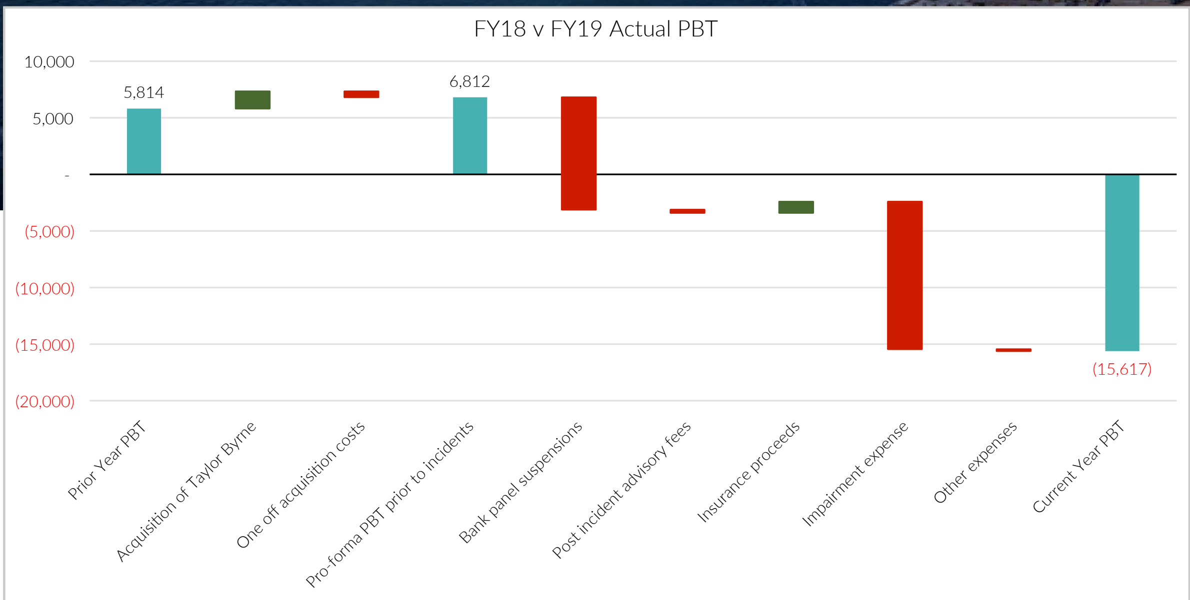
We have added very significant rural and agribusiness valuation capabilities to LMW and have ensured that we can provide our clients with a single partner able to undertake all forms of valuation and property consultancy work throughout the Eastern Seaboard of Australia.

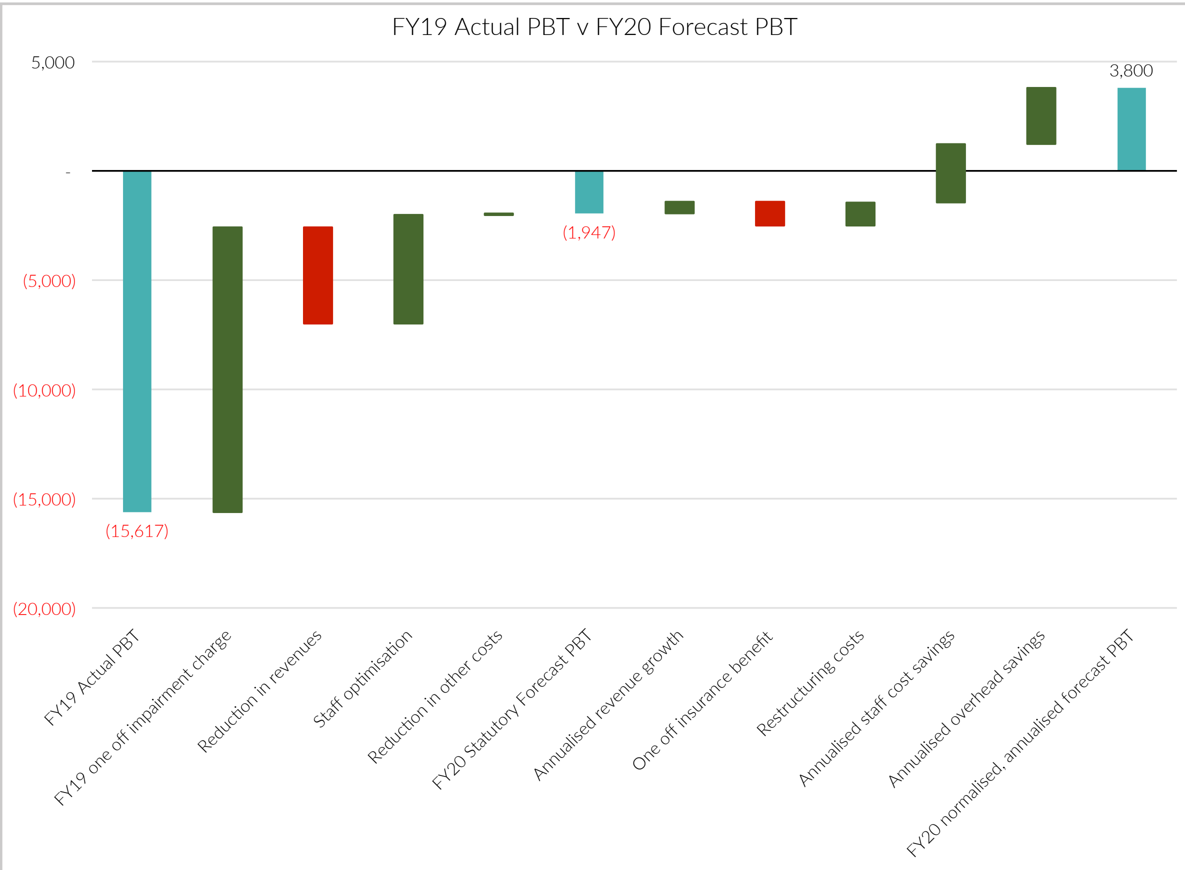
With our joint venture partner in WA we can also provide our clients with seamless service across WA, the NT and SA.

As a result of the capital raise and restructure in August/September 2019, LMW has increased its investment in the WA joint venture partner from 25% to 42% and has options in place over the medium term to acquire the balance of this business.

Along with exiting from franchising arrangements on the Eastern Seaboard, LMW is progressing towards its goal of being able to provide its clients with a single, 100% controlled business, owned by Australians and providing high quality, consistent and seamless services across the whole of Australia.




FY18 v FY19 Actual PBT
10,000
5,000
-
(5,000)
(10,000)
(15,000)
(20,000)
5,814
6,812
(15,617)
Prior Year PBT
Acquisition of Taylor Byrne
One off acquisition costs
Pro-forma PBT prior to incidents
Bank panel suspensions
Post incident advisory fees
Insurance proceeds
Impairment expense
Other expenses
Current Year PBT


FY19 Actual PBT v FY20 Forecast PBT
5,000
-
(5,000)
(10,000)
(15,000)
(20,000)
3,800
(1,947)
(15,617)
FY19 Actual PBT
FY19 one off impairment charge
Reduction in revenues
Staff optimisation
Reduction in other costs
FY20 Statutory Forecast PBT
Annualised revenue growth
One off insurance benefit
Restructuring costs
Annualised staff cost savings
Annualised overhead savings
FY20 normalised, annualised forecast PBT

FY19 PERFORMANCE

The first chart on page 8 illustrates the movements in our reported profit before tax for FY18 verses FY19 and, in particular, the impact of the cyber incidents.

The acquisition of Taylor Byrne in October 2018 provided a lift in revenues and profits exceeding the one off acquisition costs and prior to the impact of the cyber incidents.

As well as the significant loss of revenues arising from LMW being suspended from bank valuation panels post the cyber incidents, the resulting lower forecast profitability of the main business units resulted in a large, one-off, non-cash impairment charge being booked in FY19.

MARKET OUTLOOK

With the continued low interest rate environment, various political issues and the continued scrutiny of the finance sector in Australia, we expect the property professional services market to continue at historically subdued levels for some time.

Notwithstanding this, LMW is well positioned, on the back of our investment in IT, the simplification of our business structure and our broadening of our client base and geographical coverage to not only recapture our lost revenues over the last six months, but to grow them and our market share.

FY20 FORECAST

The second chart on page 8 illustrates the forecast movements between the FY19 actual PBT, our forecast statutory and normalised, annualised FY20 PBT.

As disclosed in the prospectus supporting our recently concluded entitlement and shortfall offer which raised additional capital of $5.4M, our forecast for FY20 is predicated on a lower group revenue of $38M annualised with associated optimisation of the business via removal of surplus leased office space and making adjustments to the size of our workforce to match the lower revenues.

These changes are forecast to result in normalised, annualised PBT of $3.8M or 10% of revenue, however, due to one off costs and the time taken to realise savings from the restructure, our forecast statutory result for 2019/2020, is a loss of $1.9M.

THANK YOU

Finally, I would like to thank the Board for their support since I was appointed in March, and the Senior Management Team of LMW, particularly John Wise our CFO for all of their efforts in the past six months.

Timothy Rabbitt
CEO

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DIRECTORS' REPORT

The Directors present their report together with the financial report of the Consolidated Entity, being LandMark White Limited ("the Company") and its controlled entities, for the year ended 30 June 2019 and the auditor's report thereon.

DIRECTORS

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

Keith Perrett *Independent Director* *Chair of the Board 25/05/18 – current* *Non-Executive director 01/02/18 - current* *Audit & Risk Committee 22/02/18 - current* *Nominations & Remuneration Committee 22/02/18 - current* *Chair of Nominations & Remuneration Committee 25/05/18 - current*	Keith Perrett brings to the board strong experience in strategy development, government relations, stakeholder engagement and business development. He also has a strong business and government network, particularly within New South Wales & Queensland. He is currently Non-Executive Chairman of Silver Mines Ltd (ASX:SVL) and has previously held positions as the Chairman of the Grains Research and Development Corporation (GRDC), the National Rural Advisory Council (NRAC), the Wheat Research Foundation (WRF), and President of the Grains Council of Australia.
Stephen Maitland *Independent Director* *Non-Executive director 01/02/18 - current* *Audit & Risk Committee 22/02/18 – current* *Chair of Audit & Risk Committee 25/05/18 - current* *Nominations & Remuneration Committee 22/02/18 - current*	Stephen Maitland OAM RFD has over 45 years' experience in the banking and finance industries and is currently a director of QInsure Ltd and several private companies. He is an independent member of several audit and compliance committees and is the principal of Delphin Associates, a business consultancy firm specialising in strategic planning, risk management, corporate governance and business transition. Stephen has a degree in Economics and Masters' degrees in Business and Law. He is a Fellow of the Australian Institute of Company Directors, CPA Australia; the Governance Institute of Australia; and a Senior Fellow of the Financial Services Institute of Australia. During the past 3 years, he has been a non-executive director of ASX-listed Centrepoint Alliance Ltd.
Bradley Piltz *Executive Director 26/09/02 – 30/04/14* *Non-Executive Director 01/05/14 – current* *Nominations & Remuneration Committee 26/09/02 – current* *Audit & Risk Committee 26/09/02 - 25/5/18* *12/03/19 - current*	Brad has been involved in financial and property markets since 1975 and was a co-founder of LandMark White. In addition to extensive experience with the Commonwealth Bank, Brad has acted for major corporations and government instrumentalities providing advice from portfolio analysis to property acquisition, disposal and tenancy requirements. Brad has acted in court as an expert witness; is highly experienced in rental determinations; prepared educational valuation materials; lectured in valuation; and appeared on Sydney radio and television providing property market commentary. He is a fellow of the Australian Property Institute and a member of the Australian Institute of Company Directors. During the past 3 years, he has not acted as a director of any other Australian listed public company.

Chris Coonan *Executive Director* *17/11/16 – 12/03/19* *Chief Executive Officer* *17/11/16 – 12/03/19*	In his previous role as CEO, Chris worked with and was responsible to the board for the strategic direction of the Company and the effective implementation of strategic initiatives as well as the operations of the Consolidated Entity for all shareholders. Chris Coonan had been employed by the Company since 2003 and had been responsible for the significant growth in the very successful residential valuation business. Chris was an Associate of the Australian Property Institute and had a proven track record with staff management and innovation along with a collaborative leadership style. During the past 3 years, he had not acted as a director of any other Australian listed public company.
Frank Hardiman *Executive Director* *21/03/16 – 21/10/16* *Non-Executive Director* *22/10/16 – 12/03/19* *Audit & Risk Committee* *28/02/17 – 12/03/19*	Frank was Chief Financial Officer of LMW from 28 February 2011 and Company Secretary from 16 March 2011 until his retirement from both positions on 21 October 2017. Prior to joining the Company, Frank was Chief Financial Officer and Company Secretary of publicly listed Konekt Limited for 2 years and prior to that Chief Financial Officer for 16 years of the publicly listed PPK Group Limited (formerly Plaspak Group Limited). Frank had over 23 years' experience in Chief Financial Officer roles with listed public companies during which time he had been involved in numerous acquisitions and disposals as well as company floats. Frank had a Bachelor of Business Degree with an accounting major from University of Technology Sydney, was a registered tax agent and a Fellow of CPA Australia. During the past 3 years, he had not acted as a director of any other Australian listed public company.
Glen White *Non-Executive Director* *26/09/02 – 12/03/19* *Chair of the Board* *01/12/16 – 25/05/18* *Nominations &* *Remuneration Committee* *26/09/02 - 25/05/18* *Audit & Risk Committee* *26/09/02 - 25/05/18*	A co-founder of LandMark White's practice, Glen was a registered valuer with over 40 years' extensive experience in the real estate industry throughout Queensland and New South Wales. Working in both the public and private sectors, Glen commenced his valuation career in 1968 and gained experience with the Queensland Lands Department, National Mutual Life Association and with a private valuation firm before working in the Queensland practice that has become LandMark White since the 1980s. Prior to retirement, Glen was a fellow of the Australian Property Institute. During the past 3 years, he had not acted as a director of any other Australian listed public company.

DIRECTORS MEETINGS

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

	Board		Audit & Risk Committee		Nominations & Remuneration Committee	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Keith Perrett	42	42	4	4	1	1
Stephen Maitland	42	40	4	4	1	1
Brad Piltz	42	40	-	-	1	1
Chris Coonan	18	18	-	-	-	-
Frank Hardiman	18	17	4	4	-	-
Glen White	18	14	-	-	-	-

COMPANY PARTICULARS

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

CORPORATE GOVERNANCE STATEMENT

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

The 2019 Corporate Governance Statement is dated as at 30 June 2019 and reflects the corporate governance practices in place at the end of the 2019 financial year. The 2019 Corporate Governance Statement was approved by the board on 15 August 2019 and can be viewed at **https://www.lmw.com.au/investor-center/corporate-governance/**

PRINCIPAL ACTIVITIES

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

REVIEW OF OPERATIONS

The financial results of the business were adversely impacted by the suspension from valuation panels operated by many of the LMW's clients following the data disclosure incidents detected on 4 February 2019 and on 29 May 2019. This has resulted in a reduction in revenues of $6-7M and a corresponding reduction in profits. Whilst LMW had insurance cover in place, this only covered a relatively small part of the losses incurred.

As a result of these incidents, LMW incurred significant response and remediation costs and has subsequently invested heavily in enhancing its IT platforms, hardware and software security as well as privacy and data policies, training and data recovery plans.

LMW is recovering from the second incident and expects to return to profitable trading from quarter two in FY2020.

In addition to the loss of revenue and resulting impact on profitability, LMW has booked impairment losses on its goodwill intangible assets due to the cash generating units supporting these assets now forecasting reduced cashflows.

BUSINESS OVERVIEW

Prior to the data incidents, LMW successfully completed the acquisition of the Taylor Byrne Holdings Pty Ltd. This was in line with the strategy of diversification of revenue streams by broadening LMW's geographical footprint across regional QLD and NSW and introducing rural property valuation clients to the group. The acquisition also allowed LMW to reduce its reliance on sub-contract valuers in performing its large national valuation contracts.

OUTLOOK

The net cashflow from the post year end equity raising (see subsequent events below and note 17 to the financial statements) will enable the business to restructure its operations in line with an anticipated lower ongoing revenue base following the data disclosure incidents. This will enable the business to return to profitability and positive cashflows.

DIVIDENDS

The Board has not declared any dividends with respect to FY19 (FY18: 4.6 cents per share)
Dividends paid by the Company since the end of the previous financial year were:

Type	Cents per share	Total Amount $	Franked/ Unfranked	Date of payment
Declared and paid during the year:	2.00	$1,522,199	Franked at tax rate of 30%	19 September 2018

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 19 July 2019, the Company announced a non-renounceable, partially underwritten entitlement offer for existing shareholders with the aim of raising between $3M and $5.44M of additional capital. The capital raise closed fully subscribed and the Company issue the new shares and received the capital injection on 23 August 2019. The additional equity raised will be used to restructure the Company, further invest in IT infrastructure and pay down debt.

Additionally, the Company entered into a non-binding heads of agreement to acquire newly issued shares in LMW (WA) Holdings Pty Ltd taking its shareholding from 25% to 35% for consideration of $407,000. Separately, the Company has reached agreement to acquire a further 7.2% shareholding in LMW (WA) Holdings Pty Ltd via the purchase of shares from an existing shareholder for consideration of $221,000. As a result of these transactions, the Company's interest in LMW (WA) Holdings Pty Ltd increased from 25% to 42.2%.

STATE OF AFFAIRS

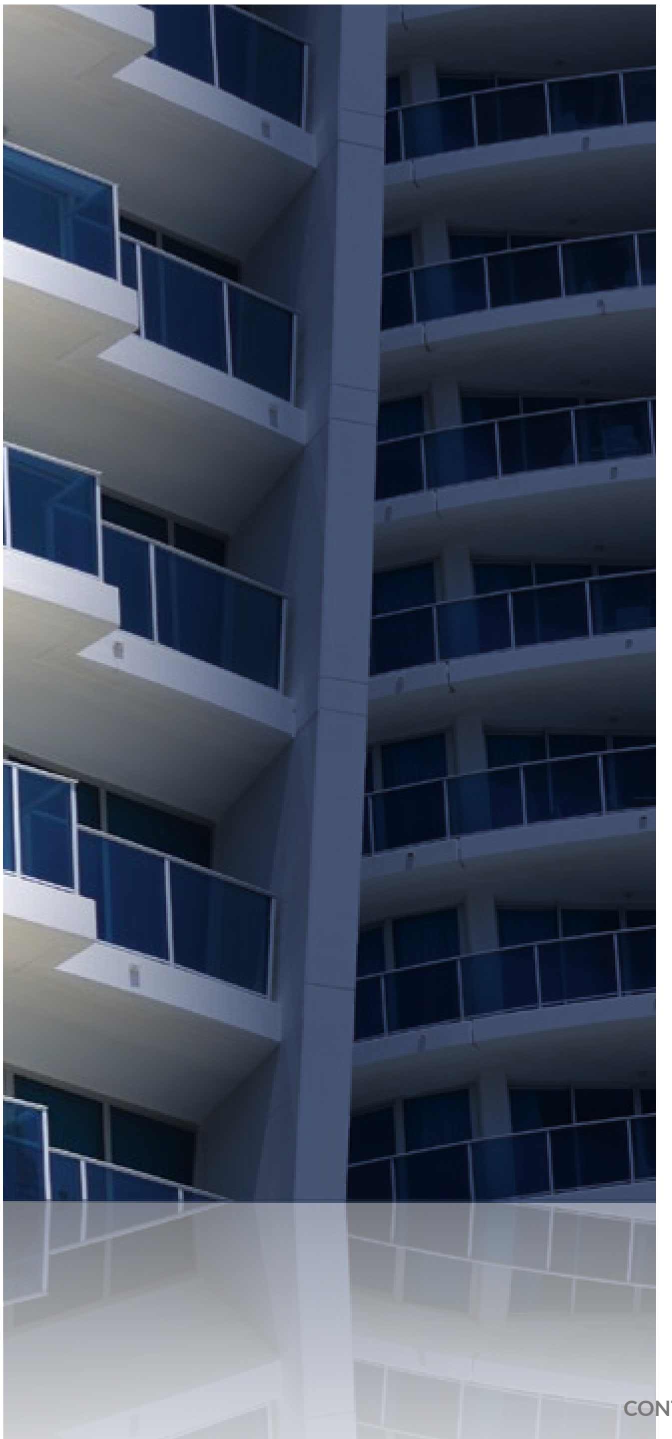
Other than the impacts of the data disclosures incidents, there have been no significant changes in the state of affairs of the Consolidated Entity that occurred during the year under review.

LIKELY DEVELOPMENTS

Refer to the Outlook included in this Directors Report above.

ENVIRONMENTAL REGULATION

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



REMUNERATION REPORT - AUDITED

NOMINATIONS & REMUNERATION COMMITTEE

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

Name	**Independent**	**Non-executive**
Current members		
Keith Perrett (Chair)	Y	Y
Stephen Maitland	Y	Y
Brad Piltz	N	Y

REMUNERATION POLICIES

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

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

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

	2019 $000	2018 $000	2017 $000	2016 $000	2015 $000
Services revenue	42,995	43,157	25,068	22,849	19,731
Net (loss) / profit to equity holders of the Company	(15,148)	4,140	1,626	1,659	779
The factors that are considered to affect total shareholders return are summarised below:					
Dividends declared (per share)	-	$0.046	$0.045	$0.045	$0.0375
Share price at the end of the period	$0.180	$0.555	$0.625	$0.52	$0.50
Change in share price	($0.375)	($0.070)	$0.105	$0.02	$0.065

Non-executive directors are paid an annual fee for their service on the board and committees which is determined by the Nominations & Remuneration Committee. Total remuneration for all non-executive directors is not to exceed $400,000 per annum as approved by the shareholders. Non-executive directors' total salary & fees for the year were $334,077. These fees include statutory superannuation. Non-executive directors do not receive bonuses nor are they currently entitled to be issued with options on securities in the Consolidated Entity. Non-executive directors do not receive any retirement benefits other than statutory superannuation payments. Non-executive directors do not receive separate fees for committee memberships.

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

DIRECTORS' AND SENIOR EXECUTIVE OFFICERS' REMUNERATION

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

		Short term		Post-employment		Long term				
Name	Year	Salary & Fees $	Bonus (b) $	Super-annuation benefits $	Termination benefits $	Movement in long term benefits $	Share based payment settled $	Total $	Perfor-mance Related %	Share based %
Non-executive directors										
K Perrett[1]	2019	120,000	-	-	-	-	-	120,000	-	-
	2018	16,667	-	-	-	-	-	16,667	-	-
S Maitland[1]	2019	65,000	-	-	-	-	-	65,000	-	-
	2018	16,667	-	-	-	-	-	16,667	-	-
B Piltz	2019	59,361	-	5,639	-	-	-	65,000	-	-
	2018	36,528	-	3,470	-	-	-	39,998	-	-
G White[2]	2019	41,552	-	3,948	-	-	-	45,500	-	-
	2018	36,528	-	3,470	-	-	-	39,998	-	-
F Hardiman[3]	2019	35,230	-	3,347	-	-	-	38,577	-	-
	2018	-	-	-	-	-	-	-	-	-
Executive directors										
C Coonan[4]	2019	189,701	-	15,431	-	16,019	-	221,151	-	-
	2018	228,311	56,235	22,760	-	4,370	-	311,676	18%	-
Other key management personnel										
T Rabbitt[5]	2019	92,308	-	5,333	-	1,552	-	99,193	-	-
	2018	-	-	-	-	-	-	-	-	-
J Wise[6]	2019	205,602	-	18,761	-	1,331	-	225,694	-	-
	2018	182,641	22,831	19,520	-	561	-	225,553	10%	-

1. *Appointed 1 February 2018*
2. *Resigned 12 March 2019*
3. *FY18 remuneration was prepaid due to the vesting of performance rights with the acquisition of MVS. Resigned 12 March 2019*
4. *CEO from 12 April 2016 and director from 17 November 2016, resigned from both roles on 12 March 2019*
5. *Acting CEO from 12 March 2019*
6. *CFO & Company Secretary from 26 September 2016*

NOTES IN RELATION TO THE TABLE OF DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION

(a) Analysis of options included in remuneration

OPTION & PERFORMANCE RIGHTS - SHARE BASED PAYMENTS

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

OPTIONS

There were no options outstanding at the dated of this report (2018: nil).

PERFORMANCE RIGHTS

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

No performance rights were granted during the year and no performance rights exist as at 30 June 2019.

VESTING AND EXERCISE OF PERFORMANCE RIGHTS ISSUED DURING PRIOR YEARS

There were no performance rights held as at 30 June 2018 and accordingly none vesting or exercised during the year ended 30 June 2019.

(b) Analysis of bonuses included in remuneration

Short-term incentive cash bonuses were awarded to the Acting CEO Timothy Rabbitt and CFO John Wise.

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

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

Director / Key Management Personnel	Vesting date	Cash Bonus Paid / Payable	Cash Bonus Forfeited	Financial Year the cash bonus was paid / is payable
Chris Coonan (CEO to 12 March 2019)	30 June 2019	-	100%	-
Timothy Rabbitt (acting CEO from 12 March 2019)	30 June 2019	100%	-	2020
John Wise	30 June 2019	100%	-	2020

CONTRACTED COMMITMENT

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

Director / Key Management Personnel	Notice Period Months	Termination Payment $
Timothy Rabbitt	1	27,500
John Wise	1	16,667

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

BENEFICIAL INTEREST OF DIRECTORS IN SHARES & OPTIONS

MOVEMENT IN SHARES

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

2019	Held at 1 July 2018	Purchases	Vesting & exercise of Performance Rights	Sales	Retirement from Board	Held at 30 June 2019
Directors						
Brad Piltz	4,501,284	-	-	-	-	4,501,284
Stephen Maitland	91,298	-	-	-	-	91,298
Keith Perrett	-	-	-	-	-	-
Glen White	10,870,134	-	-	-	(10,870,134)	-
Frank Hardiman	374,949	-	-	-	(374,949)	-
Chris Coonan	325,000	-	-	(160,731)	(164,269)	-

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

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

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

DIRECTOR RELATED ENTITY

The Consolidated Entity did not enter into any transactions with a director related entity in either of the years ended 30 June 2019 or 30 June 2018.

END OF REMUNERATION REPORT

PROCEEDINGS ON BEHALF OF THE CONSOLIDATED ENTITY

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

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

DIRECTORS' INTERESTS

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

	Ordinary Shares	Performance Rights over Ordinary Shares
Brad Piltz	4,501,284	-
Stephen Maitland	91,298	-
Keith Perrett	-	-

SHARE OPTIONS

Shares under option

There were no unissued ordinary shares of LandMark White Limited under option on the date of the report (2018: Nil).

Shares issued on exercise of options

There were no options exercised during the year (2018: Nil).

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Officers

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

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

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

The insurance premiums relate to:

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

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

Auditors

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

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

ROUNDING OF AMOUNTS

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

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

The auditor's independence declaration is set out on page 20 and forms part of the Directors' Report for the financial year ended 30 June 2019.

NON-AUDIT SERVICES

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

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

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

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

	2019 $	2018 $
Statutory audit	143,500	120,870
Service other than statutory audit		
Restructuring advice	300,000	-
Preparation & lodgement of taxation returns	11,100	10,000
Tax advice re employee share plan	13,000	-
Due diligence for acquisition of associated entity	-	12,000
Completion accounts review for acquired entities	-	2,000
	324,100	24,000

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

Keith Perrett
Director

Dated at Sydney this 16th day of September 2019

LandMark White Limited

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

I declare that, to the best of my knowledge and belief during the year ended 30 June 2019 there have been:

- No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- No contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck
Accountants & Advisors
ABN 16 021 300 521

Leo Tutt

L E. Tutt
Partner

Sydney, 16 September 2019

ACCOUNTANTS & ADVISORS

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		2019 $000s	2018 $000s
Revenue from rendering of services	1	41,493	42,452
Other income	3(a)	1,502	705
		42,995	43,157
Expenses from operating activities:			
Employee expenses		33,376	30,204
Report presentation expenses		2,576	1,800
Marketing expenses		514	413
Communications expenses		663	382
Insurance expenses		1,716	1,133
Administration expenses		1,533	424
Occupancy expenses		2,053	1,256
Depreciation and amortisation expenses		808	792
Impairment of investment in associated entity	13(b)	753	-
Impairment of intangible assets	6(c)	12,284	8,700
Reversal of deferred consideration payable	6(c)	-	(8,700)
Other expenses from operating activities		2,147	1,100
		58,423	37,504
Results from operating activities		(15,428)	5,653
Finance income	3(b)	44	62
Finance expense	3(b)	(204)	(14)
		(160)	48
Share of net (loss) / profit of associates accounted for using the equity method		(29)	106
(Loss) / profit before tax		(15,617)	5,807
Income tax benefit / (expense)	4	469	(1,667)
(Loss) / profit for the year attributable to owners of the parent		(15,148)	4,140
Total other comprehensive income (net of tax)		-	-
Total comprehensive (loss) / income for the year attributable to owners of the parent		(15,148)	4,140
Basic earnings per share	22(a)	($18.36)	$0.054
Diluted earnings per share	22(b)	($18.36)	$0.054

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

CONSOLIDATED BALANCE SHEET

Assets	Note	2019 $000s	2018 $000s
Cash and cash equivalents	5(a)	1,816	2,772
Term deposits	5(b)	72	108
Trade and other receivables	5(c)	3,832	5,306
Income tax receivable	6(a)	480	-
Work in progress	6(f)	-	97
Other current assets	6(g)	1,019	556
Total current assets		7,219	8,839
Deferred tax assets	6(e)	2,172	984
Term deposits	5(b)	846	608
Plant and equipment	6(b)	880	693
Intangible assets	6(c)	25,173	28,220
Investments accounted for using the equity method	13(b)	571	1,417
Total non-current assets		29,642	31,922
Total assets		36,861	40,761
Liabilities			
Trade and other payables	5(d)	2,568	1,946
Borrowings	5(e)	2,055	58
Current tax liabilities	6(d)	46	110
Employee benefits	6(h)	3,939	2,555
Provisions	6(i)	-	-
Total current liabilities		8,608	4,669
Borrowings	5(e)	3,250	61
Deferred tax liabilities	6(e)	7	29
Employee benefits	6(h)	517	205
Provisions	6(i)	192	172
Total non-current liabilities		3,966	467
Total liabilities		12,574	5,136
Net assets		24,287	35,625
Equity			
Issued capital	7	39,293	33,893
(Accumulated deficit) / Retained earnings		(15,006)	1,732
Reserves		-	-
Total equity		24,287	35,625

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share Capital $000s	Retained Earnings / (Accumulated Deficit) $000s	Total Equity $000s
Consolidated			
Balance at 1 July 2017	33,773	1,279	35,052
Total comprehensive income attributable to members of the parent entity	-	4,140	4,140
Shares issued	120	-	120
Dividends to shareholders	-	(3,687)	(3,687)
Balance at 30 June 2018	33,893	1,732	35,625
Balance at 1 July 2018	33,893	1,732	35,625
Change in accounting policy (note 24(a)(iii))	-	(68)	(68)
Total comprehensive loss attributable to members of the parent entity	-	(15,148)	(15,148)
Shares issued	5,400	-	5,400
Dividends to shareholders	-	(1,522)	(1,522)
Balance at 30 June 2019	39,293	(15,006)	24,287

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Cash flows from operating activities	Note	2019 $000s	2018 $000s
Cash receipts in the course of operations		51,166	47,307
Cash payments in the course of operations		(50,309)	(42,825)
Interest received		44	62
Interest paid		(204)	(14)
Dividends received		64	125
Decrease / (increase) in security deposits		64	(302)
Income tax paid		(769)	(2,616)
Net cash provided by operating activities	8(a)	56	1,737
Cash flows from investing activities			
Payments for plant and equipment	6(b)	(260)	(346)
Payments for intangible assets	6(c)	(679)	(448)
Purchase of investments			
Acquisition of controlled entity	12(a)	(3,695)	-
Acquisition of unincorporated businesses		(42)	-
Deferred consideration paid		-	(2,037)
Acquisition of associated entity		-	(663)
Decrease / (increase) in surplus cash on term deposit		-	2,500
Net cash used in investing activities		(4,676)	(994)
Cash flows from financing activities			
Shares issued		-	-
Borrowings received		7,152	-
Repayment of borrowings		(1,966)	(149)
Dividends paid	11(a)	(1,522)	(3,567)
Net cash (used) / provided from in financing activities		3,664	(3,716)
Net (decrease) / increase in cash and cash equivalents held		(956)	(2,973)
Cash and cash equivalents at beginning of the year	5(a)	2,772	5,745
Cash and cash equivalents at the end of the year	5(a)	1,816	2,772

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

HOW NUMBERS ARE CALCULATED

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

a) Accounting policies that are relevant for an understanding of the items recognised in the financial statements. These cover situations where the accounting standards either allow a choice or do not deal with a particular type of transaction;

b) Analysis and sub-totals, including segment information; and

c) Information about estimates and judgements made in relation to particular items.

1 REVENUE

	2019 $000s	2018 $000s
Revenue from rendering of services	40,899	41,705
Recovery of disbursements	100	193
Recharge of shared services to licensees	494	554
	41,493	42,452

(a) Revenue from rendering of services

Revenue from the rendering of services to clients is recognised when the individual performance obligation under the applicable contract is satisfied and at the price agreed in the contract. For the large majority of contracts, there is a single performance obligation at the completion of the service and revenue is recognised at this point.

(b) Recovery of disbursements

Where the contract with the client allows the recovery of disbursements incurred in delivering the services, these are billed to the client at the time the performance obligation in the contract is satisfied or in accordance with an agreed billing schedule as appropriate.

(c) Recharge of shared services to licensees

Revenue relating to the provision of shared services to licensees is billed and recognised on a monthly basis over the term of the agreement relating to the provision of such services.

Further information on the measurement and timing of recognition of revenues may be found in note 24(e).

2 MATERIAL PROFIT OR LOSS ITEMS

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

	Notes	2019 $000s	2018 $000s
Impairment of intangible assets	2(a)	12,284	8,700
Reversal of deferred consideration	2(b)	-	(8,700)
Impairment of investment in associated entity	2(c)	753	-
		13,037	-

(a) Impairment of intangible assets

2019

As a result of the reduction in revenues, profits and cashflows from the business units that rely upon bank lender valuation instructions following the data disclosure incidents in February and May 2019 as well as reduced revenues received by the Statutory Services business units, the carrying value of goodwill in the residential, commercial and regional business units has been tested at 30 June 2019.

Based upon the estimated recoverable amounts of the cash generating units detailed above an impairment charge of $12,284,000 has been recognised through the Statement of Profit or Loss and Other Comprehensive Income.

2018

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

(b) Revision of deferred consideration

2018

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

(c) Impairment of investment in associated entity

2019

As a result of the reduction in revenues, profits and cashflows following the data disclosure incidents in February and May 2019, the carrying value of LMW's investment in its associate has been tested at 30 June 2019.

Based upon the estimated recoverable amounts of the associate an impairment charge of $753,000 has been recognised through the Statement of Profit or Loss and Other Comprehensive Income.

3 OTHER INCOME AND EXPENSE ITEMS

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

(a) Other income

	2019 $000s	2018 $000s
Insurance proceeds	995	-
Licence fee income	466	610
Dividends received	-	58
Sundry income	41	37
	1,502	705

Insurance proceeds represents the net benefit received as a result of insurance claims made following the following the data disclosure incidents in February and May 2019. Insurance proceeds are recognised when the applicable insurer has confirmed cover and the benefit payable under that cover.

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

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

(b) Finance income and expenses

	2019 $000s	2018 $000s
Interest income	44	62
Interest expense	(204)	(14)
	(160)	48

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

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

4 INCOME TAX EXPENSE

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

(a) Income tax (benefit) / expense

	2019 $000s	2018 $000s
Current tax		
Current year (tax loss carried forward) / tax payable	(705)	1,412
Adjustments for prior years	87	(53)
Total current tax (benefit) / expense	(618)	1,359
Deferred income tax		
Decrease in deferred tax assets (note 6(e))	142	295
Increase in deferred tax liabilities (note 6(e))	7	13
Total deferred tax expense	149	308
Income tax expenses	(469)	1,667

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

	2019 $000s	2018 $000s
(Loss) / profit from continuing operations before tax	(15,617)	5,807
Prima facie income tax (benefit) / expense calculated at 30% on profit (2018: 30%)	(4,685)	1,742
Increase/(decrease) in income tax expense due to:		
Non-deductible expenses		
Intangible asset impairment	3,685	-
Investment impairment	226	-
Acquisition costs	158	-
Entertainment	22	27
Other expenses	30	-
Non-assessable share of loss / (profit) of associate	8	(32)
Fully franked dividend	-	(17)
	(556)	1,720
Adjustments for prior years	87	(53)
Income tax (benefit) / expense	(469)	1,667

5 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

- An overview of all financial instruments held by the Consolidated Entity;
- Specific information about each type of financial instrument;
- Accounting policies; and
- Information about determining the fair value of the instruments, including judgements and estimation uncertainty involved.

The Consolidated Entity holds the following financial instruments:

	Note	2019 $000s	2018 $000s
Financial assets at amortised cost			
Cash and cash equivalents	5(a)	1,816	2,772
Term deposits	5(b)	72	108
Trade and other receivables	5(c)	3,832	5,306
		5,720	8,186

	Note	2019 $000s	2018 $000s
Financial liabilities at amortised cost			
Trade and other payables	5(d)	2,568	1,946
Borrowings	5(e)	5,305	119
		7,873	2,065

(a) Cash and cash equivalents

	2019 $000s	2018 $000s
Cash at bank and on hand	1,816	2,772
Cash and cash equivalents in the Statement of Cash Flows	1,816	2,772

Access was available at the reporting date to the following lines of credit:

	2019 $000s	2018 $000s
Available:		
Bank bill facility	5,000	-
Bank overdraft	1,200	1,200
	6,200	1,200
Unused at reporting date:		
Bank bill facility	-	-
Bank overdraft	1,200	1,200
	1,200	1,200

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

As at 30 June 2019, the Consolidated Entity is in breach of certain conditions of these facilities, however the provider of the facilities has waived historic breaches and has also provided an undertaking not to exercise its rights as a result of both the historic breaches and those expected to occur up to and including to 31 December 2019.

Based on these undertakings, together with representations made by the lender and the Consolidated Entity's cashflow forecasts, which also take into account the capital raising that occurred post balance sheet (note 17(a)), the bank bills currently drawn on the bank bill facility have not entirely been reclassified as current liabilities (note 5(e)).

(b) Term deposits

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

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

(c) Trade and other receivables

	2019 $000s	2018 $000s
Current		
Trade receivables	3,919	5,331
Less: provision for expected credit losses	(250)	(113)
Other receivables	163	88
	3,832	5,306

(i) Classification as trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current. The Consolidated Entity's impairment and other accounting policies for trade and other receivables are outlined in notes 10(a) and 24(k) respectively.

(ii) Fair values of trade and other receivables

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

(iii) Impairment and risk exposure

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

(d) Trade and other payables

	2019 $000s	2018 $000s
Current		
Trade payables	1,407	981
Other payables and accrued expenses	1,161	965
	2,568	1,946

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(e) Borrowings

	2019 $000s	2018 $000s
Current		
Short term loan	249	-
Commercial bank bills	1,750	-
Lease liabilities	56	58
	2,055	58
Non-Current		
Commercial bank bills	3,250	-
Lease liabilities	-	61
	3,250	61
Total	5,305	119

Secured liabilities

The commercial bank bills are secured via fixed and floating charges over the assets and business of the Consolidated Entity.

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

	2019 $000s	2018 $000s
Finance lease commitments		
Within one year	62	64
One year or later and no later than five years	-	62
Later than five years	-	-
	62	126
Future finance charges	(6)	(7)
Recognised as a liability	56	119
Current	56	58
Non-current	-	61
	56	119

6 NON-FINANCIAL ASSETS AND LIABILITIES

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

- Specific information about each type of non-financial asset and non-financial liability:
  - Income tax receivable (note 6(a))
  - Plant and equipment (note 6(b))
  - Intangible assets (note 6(c))
  - Current tax liabilities (note 6(d))
  - Deferred tax balances (note 6(e))
  - Work in progress (note 6(f))
  - Other current assets (note 6(g))
  - Employee benefit obligations (note 6(h))
  - Provisions (note 6(i))
- Accounting policies; and
- Information about determining the fair value of the assets and liabilities, including judgements and estimation uncertainty involved.

(a) Income tax receivable

	2019 $000s	2018 $000s
Current		
Income tax receivable	480	-

As a large taxpayer, LMW ordinarily remits monthly income tax instalments to the Australian Taxation Office based on the revenues recorded each month. As a result of the data disclosure incidents in February and May 2019, LMW requested a variation to its income tax instalment amounts and a refund of amounts already paid. This was granted by the Australian Taxation Office and a refund of instalments made with respect to FY19 was received in July 2019.

(b) Plant & equipment

Cost	Office Equipment $000s	Furniture and Fittings $000s	Leasehold Improvements $000s	Total $000s
Balance at 1 July 2017	628	48	467	1,143
Additions	253	10	83	346
Disposals	(13)	-	-	(13)
Balance at 30 June 2018	868	58	550	1,476
Balance at 1 July 2018	868	58	550	1,476
Acquisition of controlled entities	1,359	523	218	2,100
Additions	203	44	13	260
Disposals	(447)	(10)	(348)	(805)
Balance at 30 June 2019	1,983	615	433	3,031
Accumulated Depreciation				
Balance at 1 July 2017	304	14	199	517
Depreciation charge for the year	186	10	77	273
Disposals	(7)	-	-	(7)
Balance at 30 June 2018	**483**	**24**	**276**	**783**
Balance at 1 July 2018	483	24	276	783
Acquisition of controlled entities	1,225	308	154	1,687
Depreciation charge for the year	278	65	84	427
Disposals	(447)	(10)	(289)	(746)
Balance at 30 June 2019	1,539	387	225	2,151
Carrying Amounts				
1 July 2017	324	34	268	626
30 June 2018	385	34	274	693
1 July 2018	385	34	274	693
30 June 2019	444	228	208	880

(i) Recognition and measurement

Items of plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy Note 24(n)).

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

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

(ii) Depreciation

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

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

- Office equipment 2-5 years
- Furniture and fittings 4-5 years
- Leasehold improvements life of the lease or 10 years

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

(c) Intangible assets

	Notes	**2019 $000s**	**2018 $000s**
Goodwill	(i) – (v)	13,884	17,205
Customer relationships	(i) – (v)	10,000	10,000
Computer software	(vi)	1,247	973
Trademarks	(vii)	42	42
		25,173	28,220

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

(i) Goodwill & customer relationships

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

Where the acquired subsidiary has significant long-term contracts or other customer relationships the future value of these relationships is assessed and is included as an asset in the fair value above of assets transferred. Goodwill on the acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

(ii) Subsequent expenditure

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

(iii) Impairment tests for goodwill & customer relationships

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

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

	2019 $000s	**2018 $000s**
Goodwill		
Commercial valuations	-	1,833
Residential valuations	3,016	7,074
Regional valuations	8,963	-
Government Services	1,905	8,298
	13,884	17,205

	2019 $000s	2018 $000s
Customer relationships		
Government Services	10,000	10,000
	10,000	10,000
Movement in Goodwill		
Balance at 1 July	17,205	32,405
Acquisition of controlled entity	8,963	-
Adjustment to provisional amounts recognised on the acquisition of MVS National on 31 May 2017	-	(6,500)
Impairment charge	(12,284)	(8,700)
Balance at 30 June	13,884	17,205
Movement in customer relationships		
Balance at 1 July	10,000	3,500
Adjustment to provisional amounts recognised on the acquisition of MVS National on 31 May 2017	-	6,500
Balance at 30 June	10,000	10,000

(iv) Revision of provisional amounts recognised

The provisional amounts recognised in the 30 June 2017 financial statements on the acquisition of MVS National included estimated deferred contingent consideration of $8,700,000. The deferred consideration was contingent upon the performance of the acquired business over the period from 1 January 2017 through to 30 June 2020 with the maximum deferred consideration calculated based on the performance for the calendar year ended 31 December 2017. The actual performance of the acquired business for the calendar year 31 December 2017 was lower than initially estimated and as a result the deferred consideration was longer be payable and accordingly has been released to the Statement of Profit or Loss and Other Comprehensive Income.

(v) Impairment charge

2019

As a result of the reduction in revenues, profits and cashflows from the business units that rely upon bank lender valuation instructions following the data disclosure incidents in February and May 2019 as well as reduced revenues received by the Statutory Services business units, the carrying value of goodwill in the Residential, Commercial and Statutory Services business units has been tested at 30 June 2019. Based upon the estimated recoverable amounts of the cash generating units detailed above an impairment charge of $12,284,000 has been recognised through the Statement of Profit or Loss and Other Comprehensive Income. This comprises $4,057,000 for Residential, $1,833,000 for Commercial and $6,394,000 for Statutory Services cash generating units respectively.

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

Assumption	How determined
Cash flows	The forecast 5-year cash flows are based on forecast results for the year ended 30 June 2020. The 2020 forecast forms the basis of cash flows in subsequent financial years adjusted based on the following assumptions determined on management's past experience: • Reduction in revenues in the first year and a 3%-10% increase in the years after reflecting the rebuilding of the LMW business following the data disclosure incidents; • Reduction in overheads expenses in the first year and 3% increase in the years after; • Reduction in employment expenses in the first year and an increase in employee expense calculated as 50%-60% of the increase in revenue in the years after; and • 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 13% and was based on the current risk-free interest rate, industry and business specific risk factors, market borrowing rates and investor expected returns. On forecast 5-year cash flows, further impairments would be necessary in Residential and Statutory Services if the discount rate was increased beyond 13% and all other variables remained unchanged. There would not be any impairment for Regional until the discount rate reached 17% with all other variables are unchanged.

2018

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

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

Assumption	How determined
Cash flows	The forecast 5-year cash flows were based on forecast results for the year ended 30 June 2019. The 2019 forecast forms the basis of cash flows in subsequent financial years adjusted based on the following assumptions determined on management's past experience: • No increase in revenues and overheads expenses in the first year and 3% increase in the years after; • Increase in employee expense calculated as 50%-60% of the increase in revenue since the prior year; and • Terminal value at the end of year 5 based on year 5 cash flows.
Discount rate	The discount rate adopted was a pre-tax rate of 12% and was based on the current risk-free interest rate, industry and business specific risk factors, market borrowing rates and investor expected returns. On forecast 5-year cash flows, there would not be any impairment until the discount rate reached 60% for Residential, 37% for Commercial and 13% for Government. In this scenario, all other variables are unchanged.

(vi) Computer software

	2019 $000s	2018 $000s
Movement in Computer Software		
Balance at 1 July	973	1,044
Acquisition of controlled entities	-	-
Additions	679	448
Amortisation	(405)	(519)
Balance at 30 June	1,247	973

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

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

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

(vii) Trademarks

	2019 $000s	2018 $000s
Trademarks		
Balance at 1 July	42	42
Balance at 30 June	42	42

(d) Current tax liabilities

	2019 $000s	2018 $000s
Current		
Tax Liabilty	46	110

The current tax liability for the Consolidated Entity of $46,000 (2018: $110,000) represents the amount of income taxes payable in respect of current and prior financial periods. In accordance with the tax consolidation legislation, LandMark White Limited as the head entity of the Australian tax-consolidated group has assumed responsibility for the current tax asset/liability initially recognised by the members in the tax-consolidated group.

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

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

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

(i) Tax consolidation

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

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

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

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

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

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

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

The head entity in conjunction with other members of the tax-consolidated group has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

No amounts have been recognised in the financial statements in respect of this agreement as payment of any such amounts under the tax sharing agreement is considered remote.

(e) Deferred tax balances

Deferred tax assets and liabilities are attributable to the following:

	2019 $000s	2018 $000s
Recognised deferred tax assets		
Employee provisions	1,063	606
Doubtful debts provision	75	34
Accruals	97	30
Operating lease provisions	19	25
Make good provisions	38	26
S40-880 "black hole" expenditure	172	259
Income tax losses carried forward	705	-
Other	3	4
	2,172	984
Recognised deferred tax liabilities		
Right of use assets	(7)	-
Work in progress	-	(29)
	(7)	(29)

Movement in temporary differences during the year

	Balance 1 July 18 $000s	Recognised in Profit & Loss $000s	Acquisitions $000s	Recognised in Retained Earnings $000s	Balance 30 June 19 $000s
Deferred tax assets					
Employee provisions	606	(115)	572	-	1,063
Doubtful debts	34	(5)	46	-	75
Accruals	30	44	23	-	97
Operating lease provisions	25	(6)	-	-	19
Make good provisions	26	12	-	-	38
S40-880 "black hole" expenditure	259	(87)	-	-	172
Provision for restructuring	-	705	-	-	705
Other	4	4	(5)	-	3
	984	552	636	-	2,172
Deferred tax liabilities					
Right of use assets	-	(7)	-	-	(7)
Work in progress	(29)	-	-	29	-
	(29)	(7)	-	29	(7)

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

	2019 $000s	2018 $000s
(f) Work in progress		
Work in progress	-	97

	2019 $000s	2018 $000s
(g) Other current assets		
Prepaid expenses	1,019	556

	2019 $000s	2018 $000s
(h) Employee benefit obligations		
Current		
Annual leave	1,351	1,063
Long service leave	1,676	752
Performance pay	912	740
	3,939	2,555
Non-Current		
Long service leave	517	205

	2019 $000s	2018 $000s
(i) Provisions		
Non-Current		
Operating lease	64	84
Make Good	128	88
	192	172

Movement in Provisions	Operating Lease $000s	Make good $000s	Total $000s
Balance at 1 July 2017	62	121	183
Acquisition of controlled entity	-	(88)	(88)
Reversal during year	-	(11)	(11)
Increase during year	22	66	88
Balance at 30 June 2018	84	88	172
Balance at 1 July 2018	84	88	172
Utilised during year	-	-	-
Reversal during year	(20)	-	(20)
Increase during year	-	40	40
Balance at 30 June 2019	64	128	192

(i) Operating lease

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

(ii) Make good

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

7 EQUITY

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share on a poll at meetings of the Company. On a show of hands, every shareholder present at a meeting or by proxy is entitled to one vote. There are currently 85,134,111 ordinary fully paid shares on issue (2018: 76,109,944). Shares have no par value, and the Company does not have a limited amount of capital.

Share Capital	Number	$000s
Balance as 30 June 2017	75,930,855	33,773
Issued via Dividend Reinvestment Plan	179,089	120
Balance at 30 June 2018	76,109,944	33,893
Net proceeds from issue of shares in relation to acquisition	9,024,167	5,400
Balance at 30 June 2019	85,134,111	39,293

8 CASH FLOW INFORMATION

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

	Notes	2019 $000s	2018 $000s
Profit for the period after tax		(15,148)	4,140
Adjustments for the period			
Depreciation & amortisation		832	792
Impairment of intangible assets		12,284	-
Impairment of investment in associated entity		753	-
Share of losses / (profits) of associates not received as dividends		93	(39)
Doubtful debts		28	46
Credit posted directly to retained earnings		(68)	-
Loss on disposal of fixed assets		99	6
Sub-total carried forward		(1,127)	4,945

	Notes	2019 $000s	2018 $000s
Sub-total brought forward		(1,127)	4,945
Changes in assets & liabilities during the period net of amounts relating to acquisition of controlled entities			
(Increase)/decrease in security deposits		64	(302)
(Increase)/decrease in receivables		3,894	(58)
(Increase)/decrease in work in progress	6(f)	97	(44)
(Increase)/decrease in deferred tax assets	6(e)	(552)	295
(Increase)/decrease in other assets		(304)	94
Increase/(decrease) in payables	5(d)	(769)	(1,033)
Increase/(decrease) in provision for income tax	6(d)	(693)	(1,257)
Increase/(decrease) in deferred tax liabilities	6(e)	(22)	13
Increase/(decrease) in employee provisions	6(h)	(512)	(905)
Increase/(decrease) in other provisions	6(i)	(20)	(11)
Net cash from operating activities		56	1,737

RISK

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

9 SIGNIFICANT ESTIMATES & JUDGEMENTS

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

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in notes 1 to 7 together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving significant estimates or judgements are:

- Impairment of goodwill (note 6(c))
- Provisions (note 6(i))
- Recognition of revenue (note 1)

10 FINANCIAL RISK MANAGEMENT

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

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

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

Risk management policies are established to identify and analyse the risks faced by the Consolidated

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

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

(a) Credit Risk

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

Trade and other receivables

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

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

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

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

Exposure to credit risk

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

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

	2019 $000s	**2018 $000s**
Trade and other receivables	3,832	5,306
Cash and cash equivalents	1,816	2,772
Term deposits & other	918	716
	6,566	8,794

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

	2019 $000s	**2018 $000s**
Financial clients	1,283	2,404
Non-financial clients	1,183	662
Government non-financial clients	1,453	2,265
	3,919	5,331

The Consolidated Entity's most significant clients included the following amounts within trade and other receivables carrying amounts:

	2019 $000s	**2018 $000s**
An Australian financial client	205	257
An Australian Government non-financial client	1,036	2,109

Impairment Losses

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

	Gross	Impairment	Gross	Impairment
	2019 $000s	2019 $000s	2018 $000s	2018 $000s
Not past due	3,031	-	3,821	-
Past due 0-30 days	326	-	1,298	-
Past due 31-120 days	225	-	88	-
Past due 121-365 days	337	250	124	113
	3,919	250	5,331	113

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

	2019 $000s	2018 $000s
Balance at 1 July	113	88
Acquisition of controlled entities	154	-
Increase in provision	(17)	25
Balance at 30 June	250	113

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

(b) Liquidity risk

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

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

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

	Carrying amount	Contractual cash flows	Payable 6 months or less	Payable between 6 and 12 months	Payable after 12 months
Non-derivative financial liabilities	**$000**	**$000**	**$000**	**$000**	**$000**
30 June 2019					
Trade and other payables	2,568	2,568	2,568	-	-
Performance pay liability	912	912	912	-	-
Short and long term loans	5,249	5,249	249	1,750	3,250
Lease liabilities	56	56	29	27	-
	8,785	8,785	3,758	1,777	3,250

Non-derivative financial liabilities	Carrying amount $000	Contractual cash flows $000	Payable 6 months or less $000	Payable between 6 and 12 months $000	Payable after 12 months $000
30 June 2018					
Trade and other payables	1,946	1,946	1,946	-	-
Performance pay liability	740	740	740	-	-
Lease liabilities	119	119	29	29	61
	2,805	2,805	2,715	29	61

(c) Interest risk

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

Interest rate risk is managed by seeking to maximise the yield achieved on cash held at bank and minimise the interest rates incurred on borrowings.

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

	2019 $000s	2018 $000s
Variable rate instruments		
Cash and cash equivalents	1,816	2,772
Current borrowings	1,750	-
Long-term borrowings	3,250	-

(d) Cash flow sensitivity analysis for rate instruments

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

(e) Fair values

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

11 CAPITAL MANAGEMENT

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

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

(a) Dividends

(i) Ordinary shares

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

	Cents per share	Total amount $000s	Franked/ unfranked	Date of Payment
2019				
Final 2018 ordinary	2.00	1,522	Franked	19 September 2018
2018				
Final 2017 ordinary	2.25	1,708	Franked	3 October 2017
Interim 2018 ordinary	2.60	1,979	Franked	5 April 2018
		3,687		

(ii) Franked dividends

Dividends declared or paid during the year were fully franked at the tax rate of 30%. (2018: 30%)

After the end of the reporting period, the directors have not declared a final dividend.

Dividend franking account	Company 2019 $000s	Company 2018 $000s
30% franking credits available to shareholders of LandMark White Limited for subsequent financial years	1,529	2,299

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

(a) Franking credits that will arise from the payment of the current tax liabilities;

(b) Franking debits that will arise from the payment of dividends recognised as a liability at the year-end; and

(c) Franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year-end.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. As there is no dividend declared for 2019, there is no impact on the dividend franking account for dividends proposed after the end of the reporting period but not recognised as a liability (2018: impact was to reduce the franking account by $652,000).

GROUP STRUCTURE

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

- Changes to the structure that occurred during the year as a result of business combinations and the disposal of a discontinued operation;
- Transactions with non-controlling interests; and
- Interests in joint operations.

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

12 BUSINESS COMBINATIONS

(a) Summary of acquisition

On 15 October 2018 the parent entity acquired 100% of the issued share capital of Taylor Byrne (Holdings) Pty Ltd ("Taylor Byrne"). The terms of the sale and purchase agreement provided for the effective date of transfer of economic benefit to be 1 October 2018 and accordingly the completion balance sheet was prepared at 30 September 2018 and results consolidated from 1 October 2018.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

	2019 $000s
Purchase consideration:	
Cash paid – initial consideration	5,150
Ordinary shares issued	5,150
	10,300
Additional amount paid in respect of working capital position on completion	2,235
	12,535

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

	2019 $000s
Cash and cash equivalents	3,690
Term deposits	266
Trade and other receivables	2,448
Other current assets	159
Deferred tax assets	636
Plant and equipment	413
Trade and other payables	(1,641)
Employee benefits	(2,208)
Tax liability	(149)
Net identifiable assets acquired	3,614
Goodwill	8,921
	12,535

Net cash outflow from acquisition	
Cash paid – initial consideration	(5,150)
Additional amount paid in respect of working capital position on completion	(2,235)
Cash and cash equivalents acquired	3,690
	(3,695)

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

13 INTERESTS IN OTHER ENTITIES

(a) Subsidiaries

The Consolidated Entity's subsidiaries at 30 June 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Consolidated Entity, and the proportion of ownership interests held equals the voting rights held by the Consolidated Entity. All entities are incorporated and operate in Australia only.

	Ownership interest held by the Consolidated Entity		Ownership interest held by non-controlling interests		Principal activities
Name of entity	**2019 %**	**2018 %**	**2019 %**	**2018 %**	
LMW (Residential) Pty Ltd	100	100	-	-	Residential valuations
LMW (Brisbane) Pty Ltd	100	100	-	-	Commercial valuations
LMW (Gold Coast) Pty Ltd	100	100	-	-	Commercial valuations
LMW (Melbourne) Pty Ltd	100	100	-	-	Commercial valuations
LMW (Statutory Services) Pty Ltd	100	100	-	-	Government valuations
Taylor Byrne Holdings Pty Ltd	100	-	-	-	Non-trading
Taylor Byrne Pty Ltd	100	-	-	-	Regional valuations
Lane Infrastructure Pty Ltd	100	-	-	-	Property advisory services
LMW Australia Pty Ltd	50	50	50	50	National valuation contracting entity
LMW Group Pty Ltd	100	100	-	-	Franchisor
LMW Hegney Pty Ltd	50	50	50	50	Holder of intellectual property
LMW (Management) Pty Ltd	100	100	-	-	Group employer
LMW (Employee Benefits) Pty Ltd	100	100	-	-	Non-trading
LMW Advisory Pty Ltd	100	100	-	-	Non-trading
MVS National Pty Ltd	100	100	-	-	Non-trading
Cosgrave & Eastoe Pty Ltd	100	-	-	-	Non-trading
Hoolihan Valuations Pty Ltd	100	-	-	-	Non-trading

(b) Interests in associates

The Consolidated Entity's interests in associates at 30 June 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Consolidated Entity, and the proportion of ownership interests held equals the voting rights held by the Consolidated Entity. All entities are incorporated and operate in Australia only.

Name of entity	**2019 %**	**2018 %**	**2019 %**	**2018 %**	**Principal activities**
LMW (WA) Holdings Pty Ltd	25	25	571	1,417	WA valuations

(i) Summarised financial information for associates

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

	30 June 2019 $000s	31 Dec 2018 $000s
Summarised balance sheet		
Current assets		
Cash and cash equivalents	445	1,191
Other current assets	1,022	1,156
Total current assets	1,467	2,347
Non-current assets	4,566	4,600
Current liabilities		
Financial liabilities (excluding trade payables)	74	114
Other current liabilities	874	1,389
Total current liabilities	948	1,503
Non-current liabilities		
Financial liabilities (excluding trade payables)	148	166
Other non-current liabilities	159	129
Total non-current liabilities	307	295
Net assets	4,778	5,149
Reconciliation to carrying amounts		
Opening net assets 1 January 2017	5,149	4,995
Profit for the period	(114)	424
Other comprehensive income	-	-
Dividends paid	(257)	(270)
Closing net assets 30 June 2018	4,778	5,149

	30 June 2019 $000s	31 Dec 2018 $000s
Consolidated Entity's share of closing net assets in %	25%	25%
Consolidated Entity's share of closing net assets in $	1,194	1,287
Unrecognised goodwill included in the carrying amount	130	130
Impairment of investment	(753)	-
Carrying amount of interest in associate	571	1,417

	12 months to 30 Jun 2019 $000s	6 months to 30 Jun 2019 $000s
Summarised statement of comprehensive income		
Revenue	7,086	4,585
Interest income	3	3
Depreciation and amortisation	(99)	(45)
Interest expense	(10)	(5)
Other expenses	(7,089)	(3,936)
(Loss) / profit from continuing operations before tax	(109)	602
Income tax expense	(5)	(178)
(Loss) / profit from continuing operations after tax	(114)	424
Other comprehensive (loss) / income	-	-
Total comprehensive (loss) / income	(114)	424
Dividends received from associates	131	67

(ii) Impairment charge

2019

As a result of the reduction in revenues, profits and cashflows within LMW Holdings (WA) Pty Ltd following the data disclosure incidents in February and May 2019, the carrying value of LandMark White Limited's interest in LMW Holdings (WA) Pty Ltd has been tested at 30 June 2019.

Based upon the estimated recoverable amounts an impairment charge of $753,000 has been recognised through the Statement of Profit or Loss and Other Comprehensive Income.

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

Assumption	How determined
Cash flows	The forecast 5-year cash flows are based on forecast results for the year ended 30 June 2020. The 2020 forecast forms the basis of cash flows in subsequent financial years adjusted based on the following assumptions determined on management's past experience: • Reduction in revenues in the first year and a 3% increase in the years after reflecting the rebuilding of the business following the data disclosure incidents; • Reduction in overheads expenses in the first year and 3% increase in the years after; • Reduction in employment expenses in the first year and an increase in employee expense calculated as 60% of the increase in revenue in the years after; and • 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 13% and was based on the current risk-free interest rate, industry and business specific risk factors, market borrowing rates and investor expected returns. On forecast 5-year cash flows, further impairments would be necessary if the discount rate was increased beyond 13% and all other variables remained unchanged.

UNRECOGNISED ITEMS

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

14 CONTINGENT LIABILITIES

The Consolidated Entity, from time to time, is involved in matters of litigation in the normal course of business in undertaking valuation services. At 30 June 2019 there are no open litigated claims. The Consolidated Entity has professional indemnity insurance, and under the terms of the insurance policy, each claim has an excess which is required to be paid by the Consolidated Entity. It was not practical to estimate the maximum contingent liability arising from litigation; however, in a worst-case situation there could be a material adverse effect on the Consolidated Entity's financial position. In the directors' opinion, disclosures of any further information in relation to litigation would be prejudicial to the interests of the Consolidated Entity.

15 COMMITMENTS

Capital expenditure

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

	2019 $000s	2018 $000s
Within one year	3,022	2,381
One year or later and no later than five years	5,804	6,584
Later than five years	593	1,075
	9,419	10,040

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

16 GUARANTEES

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

17 EVENTS OCCURRING AFTER THE REPORTING PERIOD

(a) Capital Raise

On 19 July 2019, the Company announced a non-renounceable, partially underwritten entitlement offer for existing shareholders with the aim of raising between $3M and $5.44M of additional capital. The capital raise closed fully subscribed and the Company issue the new shares and received the capital injection on 23 August 2019. The amount raised and intended use is as follows:

Use	$000
Staff restructuring strategy	1,600
IT infrastructure investment	400
Increased investment in LMW (WA) Holdings Pty Ltd (note 17(b))	628
Reduction in debt / working capital	2,292
Costs of offer – prospectus	190
Costs of offer – capital raising	330
	5,440

As a result of the capital raise, the number of shares on issue increased from 85,134,111 to 155,679,930 with share capital increasing from $39,293,000 at 30 June 2019 to $44,385,000.

(b) Acquisition of additional interest in Associated Entity

On 18 July 2019, the Company entered into a non-binding heads of agreement to acquire newly issued shares in LMW (WA) Holdings Pty Ltd taking its shareholding from 25% to 35% for consideration of $407,000. The acquisition was completed on 13 September 2019.

Separately, the Company has reached agreement to acquire a further 7.2% shareholding in LMW (WA) Holdings Pty Ltd via the purchase of shares from an existing shareholder for consideration of $221,000. This acquisition was completed on 23 August 2019.

As a result of these transactions, the Company's interest in LMW (WA) Holdings Pty Ltd has increased from 25% to 42.2%.

18 GOING CONCERN

The Company has been the subject of two cyber incidents which resulted in a number of clients suspending utilisation of LMW's services with a resulting reduction in revenues and cashflows which prima facie may impact the ability of the Company to pay its debts as and when they fall due. As a result of the reduction in revenues, the Company incurred a net loss of $15,148,000 for the year ended 30 June 2019.

The directors have prepared the financial information contained within this report on a going concern basis for the following reasons:

- The Company was trading profitability prior to the cyber incidents.
- The cyber incidents were the result of criminal activity and are not ongoing. NSW Cyber Police are continuing their investigations.
- The Company has substantially enhanced its cyber security measures to limit the chance of recurrence.
- Whilst many mortgage lending clients temporarily suspended trading with the Company, they have either recommenced trading or are expected to recommence trading with the Company in the future.
- The Company has secured short term funding from its corporate banker which will allow it to trade through the period whilst its cashflows return.
- By the end of the current calendar year, the Company expects its revenues, profitability and operating cashflows to be at levels that allow it to provide appropriate returns to shareholders and therefore to continue to trade.
- The Company has concluded a successful capital raise of $5.44M that will allow it to restructure its business and continue profitable and cashflow positive trading into the future.
- The Company has prepared detailed cashflow forecasts through to June 2020 which confirm its ability to continue to pay its debts as and when they fall due.

The directors are satisfied that the going concern basis of preparation is appropriate and therefore the financial information does not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities that might be necessary should the company not be able to continue as a going concern.

OTHER INFORMATION

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

19 RELATED PARTY TRANSACTIONS

(a) Subsidiaries

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

(b) Key management personnel compensation

	2019 $	2018 $
Short term employee benefits	861,213	596,408
Post-employment benefits	-	49,220
Long-term benefits	18,902	4,931
	880,115	650,559

Detailed remuneration disclosures are provided in the remuneration report on pages 15 to 18.

(c) Transactions with other related parties

The following transactions occurred with related parties:

	2019 $	2018 $
Dividends received from associate	131	67
Group management fee income from associates & franchisees	494	554

20 SHARE-BASED PAYMENTS

(a) Employee option & performance rights plans

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

Movements in options during the period were as follows:

	2019 Average Exercise Price	2019 Number of Options
As at 1 July	-	-
Exercised during the year	-	-
As at 30 June	-	-

	2018 Average Exercise Price	2018 Number of Options
As at 1 July	-	-
Exercised during the year	-	-
As at 30 June	-	-

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

Movements in performance rights during the period were as follows:

	2019 Number of Rights	2018 Number of Rights
As at 1 July	-	-
Vested and exercised during the year	-	-
As at 30 June	-	-

(b) Expenses arising from share-based payment transactions

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

	2019 $	2018 $
Options	-	-
Performance rights	-	-
	-	-

21 REMUNERATION OF AUDITORS

	2019 $000s	2018 $000s
Audit services		
Auditor of the Consolidated Entity – William Buck		
Audit and review of the financial reports	144	121
Other services		
Other William Buck related entities		
Restructuring advice	300	-
Taxation and other services	24	22
Total services	468	143

22 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share at 30 June 2019 was based on the loss attributable to ordinary shareholders of $15,148,000 (2018: profit $4,140,000) and the weighted average number of ordinary shares outstanding during the financial year ended 30 June 2019 of 82,513,394 (2018: 76,063,822) calculated as follows:

	2019 $000s	2018 $000s
(Loss) / profit attributable to ordinary shareholders	(15,148)	4,140
Weighted average number of ordinary shares	**Number**	**Number**
Issued Ordinary Shares at 1 July	76,109,944	75,930,855
Weighted average number of ordinary shares at 30 June	82,513,394	76,063,822

(b) Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2019 was based on the loss attributable to ordinary shareholders of $15,148,000 (2018: profit $4,140,000) and the weighted average number of ordinary shares outstanding during the financial year ended 30 June 2019 of 82,513,394 (2018: 76,063,822) calculated as follows:

	2019 $000s	2018 $000s
Profit attributable to ordinary shareholders	(15,148)	4,140
Weighted average number of ordinary shares	**Number**	**Number**
Issued Ordinary Shares at 1 July	76,109,944	75,930,855
Weighted average number of ordinary shares at 30 June	82,513,394	76,063,822

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

23 PARENT ENTITY FINANCIAL INFORMATION

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

(a) Statement of financial position

	2019 $000s	2018 $000s
Assets		
Current assets	20,314	15,591
Non-current assets	45,250	33,305
Total assets	65,564	48,896
Liabilities		
Current liabilities	26,104	1,358
Non-current liabilities	3,320	112
Total liabilities	29,424	13,670
Net assets	36,140	35,226
Equity		
Issued capital	39,293	33,893
Retained earnings	(3,153)	1,333
Total equity	36,140	35,226

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

	2019 $000s	2018 $000s
Total (loss) / profit	(2,964)	3,955
Total comprehensive income	(2,964)	3,955

24 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

(i) Compliance with IFRS

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

(ii) Historical cost convention

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

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

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

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

AASB 9 - Financial Instruments (applicable for reporting periods commencing on or after 1 January 2018)

AASB 9 includes requirements for the classification and measurement of financial assets, the accounting requirements for financial liabilities, impairment testing requirements and hedge accounting requirements. The application of this standard did not have an impact on the carrying values of financial instruments held by the Consolidated Entity.

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

AASB 15 established a single, comprehensive framework for revenue recognition, and replaced previous revenue Standards.

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

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

Prior to adopting this standard, the Consolidated Entity recognised revenue and work in progress in relation to partially completed valuation contracts. With the adoption of the standard, the Consolidated Entity now only recognises revenue when the valuation is completed and delivered to the client.

Application of this standard resulted in de-recognition of $97,000 work in progress balance as at 1 July 2018 and had a minimal impact on the timing of reported profits.

AASB 9 and AASB 15 were adopted using the modified retrospective approach and as such comparatives have not been restated. The adoption of AASB 9 had no impact on the opening retained profits as at 1 July 2018.

The impact of adoption of AASB 15 on opening retained profits as at 1 July 2018 was as follows:

	1 July 2018 $000
Work in progress reversed	(97)
Deferred tax liability	29
	(68)

The impact of the new Accounting Standards compared with the previous Accounting Standards on the current reporting period is as follows:

	Current year Under AASB 15 $000	**Current year Under AASB 118 $000**	**Difference $000**
Revenue from operations	42,995	43,092	(97)
Loss before income tax	(15,617)	(15,520)	(97)
Income tax benefit	469	440	29
Loss after income tax	(15,148)	(15,080)	(68)
Work in progress	-	-	-
Net assets	24,287	24,287	-

(iv) New standards and interpretations not yet adopted

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

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

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

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

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

The Consolidated Entity has performed a detailed impact assessment of AASB 16. In summary the impact of AASB 16 adoption is expected to be as follows:

	$000
Assets	
Property, plant and equipment (right of use assets)	3,103
Deferred tax assets	48
Liabilities	
Lease liabilities	(3,363)
Provisions (operating lease under AASB 117)	100
Net impact on equity	(112)

Impact on the statement of profit or loss (increase/(decrease) for the year ended 30 June 2019:

	$000
Occupancy expenses	(1,377)
Depreciation and amortisation expenses	1,129
Results from operating activities	(248)
Financial expenses	303
Profit before tax	55
Income tax expense	(16)
Profit from operations after income tax for the half year	39

Due to the adoption of AASB 16, the Consolidated Entity's operating profit will improve, while its interest expense will increase. This is due to the change in accounting for expenses of leases that were classified as operating leases under AASB 117.

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Consolidated Entity (refer to note 24(h)).

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

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

(ii) Associates

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

(iii) Equity method

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

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

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

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 24(m).

(iv) Changes in ownership interests

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

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

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

(c) Functional and presentation currency

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

(d) Segment reporting

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

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

Accordingly, no separate segment reporting is required.

(e) Revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled to receive for the provision of services to clients.

For each contract with a client, the Consolidated Entity identifies the contract, the performance obligations in the contract and the total price for the services. The total price is then allocated to the separate performance obligations under the contract and each part of the total price is recognised as revenue when the associated performance obligation is satisfied.

For the large majority of contracts with clients, the Consolidated Entity has a single performance obligation being the delivery of the service and so the revenue is recognised at this point in time.

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

(f) Income tax

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

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

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

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

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

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

(g) Leases

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

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

(h) Business combinations

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

- Fair values of the assets transferred;
- Liabilities incurred to the former owners of the acquired business;
- Equity interests issued by the Consolidated Entity;
- Fair value of any asset or liability resulting from a contingent consideration arrangement; and
- Fair value of any pre-existing equity interest in the subsidiary.

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

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred plus the amount of any non-controlling interest in the acquired entity and the acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

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

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

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

(i) Impairment of assets

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

(j) Cash and cash equivalents

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

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. See note 5(c) for further information about the Consolidated Entity's accounting for trade receivables and note 10(a) for a description of the Consolidated Entity's impairment policies.

(l) Work in progress

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

(m) Investments and other financial assets

(i) Classification

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

- Those to be measured subsequently at fair value; and
- Those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. See note 5 for details about each type of financial asset.

(ii) Recognition and derecognition

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

(iii) Financial assets at fair value through profit and loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss.

Typically, such financial assets will be either:

- held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or
- designated as such upon initial recognition where permitted.

Fair value movements are recognised in profit or loss.

(iv) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

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

(v) Impairment

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

(vi) Income recognition

Interest income

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

Dividends

Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence, refer note 24(m)(v).

(n) Plant and equipment

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

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

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

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(o) Intangible assets

(i) Goodwill

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

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

(ii) Trademarks, licences and customer contracts

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

(iii) Software

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

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

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

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

(iv) Amortisation methods and periods

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

(p) Trade and other payables

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

(q) Borrowings

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

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

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

(r) Borrowing costs

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

(s) Provisions

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

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

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

(t) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

(iii) Post-employment obligations

The Consolidated Entity operates various defined contribution pension plans.

Pension obligations

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

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the LandMark White Employee Option & Performance Rights Plan and an employee share scheme. Information relating to these schemes is set out in note 20.

Employee options and performance rights

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

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

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

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

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

(v) Profit-sharing and bonus plans

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

(vi) Termination benefits

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

(u) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(v) Dividends

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

(w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

(x) Rounding of amounts

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

(y) Goods and Services Tax (GST)

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

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

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

25 CHANGES TO ACCOUNTING POLICIES

There have been no changes to accounting policies during the financial year ended 30 June 2019.

DIRECTOR'S DECLARATION

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

(a) The financial statements and notes set out on pages 21 to 57 and the remuneration disclosures of the Remuneration report in the Directors' report, set out on pages 15 to 18, 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 2019 and of its performance, for the financial year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as discussed in Note 24(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 2019.

Dated at Sydney this 16th day of September 2019

Signed in accordance with a resolution of the directors:

Keith Perrett
Director

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William Buck

LandMark White Limited

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of LandMark White Limited (the Company) and its subsidiaries (the Consolidated Entity), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Key Audit Matters

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

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William Buck

AASB 15 - Revenue from contracts from customers	
Area of focus **Refer also to note 1**	**How our audit addressed it**
In accordance with Australian Auditing Standards there is a presumed risk of fraud in revenue recognition.	We have performed procedures to respond to the presumed risk of fraud in revenue recognition as required under Australian Auditing Standards. These procedures included: — Performed detailed controls testing to determine whether controls were operating effectively; — Performed detailed analytical procedures and other substantive testing; — Performed substantive detailed procedures to obtain assurance that occurrence and cut-off is correctly recognised; — Assessed whether AASB 15 Revenue from Contracts with Contracts is correctly applied; and — Assessed whether disclosure in the financial report is appropriate.

Valuation of the carrying value of goodwill and customer relationship intangible asset	
Area of focus **Refer also to notes 2, 6 (c) and 24 (o)**	**How our audit addressed it**
The Consolidated Entity's net assets include a significant amount of goodwill and customer relationship intangible assets. 2019: $23.9 million (2018: $27.2 million). In accordance with accounting standards, goodwill and customer relationships are subject to annual impairment testing, and for these purposes they are allocated to the appropriate cash generating units ('CGU'). There is a risk that if the CGUs do not trade in line with expectations and forecasts, their carrying value could exceed their recoverable amount and therefore require impairment. The recoverable amount attributable to the CGUs which existed at 30 June 2019, has been calculated based on value-in-use. These recoverable amounts use discounted cash flow forecasts in which the directors make judgements over certain key inputs, for example but not limited to, revenue growth, discount rates applied, long term growth rates and inflation rates.	We have performed procedures to respond to the risk of misstatement of Goodwill and Customer Relationship, specifically the valuation of the Intangible Assets. These procedures included: — Obtaining a detailed understanding of the budgeting procedures put in place to prepare the FY2020 budget; — Evaluation of the director's assertion that the customer relationship intangible had an indeterminate useful life at 30 June 2019; — Testing the accuracy of the calculation derived from the budget and Discounted Cash Flow (DCF) as well as assessing the key inputs in the calculations such as revenue growth, director approved forecasts and our own views; — Engaging our own valuation specialists when considering the appropriateness of the discount rates and the long-term growth rates; — Reviewing the historical accuracy of forecasts by comparing actual results with the original forecasts; — Testing the sensitivity of the DCF model to variations in the underlying assumptions; and — Assessed whether disclosure in the financial report is appropriate.

William Buck

Carrying value of the shares in Associated Company – LMW WA	
Area of focus **Refer also to note 2 (c)**	**How our audit addressed it**
The Consolidated Entity's net assets include a shares in an associated company valued at 2019: $567k (2018: $1.4m). In accordance with accounting standards, interests in associates are subject to annual impairment testing, and for these purposes they are allocated to the appropriate cash generating units ('CGU'). There is a risk that if the CGUs do not trade in line with expectations and forecasts, their carrying value could exceed their recoverable amount and therefore require impairment. The recoverable amount attributable to the CGUs which existed at 30 June 2019, has been calculated based on value-in-use. These recoverable amounts use discounted cash flow forecasts in which the directors make judgements over certain key inputs, for example but not limited to, revenue growth, discount rates applied, long term growth rates and inflation rates.	We have performed procedures to respond to the risk of overstatement of the shares in the Associate Company – LMW WA. These procedures included: – Obtaining a detailed understanding of the budgeting procedures put in place to prepare the FY2020 budget; – Testing the accuracy of the calculation derived from the budget and Discounted Cash Flow (DCF) as well as assessing the key inputs in the calculations such as revenue growth, director approved forecasts and our own views; – Engaging our own valuation specialists when considering the appropriateness of the discount rates and the long-term growth rates; – Reviewing the historical accuracy of forecasts by comparing actual results with the original forecasts; – Testing the sensitivity of the DCF model to variations in the underlying assumptions; and – Assessed whether disclosure in the financial report is appropriate.
Business Combinations – Taylor Byrne Holdings Pty Limited	
Area of focus **Refer also to notes 12**	**How our audit addressed it**
As disclosed in the financial report, the parent entity acquired 100% of the issued share capital of Taylor Byrne Holdings Pty Limited on 15 October 2018. The acquisition was settled for a maximum purchase price of $12.5 million comprising cash paid and shares issued on settlement. The acquisition of Taylor Byrne falls under the scope of AASB 3 - Business Combinations. As a consequence of the timing of the transaction, the accounting is still provisional as at 30 June 2019. AASB 3 allows a measurement period up to a maximum of 12 months from the date of the transaction to finalise the accounting.	We have performed procedures to assess whether the acquisition was accounted for in accordance with Accounting Standards as at 30 June 2019. These procedures included: – Review of the sale and purchase agreement and supporting documentations to understand the key terms and conditions of the acquisition; – Testing the determination of the fair value of the consideration paid by LMW; – Assessed LMW's process of determining fair vales for the acquired assets, liabilities and identification of any unrecognised intangibles and assessed any potential indicators of impairments; – Reviewed Taylor Byrne Holdings Pty Limited completion balance sheet; and – Assessed the adequacy of the Consolidated Entity's disclosures in relation to the acquisition of Taylor Byrne Holding Pty Limited.

Compliance with loan facility covenants	
Area of focus **Refer also to notes 5 (e) and 10**	**How our audit addressed it**
LMW has suffered significant impacts on its profitability as a result of the decline in the housing/property values, tighter bank regulations around credit granting due to investigations by the Banking Royal Commission and two cyber incidents which has resulted in the inability of LMW to satisfy several of the requirements under the facility agreement.	We have performed procedures to assess compliance the loan facility covenants and the consequences if the covenants were breached and called upon. These procedures included: — Assessed whether LMW can satisfy the revised requirements and terms under the facility agreement; — Assessed whether debt has been correctly included, properly classified, described and disclosed in the financial statements; — Assessed whether debt represents amount due to the lenders under enforceable facility agreement, have been recorded in the financial statements; and — Assessed whether debt have been recorded at their proper amounts and reflect all events and circumstances that affect their underlying valuation.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Consolidated Entity's annual report for the year ended 30 June 2019 but does not include the financial report and the auditor's report thereon.

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

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

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

Material Uncertainty Relating to Going Concern

We draw attention to note 18 in the financial report, which indicates that the Consolidated Entity incurred a net loss of $15,148,000 during the year ended 30 June 2019 (2018: profit $4,140,000), as of that date, the Consolidated Entity's net asset of $24,287,000 (2018: $35,635,000). As stated in Note 18, these events or conditions, along with other matters as set forth in Note 17, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter and therefore, the consolidated entity may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf.

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 18 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of LandMark White Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Consolidated Entity are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Your faithfully,

William Buck

William Buck
Accountants & Advisors
ABN: 16 021 300 521

Leo Tutt

L E. Tutt
Partner

Sydney, 16 September 2019

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

Shareholdings are provided at 30 June 2019 (in line with balances disclosed in the Financial Statements) and also as at 6 September 2019 (taking into account shares issued as a result of the post balance date entitlement and shortfall offers).

Substantial shareholders

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

As at 30 June 2019 **Shareholder**	**Number of Ordinary Shares**	**Percentage**
White Valuations Pty Ltd <Glen White Super Fund>	10,870,134	12.59%
Microequities Asset Management Pty Ltd	8,312,250	9.76%
Mr Brad Piltz	4,501,284	5.29%

As at 6 September 2019 **Shareholder**	**Number of Ordinary Shares**	**Percentage**
Newport Shipping Company Limited	13,840,755	8.89%
Redbrook Nominees Pty Ltd	13,750,000	8.83%
White Valuations Pty Ltd <Glen White Super Fund>	10,720,134	6.89%
JP Morgan Nominees Australia Pty Ltd	8,372,382	5.38%

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

	As at 30 June 2019		**As at 6 September 2019**	
Category	**Number of Shareholders**	**Number of shares**	**Number of Shareholders**	**Number of shares**
1 – 1,000	62	27,580	57	23,270
1,001 – 5,000	298	1,034,754	248	847,548
5,001 – 10,000	171	1,352,454	157	1,243,715
10,001 – 50,000	305	7,469,086	332	8,200,391
50,001 – 100,000	66	4,842,920	91	6,509,178
100,001 and over	95	70,407,317	142	138,855,828
Total	997	85,134,111	1,027	155,679,930

On-market buy-back There is no current on-market buy-back.

Marketable Parcels The number of shareholders holding less than a marketable parcel of 833 shares (based on closing price of $0.595 on 20 August 2018) is 40 and they hold 11,085 securities.

TWENTY LARGEST SHAREHOLDERS

As at 30 June 2019

Name	Number of Ordinary Shares	Percentage
White Valuations Pty Ltd <Glen White Super Fund A/C>	10,720,134	12.59%
J P Morgan Nominees Australia Pty Limited	8,312,250	9.76%
Bnp Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	3,955,102	4.65%
Mr Tony Gandel & Mrs Helen Gandel	3,174,105	3.73%
Ms Lynette Jane Ellis & Mr Jeffrey George Keane	2,433,334	2.86%
Arkmist Pty Ltd <G Boulougouris Family A/C>	2,433,212	2.86%
Continuum Property Consultancy Pty Ltd	2,433,212	2.86%
Ian D Bolewski Pty Ltd <Bolewski Family A/C>	2,433,212	2.86%
Raptis Property Consultants Pty Ltd	2,433,212	2.86%
Gogorm Super Pty Ltd <Gogorm Super Fund A/C>	1,932,494	2.27%
Kiut Investments Pty Ltd <Keppel Investments Unit A/C>	1,467,817	1.72%
Mcmullin Nominees Pty Ltd	1,380,000	1.62%
Enable Investment Manager Pty Ltd	1,220,000	1.43%
Mr Hamid Roboubi & Mrs Jillian Anne Roboubi	767,914	0.90%
Mr Riccardo Pisaturo <Richard Vincent Pisaturo A/C>	763,133	0.90%
Redbrook Nominees Pty Ltd	750,000	0.88%
Kangaloon Pty Ltd <Rabbitt Family A/C>	735,883	0.86%
Ms Chen Zhang	713,531	0.84%
Hsbc Custody Nominees (Australia) Limited	701,324	0.82%
Coad And Pratt Superfund Pty Ltd	700,000	0.82%
	49,459,869	58.10%

As at 6 September 2019

Name	Number of Ordinary Shares	Percentage
Newport Shipping Company Pty Limited	13,840,755	8.89%
Redbrook Nominees Pty Ltd Po Box 1500	13,750,000	8.83%
White Valuations Pty Ltd <Glen White Super Fund A/C>	10,720,134	6.89%
J P Morgan Nominees Australia Pty Limited	8,372,382	5.38%
Bnp Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	5,254,885	3.38%
Enable Investment Manager Pty Ltd	3,721,000	2.39%
Ms Lynette Jane Ellis & Mr Jeffrey George Keane	3,558,334	2.29%
Ian D Bolewski Pty Ltd <Bolewski Family A/C>	3,308,212	2.13%
Gogorm Super Pty Ltd <Gogorm Super Fund A/C>	3,182,494	2.04%
Mr Tony Gandel & Mrs Helen Gandel	3,174,105	2.04%
Ventura Resources Pty Ltd <Ventura A/C>	3,125,000	2.01%
Continuum Property Consultancy	3,033,212	1.95%
Arkmist Pty Ltd <G Boulougouris Family A/C>	2,845,712	1.83%
Mr William Simon Gamlin <Gamlin Family A/C>	2,763,225	1.77%
Kiut Investments Pty Ltd <Keppel Investments Unit A/C>	2,642,071	1.70%
Raptis Property Consultants	2,433,212	1.56%
Acres Holdings Pty Ltd <Noel Edward Kagi Family A/C>	2,300,000	1.48%
Mr Noel Edward Kagi &	1,900,000	1.22%
Mr Noel Edward Kagi & Mrs Michelle Leonie Kagi	1,600,000	1.03%
Little Moreton Pty Ltd Po Box 1500	1,410,000	0.91%
	92,934,733	59.70%

Australia's
PROPERTY
INDUSTRY
LEADERS

2019 Annual Report

LandMark White Limited and its Controlled Entities for the year ended 30 June 2019

ABN 50 102 320 329

Offices and officers

Company Secretary
Mr John Wise

Principal Registered Office
Level 6, 55 Clarence Street
Sydney NSW 2000

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

Location of Share Registry
Automic Registry Services
PO Box 2226
Strawberry Hills NSW 2012

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

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

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