2016 Annual Report

Australia's
PROPERTY
INDUSTRY
LEADERS

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OVERVIEW

WHO WE ARE

LMW continues to be one of Australia's leading independent valuation and property consultancy companies employing over 250 people in 20 locations across Australia.

Founded in 1982, and listed on the Australian Stock Exchange in 2003, with over 600 shareholders, LMW is proud of its heritage and ability to provide independent property valuation services.

OUR MISSION

To be industry leaders known for service excellence, our people and integrity.

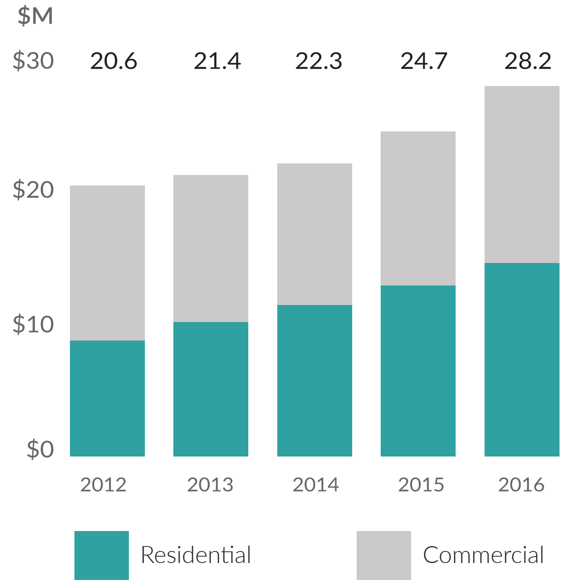
We are accountable to our stakeholders and community

OUR CLIENTS

Our clients are people and companies throughout Australia who need a broad range of property valuation services. 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.

OVERVIEW

LMW Market Position



Our Staff

We are a leading employer of choice in the property valuation industry. We actively work to create a collaborative, proactive and supportive team environment that nurtures the strengths of our valuers. LMW staff are known for their expertise and extensive experience. We continuously invest in our staff for their personal development and to ensure our valuers apply best practice when valuing a property.

Our Services

We offer high quality, Australia-wide service that helps minimise risk when it comes to property transactions for:

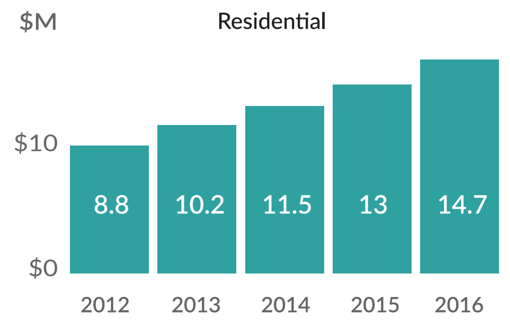
- Mortgage Valuations
- Asset Valuations
- Consulting and Advisory Services

Our specialist teams provide services across the following property sectors:

- Retail, Industriual, Office Buildings
- Residential Developments
- Childcare
- Self-Storage
- Airports
- Service Stations
- Hotels and Leisure
- Management Rights

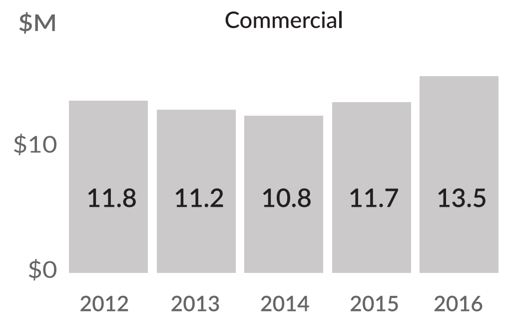
Residential

- Growth reflects increase in market share despite flattening residential activity.
- Increased staff and productivity.
- Investing in client relationships.
- Broadening expertise and client base.



Commercial

- LMW's expertise in Residential Development valuations continued.
- Deepened skill base and strengthened valuation teams.
- Focus on client engagement.
- Building specialisation and diversity of revenues.

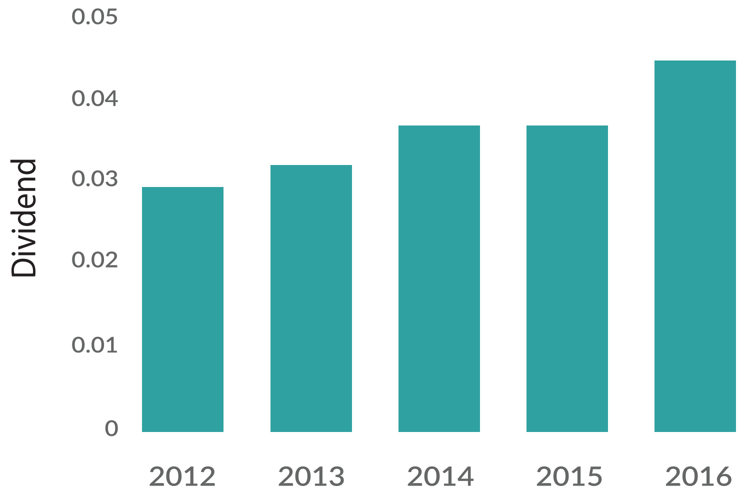


PERFORMANCE

Financial Results

	FY 2016 $m	FY 2015 $m	Change %
Gross Revenues	28.8	24.7	14.2
Group Revenues (excluding franchises)	22.8	19.7	15.8
Profit before Tax	2.37	1.15	106
Net Profit after Tax	1.66	0.78	113
	Cents	*Cents*	*%*
Earnings per Share (cents per share)	6.0	2.8	214
Full year Dividend (cents per share)	4.5	3.75	20

5 Year Dividend History



5 Year Share Price History

Operational Achievments

- Increased professional staff numbers - 20% growth.
- Actioned last year's top to bottom review of LMW processes and practices.
- Implementated IT projects resulting in increased efficiencies across the business.
- Focused on leveraging existing panel appointments to broaden national footprint.
- Received outstanding results based on client KPI targets for residential team.
- Experienced growth across all commercial specialisations
- Increased greater brand exposure through online presence (improved digital marketing strategy).
- Realised the benefit from single supplier contract arrangements (eg printing, paper, archiving, and consumables).
- Initiated a client engagement strategy.
- Launched new external newsletter.
- Improved internal communications.
- Strengthened risk management through the Risk Management Leadership Team.
- Strategically enhanced LMW's national presence.
- Strengthened service delivery to leading national clients resulting in increased market share.
- Increased investment in Hegney (WA) joint venture partner to 12.5%.

WA REALISED BENEFITS

- Centralised and consolidated accounting & payroll functions into Group finance team.
- Completed cost analysis reviews identifying operational savings and shared cost opportunities.
- Provided 12.7% fully franked dividend to LMW shareholders (effective 18% return).

CHAIRMAN'S REPORT

Dear Shareholders

On behalf of the Board of LMW and as Chairman, it gives me great pride to be part of the growth and development of LMW over the past 12 months. I would like to thank Chris Coonan, Chief Executive Officer, for his professionalism in leading the company since his appointment in April 2016. Along with his Senior Executive team, they have continued to build upon the strategies that underpin the company's growth.

LMW has a long and proud heritage and has been providing property valuation services to many thousands of homeowners, investors, developers and lenders. The LMW story is one of significant achievement through upturns and downturns in the property market. As an acknowledged leader in the field of property valuation in Australia, our brand is synonymous with quality of product and service.

The main factors which differentiate us from our competitors are:

PEOPLE

- We employ over 250 people across 20 locations throughout Australia. Our recruitment, training and corporate culture are all directed towards high achievement and development of opportunities for our motivated staff. We are focused on being specialists in the valuation of major properties and on being recognised as the people who can handle the most challenging and difficult assignments.

RISK MANAGEMENT

- We continue to hold risk management at the top of our list of priorities, for the benefit of our clients and shareholders.

MANAGEMENT

- Our people are supported by a strong and experienced management team at both national and state levels. Most of them have been with the company for many years and are committed to its future.

CLIENTS

- We have developed long-standing relationships with corporate and institutional investors including the major banks, property trusts and property syndicators. We are well positioned to service this 'blue-chip' client base and to continue to build our market share.

INDEPENDENCE

- We are not distracted or compromised by offering real estate agency services. Our clients appreciate our independence, objectivity and research skills.

QUALITY

- We are committed to leading the industry in quality of product and service. This is the cornerstone of our growth strategy.

Mr Glen White
Chairman

"LMW has a long and proud heritage and has been providing property valuation services to many thousands of homeowners, investors, developers and lenders. The LMW story is one of significant achievement through upturns and downturns in the property market. As an acknowledged leader in the field of property valuation in Australia, our brand is synonymous with quality of product and service."

Mr Glen White
Chairman

CEO'S REPORT

Dear Shareholders

Reflecting on the past 7 months in my role as LMW's Chief Executive Officer, the business has accomplished significant achievements attributing to the delivery of key milestones.

The direction and strength of LMW's strategic plan for growth is demonstrated through the exciting results both in profitability and expansion of our professional capabilities over the last financial year. My role, with the help of our leadership team, is to further develop and execute our business plan capitalising on the achievements and hard work over the last 12 to 18 months.

RESIDENTIAL PROPERTY

The continued revenue growth from residential valuations resulted from a combination of; firstly, an increase in market activity, particularly in Sydney and Melbourne and secondly, an increase in market share throughout all our locations. Market activity is likely to slow in Melbourne, however should remain relatively stable in other locations.

LMW's additional focus on service delivery, quality and increased client engagement will further our goals to improve market share. We continue to be recognised in our industry as an outstanding professional services firm, as judged by our clients, and we are committed to investing in our people, systems and clients, to further improve our level of service and quality of reporting.

COMMERCIAL PROPERTY

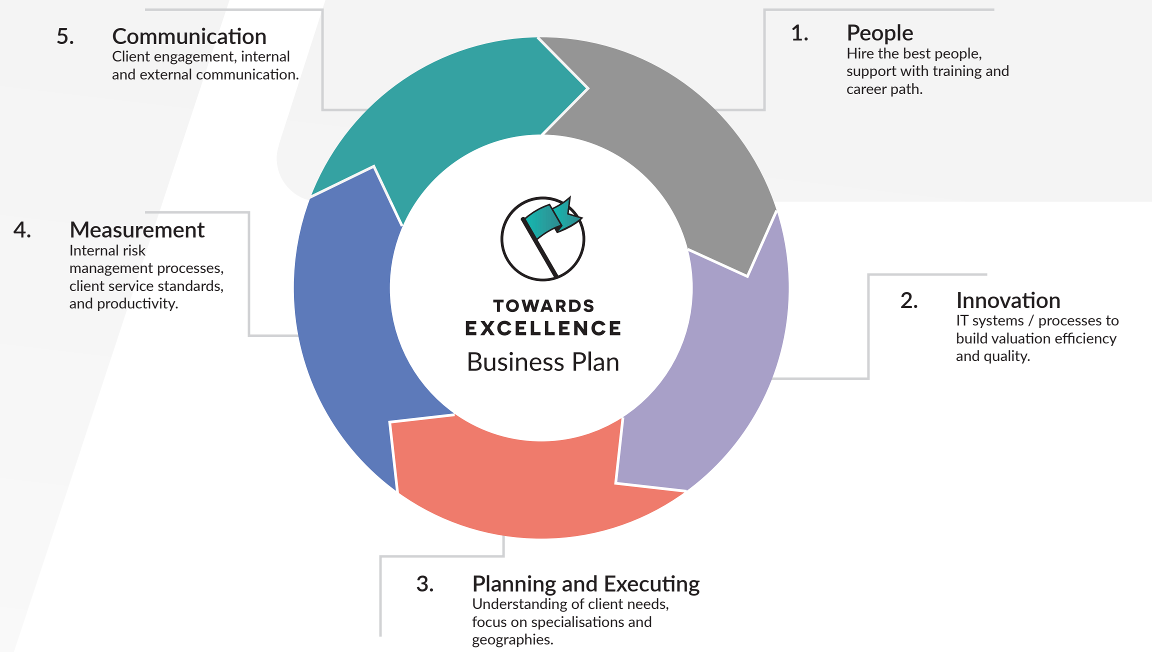
Our commercial business lines experienced significant growth over the last 12 months with increased market activity in residential development and more recently within the commercial, retail and industrial divisions.

Contributing to our overall achievements the going concerns, hotels and other specialised property sectors also experienced an increase in revenue. The foundations of this growth is attributed to the depth of experience and expertise of our valuation teams nationally.

This financial year sees LMW communicate our growth story though client engagement aimed at increased market share, and a continued focus on productivity for the benefit of our staff and our clients.

TOWARDS EXCELLENCE

A major influence for our strong performance is the Towards Excellence Business Plan which the company adopted and implemented in order to deliver strategic growth. LMW's 'Towards Excellence', strategic plan has five strategic pathways. They are: Our People, Innovation, Planning and Executing for Growth, Measurement, and Communication



Our strategic business plan consists of a mixture of short-term, long-term and stretch business goals and objectives. These nationwide initiatives build a culture that is accountable, collaborative and uniting as one company with a focus on executing our strategic plan.

Delivering a high standard of service continues to strengthen the LMW national brand and reputation, resulting in increased market share across the country.

It is worth revisiting LMW's key beliefs which underpin our organisation;

Approach to Clients: We respect our clients. We consistently deliver on our commitments. We provide knowledge and insight.

Mission: To be industry leaders known for service excellence, our people and integrity. We are accountable to our stakeholders and community.

Core Values: Our People, Integrity, Innovation, Accountability and Fun

2016/17 MARKET EXPECTATIONS

- Unlikely to see significant growth in demand for residential valuations from increased market activity
- Demand for Residential Development valuations to flatten in sync with the overall residential market
- Commercial activity differs greatly by geography and, in general terms, remains active without significant growth.
- Clients continue to look for service quality and consistency across major markets.

I believe that LMW is in a position of strength in a changing market, with the capability to capitalise on our investment in our people and systems supported through our business plan.

Our focus on building client relationships means in 2016/17 LMW continues to be one of Australia's largest independent property valuation and consultancy companies. Our objective is to deliver quality services that enable our clients to manage an ever changing and complex property market.

I would like to thank all our staff for their support and contribution to the development of the broader business. The Board and I are committed to continuing LMW's role as a leading employer of choice. We have the best valuers in the country and as we grow we will need to attract similar talent.

Our ability to offer productive work places, strong, cohesive teams and well-defined career paths will ensure LMW has the critical fundamentals required to achieve our goals.

In conclusion, LMW's journey seeks to continue the strong performance we have shown thus far, having created the necessary frameworks required for long-term sustainable shareholder value and returns.

Mr Chris Coonan
CEO

DIRECTOR'S 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 2016 and the auditor's report thereon.

DIRECTORS

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

Mr Glen J White – appointed 26 September 2002
Chairman from 1 December 2015, Non-Executive Director, member audit committee and remuneration committee

The 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. Glen was a fellow of the Australian Property Institute and has now retired. During the past 3 years, he has not acted as a director of any other Australian listed public company.

Mr John V McCarthy AO – appointed 29 October 2014, Resigned 1 December 2015
Chairman (from 25 November 2014), Independent Non-Executive Director, member audit committee and remuneration committee

John is recognised as one of the industry's leaders. He has an intimate working relationship with major banks, superannuation funds, institutional investors, financiers and senior real estate professionals and property analysts, as well as most industry bodies within the property, building and construction industries. Roles have included National President of the Property Council of Australia. He is a former Director of the Australian Building Codes Board (ABCB) after spending 5 years as Chair of the Australian Construction Industry Forum. He served as inaugural Chair of Australian Sustainable Built Environment Council (ASBEC) and is Australia's first industry representative on the International Board of the CIB (International Council for Research and Innovation in Building and Construction). In 2009 he was awarded the Order of Australia. John works out of Sydney as Chairman of Australian Enterprise Holdings Property Pty Ltd. During the past 3 years, he has not acted as a director of any other Australian listed public company.

Mr Bradley J Piltz – appointed 26 September 2002
Non-Executive Director, member audit committee and remuneration committee

Brad has been involved in financial and property markets since 1975 and was co-founder of LandMark White. In addition to extensive experience with the Commonwealth Bank, Brad has acted for major corporations and government instrumentalities providing advice from portfolio analysis to property acquisition, disposal and tenancy requirements. Brad has acted in court as an expert witness; is highly experienced in rental determinations; prepared educational valuation materials; lectured in valuation; and appeared on Sydney radio and television providing property market commentary. He is a fellow of the Australian Property Institute, a fellow of the Royal Institute of Chartered Surveyors 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.

Mr Frank Hardiman – appointed Director 21 March 2016
Executive Director & Company Secretary – appointed Company Secretary 16 March 2011

Frank is also Chief Financial Officer of the LandMark White group a position he was appointed to on 28 February 2011. Prior to joining LandMark White, he was Chief Financial Officer and Company Secretary of publicly listed Konekt Limited for 2 years and prior to that Chief Financial Officer for 16 years of the publicly listed PPK Group Limited (formerly Plaspak Group Limited). Frank has a Bachelor of Business Degree with an accounting major from University of Technology Sydney, is a registered tax agent and a Fellow of CPA Australia. During the past 3 years, he has not acted as a director of any other Australian listed public company.

Mr Chris P Nicholl – appointed CEO 1 May 2014 – appointed Director 15 July 2014
Executive Director – resigned 21 March 2016

Chris has 25 years' experience in the property services sector and has previously held senior management and board positions with Colliers International and Jones Lang LaSalle both in Australia / New Zealand and in Asia. Chris holds a Bachelor of Business Land Economics and is a Fellow of the Royal Institute of Chartered Surveyors and an Associate of the Australian Property Institute. During the past 3 years, he has not acted as a director of any other Australian listed public company.

Mr Chris Coonan – appointed CEO 13 April 2016

In his current role, Chris works with and is responsible to the board for the strategic direction of the company and the effective implementation of strategic initiatives as well as the operations of the group for all shareholders. Mr Chris Coonan has been employed by the company since 2003 and has been responsible for the significant growth in the very successful residential valuation business. Chris is an Associate of the Australian Property Institute and has a proven track record with staff management and innovation along with a collaborative leadership style. During the past 3 years, he has not acted as a director of any other Australian listed public company.

DIRECTORS MEETINGS

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

Director	Board Meetings		Audit Committee Meetings		Remuneration Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
Mr J V McCarthy	3	3	1	1	1	1
Mr G White	9	9	2	2	1	1
Mr B Piltz	9	9	2	2	1	1
Mr C Nicholl	7	7	-	-	-	-
Mr F J Hardiman	3	3	-	-	-	-

PRINCIPAL ACTIVITIES

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

REVIEW OF OPERATIONS

The Board of LandMark White (LMW) announced the continued improvement in revenues across the Group. Gross revenues rose 14.2% to $28.2m from $24.7m in FY2015. Revenues excluding franchised offices also rose $3.1m to $22.8m, a 15.8% increase over the previous financial year. The improvement in revenue reflects management's effective implementation of the Group's "Towards Excellence" business strategy, in an overall softening market.

COMPANY PARTICULARS

LandMark White Limited is incorporated in Australia. The address of the registered office is:
Level 15, 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 2016 corporate governance statement is dated as at 30 June 2016 and reflects the corporate governance practices in place throughout the 2016 financial year. The 2016 corporate governance statement was approved by the board on 27 September 2016. A description of the group's corporate governance practices is set out in the corporate governance statement: https://www.lmw.com.au/investor-center/corporate-governance/

As noted in the LMW market update (16 June 2016), Net Profit Before Tax was expected to be in the range of $2.2m to $2.4m. Profit Before Tax was $2.368m, which was at the high end of the forecast following a strong June performance. Investment in staff capacity to meet increases in revenue saw the second half result lower than that demonstrated in the first half, which had a Profit Before Tax of $1.46m. The increase in staffing numbers has considerably enhanced our valuation capacity and is expected to flow to increased profits in the next financial year.

Throughout the year LMW continued to operate with strong cash balances. Investment in joint venture partner (Forrest Street Pty Ltd – LMW WA) reduced cash to $0.2m at 30 June 2015. However, the cash balance as at 30 June 2016 significantly improved to $1.1m.

Dividends

The Board has declared a final fully franked dividend of 3.25 cents per share payable on 4 October 2016. The total dividend FY2016 is 4.5 cents per share, an increase of 0.75 cents per share on FY2015. The dividend reflects a 75% payout ratio and improved cash position.

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

Business Overview

The results for the year show LMW is continuing to build its market share.

The strategic acquisition of 12.5% of Forrest Street Pty Ltd (our joint venture partner in WA and SA) further strengthened LMW's ability to deliver an enhanced range of services to major clients nationally. The two companies share a common valuation platform and have worked together since 2010. Further potential synergies are achievable that will further contribute to growth in the near term. This strategic investment is accounted for on the balance sheet at cost, with income being derived through monthly fully franked dividends, which have enhanced after tax returns.

Residential valuations represent 52% of LMW's gross valuation revenues and 66% of group valuation revenues, the latter excluding franchisee revenues.

The 2016 financial year has been a further year of investment for future growth and sustainability of operations. We have invested in building our professional capacity and IT infrastructure to meet both the demand for property valuations and to create a platform for future quality and productivity gains. This will be achieved through new software that will increase both staff mobility and workplace flexibility. Increased diversification of our customer base through inclusion on more banking panels has also placed the company in an improved position for the future.

Outlook

LMW is well placed for improved profitability for FY2017. The strategies that underscore the "Towards Excellence" business plan, such as service diversification and enhanced client engagement, ensure LMW is well placed to continue to grow its market share across the board in FY2017.

DIVIDENDS

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

Type	Cents per share	Total Amount $	Franked/ Unfranked	Date of payment
Declared and paid during the year:	2.5	$689,720	Franked at tax rate of 30%	2 October 2014
	1.25	$344,860	Franked at tax rate of 30%	7 April 2015
Declared after end of year:	3.25	$915,499	Franked at tax rate of 30%	4 October 2016

The financial effect of the dividend declared after year end has not been brought to account in the financial statements for the year ended 30 June 2016.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

A fully franked dividend of 3.25 cents per share was declared by Directors on 11 August 2016, to be paid on 4 October 2016.

There have been no other events subsequent to the end of the reporting period which affect the results contained in the financial statements or the continuing operations of the Consolidated Entity.

STATE OF AFFAIRS

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

LIKELY DEVELOPMENTS

Refer to the Review of Operations 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

Remuneration Committee

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

The members of the Remuneration Committee during the year were:

- Mr Glen White (Chairman) – Non-independent and non-executive
- Mr Brad Piltz - Non-independent and non-executive
- Mr John V McCarthy - Independent and non-executive (resigned 1 December 2015)

Remuneration policies

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

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

The terms of remuneration are designed to align senior management compensation with the interests of shareholders by including performance related bonuses. These payments are linked to the achievement of individual and company objectives which are relevant to meeting LandMark White's overall goals.

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.

	2016	2015	2014	2013	2012
	$000s	$000s	$000s	$000s	$000s
Services revenue	22,849	19,731	18,279	19,638	20,702
Net profit to equity holders of the company	1,659	779	1,167	724	482

The factors that are considered to affect total shareholders return are summarised below:

Dividends declared (per share)	$0.045	$0.0375	$0.0350	$0.0325	$0.03
Share price at the end of the period	$0.52	$0.50	$0.435	$0.30	$0.29
Change in share price	$0.02	$0.065	$0.135	$0.01	($0.01)

Non-executive directors are paid an annual fee for their service on the board and committees which is determined by the Remuneration Committee. Total remuneration for all non-executive directors is not to exceed $400,000 per annum as approved by the shareholders. The non-executive directors' total salary & fees for the year were $111,884. 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.

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.

REMUNERATION REPORT- AUDITED (continued)

Directors' and senior executive officers' remuneration

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

		Short term		Post-employment		Long term benefits				
	Year	Salary and fees $	Bonus (B) $	Superannuation benefits $	Termination Payment $	Movement in other long term benefits $	Share based payment equity settled $	Total $	Proportion of remuneration performance related (%)	Value of share based payment as proportion of remuneration (%)
Directors										
Non-Executive										
Mr G White Chairman	2016	5,029	-	34,968	-	-	-	39,997	-	-
Mr John McCarthy Resigned 1 December 2015	2016	22,830	-	1,084	-	-	-	23,914	-	-
Mr B Piltz	2016	44,503	-	3,470	-	-	-	47,973	-	-
Executive Directors										
Mr C Nicholl – CEO – resigned 21 March 2016	2016	171,829	30,923	16,520	99,010	-	8,862	327,144	9%	3%
Mr Frank Hardiman – Director from 21 March 2016, CFO & Company Secretary	2016	130,663	-	34,331	-	2,278	62,894	230,166	-	27%
Other Key Management Personnel										
Mr C Coonan – CEO from 12 April 2016	2016	46,381	28,853	4,869	-	-	62,894	142,997	-	55%

Mr Coonan's remuneration is only from the date he was appointed CEO

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

	Year	Short term: Salary and fees $	Short term: Bonus (B) $	Post-Employment: Superannuation benefits $	Long term benefits: Movement in other long term benefits $	Share based payment equity settled $	Total $	Proportion of remuneration performance related (%)	Value of share based payment as proportion of remuneration (%)
Directors									
Non-Executive									
Mr G White	2015	18,895	-	25,433	-	-	44,328	-	-
Mr S Gregory Chairman	2015	21,581	-	2,050	-	-	23,631	-	-
Mr B Piltz	2015	39,922	-	6,837	-	-	46,759	-	-
Mr John McCarthy from 29 October 2014	2015	36,809	-	3,497	-	-	40,306	-	-
Other Key Management Personnel									
Mr C Nicholl – CEO	2015	236,209	-	20,160	416	53,175	309,960	-	17%
Mr Frank Hardiman - CFO & Company Secretary	2015	137,007	-	33,386	1,953	-	172,346	-	-

REMUNERATION REPORT- AUDITED (continued)
Directors' and senior executive officers' remuneration (continued)
Notes in relation to the table of directors' and executives officers' remuneration

(a) Analysis of options included in remuneration

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 staff and are a part of an approved Employee Share Acquisition Scheme, which was approved by shareholders at the 2015 Annual General Meeting.

Options

There were 1,000,000 options outstanding at the dated of this report, which were issued during the 2014 financial year to the former Chief Executive Officer Chris Nicholl. These were granted on 12 May 2014 with an exercise price of 46 cents and expire on 30 April 2017. These are the only options outstanding at 30 June 2016. The terms and conditions of each grant of options over ordinary shares affecting remuneration of Chris Nicholl are as follows

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
12 May 2014	1 Sept 2015	30/4/17	$0.46	$0.0709

Options granted carry no dividend or voting rights.

Values of options over ordinary shares granted to Chris Nicholl as part of compensation during the year ended 30 June 2014 was $70,900 which was expensed over the vesting period.

During the year these options over ordinary shares in LandMark White Limited vested but have not been exercised, by Mr Nicholl.

Performance Rights

Performance rights were granted under the LMW Group Performance Rights and Option Plan which was approved by shareholders at the 2015 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 will not be quoted on the ASX. There were 1,250,000 performance rights (250,000 each) granted to 5 executives during the financial year. These executives included the former CEO Mr Chris Nicholls, current CEO (formerly National Residential Director) Mr Chris Coonan, Chief Financial Officer Mr Frank Hardiman, National Commercial Director Mr Peter Roberts and Chief Information Officer Mr Paul Fitzpatrick.

Performance Condition

Vesting of the Performance Rights will be proportional to the Company's Basic Earnings Per Share (EPS) result for the FYE2016 as follows:

Basic EPS FYE2016	Proportion of Performance Rights to vest
Less than 4.8 cents	none
At least 4.8 cents	1/3rd
At least 5.1 cents	2/3rd
At least 5.5 cents	all

Interpolated vesting on a straight-line basis for EPS between 4.8 and 5.1 cents, and 5.1 and 5.5 cents

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

Conditions and Important Dates

The Vesting Dates for the Performance Rights granted to the 5 executives are as follows and are subject to service continuing to each of the below vesting dates:

- **Tranche 1** (50% of grant): **31 August 2016;**
- **Tranche 2** (25% of grant): **31 August 2017;**
- **Tranche 3** (25% of grant): **31 August 2018.**

At the date of this report each of the performance conditions have been met. 250,000 performance rights for Mr Chris Nicholl were cancelled following his resignation in March 2016. 500,000 performance rights (125,000 for each remaining executive) have vested, been exercised and converted to shares. 500,000 performance rights (125,000 for each remaining executive) have not yet vested and remain outstanding pending fulfilment of service conditions as outlined above.

(b) Analysis of bonuses included in remuneration

No short term incentive cash bonus was awarded to any member of the Consolidated Entity's Key Management Personnel during the 2016 year, other than to the former CEO Mr Chris Nicholl the current CEO Mr Chris Coonan.

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

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

Director / Key Management Personnel	Grant / Vesting date	Cash Bonus Paid / Payable	Cash Bonus Forfeited	Financial Year the cash bonus was paid / is payable
Mr C Nicholl	21 March 2016	100%	-	2016
Mr C Coonan	30 June 2016	100%	-	2017

Contracted Commitment

The maximum exposure to salary commitments under an employment contract for the CEO, Chris Coonan not provided for in the financial statements and payable on termination under certain circumstances is as follows:

	$
Within one year	125,000
One year or later and no later than five years	-
Later than five years	-
	125,000

For other named senior executives, the Consolidated Entity's liability for early termination of employment contracts, beyond normal termination notices are not considered material.

Beneficial interest of directors in shares & options

Movement in shares

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

2016	Held at 1 July 2015	Purchases	Exercise of options	Sales	Held at 30 June 2016
Directors					
Mr G White	9,470,134	-	-	-	9,470,134
Mr B Piltz	3,102,301	150,143	-	-	3,252,444
Mr J McCarthy	-	-	-	-	-
Mr C Nicholl	-	-	-	-	-
Mr F Hardiman	-	31,218	-	-	31,218
Executive officers					
Mr C Coonan	-	-	-	-	-

2015	Held at 1 July 2014	Purchases	Exercise of options	Sales	Held at 30 June 2015
Directors					
Mr G White	9,470,134	-	-	-	9,470,134
Mr B Piltz	2,977,164	125,137	-	-	3,102,301
Mr J McCarthy	-	-	-	-	-
Mr C Nicholl	-	-	-	-	-
Mr S Gregory	129,000	-	-	-	129,000
Executive officers					
Mr F Hardiman	-	-	-	-	-

The executive officers named are those who are directly accountable and responsible for the strategic direction and operational management of LandMark White Limited or its subsidiaries. In 2015 there were no executive officers holding shares in the Company. The Directors are of the opinion that only the executive officers detailed above meet the definition of key management personnel as set out in *AASB 124 Related Party Disclosures*.

Non-key management personnel

Identity of related parties

The Consolidated Entity has a related party relationship with its subsidiaries (refer to Note 26).

Director Related Entity

Particulars in relation to entity significantly influenced

The Consolidated Entity had a related party relationship with Australian Advisory Group Pty Ltd trading as AAG Property with the payment of some management fees. Mr Brad Piltz is a Director of Australian Advisory Property Pty Ltd.

During the year, the following transactions took place between the Consolidated Entity and Australian Advisory Group Pty Ltd.

	Consolidated	
	2016	**2015**
	$000s	**$000s**
Licence & Service Income charged by the Consolidated Entity	8	-
	8	-

These transactions took place based on rates agreed with the Board and included in Mr Piltz's total remuneration.

<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	**Options over Ordinary Shares**
Mr G White	9,470,134	-
Mr B Piltz	3,180,940	-
Mr F Hardiman	156,218	125,000
Mr C Coonan	125,000	125,000

SHARE OPTIONS

Shares under option

Unissued ordinary shares of LandMark White Limited under option on the date of the report are as follows:

Grant date	**Expiry date**	**Exercise price**	**Number under option**
12 May 2014	30 April 2017	$0.46	1,000,000

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on exercise of options

There were no options (2015: Nil options) exercised during the year. No ordinary shares have been issued as a result of the exercise of options.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Indemnification

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.

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.

Insurance Premiums

Since the end of the previous financial period, 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.

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 24 and forms part of the Directors' Report for the financial year ended 30 June 2016.

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 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 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:

	2016 $	**2015 $**
Statutory audit	79,256	75,152
Service other than statutory audit – Tax related and other services	8,450	7,600

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

Glen White
Director

Dated at Sydney this 27th day of September 2016

William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF LANDMARK WHITE LIMITED

I declare that, to the best of my knowledge and belief during the year ended 30 June 2016 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
Chartered Accountants
ACN 16 021 300 521

M A Nevill
Partner

Dated this 27th day of September, 2016

CHARTERED ACCOUNTANTS & ADVISORS

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FINANCIAL STATEMENTS

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2016

	Note	Consolidated 2016 $000s	2015 $000s
Revenue from rendering of services		22,849	19,731
Expenses from operating activities:			
Employee expenses		16,015	13,912
Report presentation expenses		969	713
Marketing expenses		165	121
Communications expenses		233	225
Administration expenses		1,348	2,033
Occupancy expenses		983	971
Depreciation and amortisation expenses		213	168
Other expenses from operating activities		547	448
Results from operating activities		2,376	1,140
Finance income	7(a)	8	21
Finance expense	7(a)	16	6
Profit before tax		2,368	1,155
Income tax expense	8	709	376
Profit for the year attributable to owners of the parent		1,659	779
Total other comprehensive income (net of tax)		-	-
Total comprehensive income for the year attributable to owners of the parent		1,659	779
Basic earnings per share from total operations	9	$0.060	$0.028
Diluted earnings per share from total operations	9	$0.058	$0.028

The Statement of Profit & Loss and Other Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2016

Assets	Note	Consolidated 2016 $000s	2015 $000s
Cash and cash equivalents	10	1,100	218
Term deposits		19	103
Trade and other receivables	11	2,449	2,628
Inventories	12	152	99
Other current assets		404	479
Total current assets		4,124	3,527
Deferred tax assets	14	562	463
Term deposits		243	247
Property, plant and equipment	15	397	306
Intangible assets	16	5,168	5,035
AFS financial assets	17	715	575
Total non-current assets		7,085	6,626
Total assets		11,209	10,153
Liabilities			
Trade and other payables	18	899	966
Current tax liabilities	13	397	159
Employee benefits	19	2,032	2,004
Total current liabilities		3,328	3,129
Deferred tax liabilities	14	46	30
Employee benefits	19	151	130
Provisions	20	83	189
Total non current liabilities		280	349
Total liabilities		3,608	3,478
Net assets		7,601	6,675
Equity			
Issued capital	21	6,050	6,008
Retained earnings	21	1,229	605
Reserves		322	62
Total equity		7,601	6,675

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2016

	Share Capital $000s	Share Option Reserve $000s	Retained Earnings $000s	Total Equity $000s
Consolidated				
Balance at 1 July 2014	6,008	9	860	6,877
Total comprehensive income	-	-	779	779
Dividends to shareholders	-	-	(1,034)	(1,034)
Net share based compensation benefit	-	53	-	53
Balance at 30 June 2015	6,008	62	605	6,675
Balance at 1 July 2015	6,008	62	605	6,675
Total comprehensive income	-	-	1,659	1,659
Shares issued	42	-	-	42
Dividends to shareholders	-	-	(1,035)	(1,035)
Net share based compensation benefit	-	260	-	260
Balance at 30 June 2016	6,050	322	1,229	7,601

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2016

		Consolidated	
Cash flows from operating activities	**Note**	**2016 $000s**	**2015 $000s**
Cash receipts in the course of operations		25,161	21,103
Cash payments in the course of operations		(22,247)	(20,246)
Interest received		8	21
Interest paid		(16)	(6)
Dividends received		91	6
Decrease / (increase) in security deposits		10	(62)
Income tax paid		(555)	(486)
Net cash provided by operating activities	27	2,452	324
Cash flows from investing activities			
Payments for property, plant and equipment		(242)	(198)
Payments for intangible assets		(195)	(15)
Purchase of investments		(140)	(575)
Net cash used in investing activities		(577)	(788)
Cash flows from financing activities			
Dividends paid		(993)	(1,034)
Net cash used in financing activities		(993)	(1,034)
Net increase/(decrease) in cash and cash equivalents held		882	(1,498)
Cash and cash equivalents at beginning of the year		218	1,716
Cash and cash equivalents at the end of the year	10	1,100	218

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements.

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

LandMark White Limited (the 'Company') is a for-profit company incorporated and domiciled in Australia. The consolidated financial statements of the Company for the financial year ended 30 June 2016 comprise the Company and its subsidiaries (together referred to as the 'Consolidated Entity'). The principal business activities of the Consolidated Entity during the year were commercial and residential property valuations.

The financial statements were authorised for issue by the directors on 27th September 2016.

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

(a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001*. The financial statements of the Consolidated Entity comply with International Financial Reporting Standards ('IFRS') and Interpretations issued by the International Accounting Standards Board ('IASB').

(b) Basis of measurement

The consolidated financial statements have been prepared on an accrual basis and are based on historical cost, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(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) Use of estimates and judgements

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

Revenue recognition

During the year, the Consolidated Entity recognised revenue from the rendering of services using the percentage of completion method in accordance with the accounting policy as disclosed in Note 1(r). In determining the amount of revenue to be recognised, the Directors of the Consolidated Entity are required to exercise judgement in determining the percentage of completion of relevant contracts.

Impairment of goodwill

The Consolidated Entity assesses whether goodwill is impaired at least annually in accordance with the accounting policy in Note 1(g). These calculations involve an estimation of the recoverable amount of the cash-generating units to which the goodwill is allocated.

Provisions

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

(e) Basis of consolidation

Subsidiaries are all those 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 the control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest is acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Consolidated Entity. Losses incurred by the Consolidated Entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Consolidated Entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Consolidated Entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the profit and loss.

(f) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy Note 1(l)).

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised 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 property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Consolidated Entity will obtain ownership by the end of the lease term.

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

- office equipment 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.

(g) Intangible assets

(i) Goodwill

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.

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) IT Development & Software

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES ABN 50 102 320 329

(g) Intangible assets (continued)

(iii) 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.

(h) AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Consolidated Entity's only AFS financial asset is a 12.5% investment held in a private property group, Forrest Street Pty Ltd.

The equity investment in Forrest Street Pty Ltd is measured at cost less any impairment charges, as its fair value cannot currently be estimated reliably.

Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

(i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost after making an assessment of the recoverability of receivables over 120 days.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Consolidated Entity will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 120 days overdue are considered objective evidence of impairment. The amount of the impairment loss is the receivable carrying amount compared to the present value of estimated future cash flows, discounted at the effective interest rate.

(j) Work in progress

Client engagements in progress at the end of the reporting period are recorded in the Statement of Financial Position 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.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits with original maturities of three months or less that are readily convertible to known accounts of cash and which are subject to an insignificant risk of change in value. The Consolidated Entity does not have loan facilities in place.

(l) Impairment

Non-financial assets

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

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

(l) Impairment (continued)

Non-financial assets (continued)

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

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

(m) Share capital

Ordinary shares and share options are classified as equity.

Dividends on ordinary shares are recognised as a liability in the period in which they are declared.

Incremental costs directly attributable to the issue of ordinary shares and share options are accounted for as a deduction from equity, net of any related tax effects.

(n) Employee benefits

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

Liabilities for employee benefits for wages, salaries and annual leave that are expected to be wholly settled within 12 months of the end of the reporting period represent present obligations resulting from employees' services provided at the end of the reporting period. These liabilities are calculated at undiscounted amounts based on remuneration wage and salary rates that the Consolidated Entity expects to pay including related on-costs, such as workers compensation insurance, superannuation and payroll tax.

Annual leave not expected to be wholly settled within 12 months of the end of the reporting period is considered a long term employee benefit for measurement purposes only and as such is measured on a discounted basis as outlined in Note 1(n) (ii).

(ii) Other long-term employee benefits

The Consolidated Entity's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the end of the reporting period on government bonds that have maturity dates approximating the terms of the Consolidated Entity's obligations.

(iii) Share based payment transactions

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for rendering of services. The costs of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binominal or Black Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with the non-vesting conditions that do not determine whether the Consolidated Entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The costs of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in the profit and loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards

(iii) Share based payment transactions (continued)

subject to market conditions are considered to vest irrespective of whether or not that market condition has been met provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Consolidated Entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Consolidated Entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(iv) Defined contribution plans

A defined contribution plan is a post-employment benefit under which an entity pays defined contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as employee expenses in the Statement of Profit & Loss and Other Comprehensive Income when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(o) Provisions

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

(p) Leased assets

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

Upon initial recognition, finance leases are measured at an amount equal to the lower of the fair value of the leased item and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges are included in short and long term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit & Loss and Other Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in terms of which the Consolidated Entity does not assume substantially all the risks and rewards of ownership are classified as operating leases and the leased assets are not recognised in the Consolidated Entity's Statement of Financial Position. Payments made under operating leases are charged to the Statement of Profit & Loss and Other Comprehensive Income on a straight line basis over the period of the lease.

(q) Trade and other payables

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

(r) Revenue and other income

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

Interest Income

Interest revenue 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.

Dividend Revenue

All dividends receivable shall be recognised as revenue when the right to receive the dividend has been established.

NOTES TO THE FINANCIAL STATEMENTS
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Rendering of services

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

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

(s) Finance income and expense

Finance income comprises interest income on funds invested as outlined above in (r) and dividend income.

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

(t) Income tax

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.

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, the deferred income tax is not accounted for if it arises from the 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 and 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 arising from deductible temporary differences and unused tax losses are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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

(i) Tax consolidation

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

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

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

(i) Tax consolidation (continued)

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.

(u) Goods and services tax

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

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(v) Financial instruments

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets quoted in an active market with fixed or determinable payments and fixed maturities that the group's management has the positive intention and ability to hold to maturity. If the group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets.

Non-derivative instruments

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

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described in notes 1(i), 1(k), and 1(q).

Accounting for finance income and expense is discussed in Note 1(s).

(w) Earnings per share

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

(x) Comparative Figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(y) Adoption of New and Revised Accounting Standards

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

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

(z) New Accounting Standards for Application in Future Periods

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 Consolidated Entity is as follows:

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

AASB 9 includes requirements for the classification and measurement of financial assets and the accounting requirements for financial liabilities.

The changes made to accounting requirements by these standards include:

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

The application of this standard is expected to have an impact on the carrying value of the AFS investment held by the company as this asset is currently measured at cost.

AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 and AASB 2015-8 Effective Date of AASB 15 (applicable for annual reporting periods commencing on or after 1 January 2018)

AASB 15 establishes a single, comprehensive framework for revenue recognition, and replaces the previous revenue Standards AASB 118 Revenue and AASB 111 Construction Contracts, and the related Interpretations on revenue recognition Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers and Interpretation 131 Revenue—Barter Transactions Involving Advertising Services.

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

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

It is likely that this will result in de-recognition of Work In Progress. However it is unlikely to have a material impact on the reported profits of the company.

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

AASB 16 introduces a single lessee accounting model that requires all leases to be accounted for on balance sheet. A lessee will be required to recognise an asset representing the right to use the underlying asset during the lease term (i.e. right-of-use asset) and a liability to make lease payments (i.e. lease liability).

Two exemptions are available for leases with a term less than 12 months or if the underlying asset is of low value.

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

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

The company has not yet assessed the impact of this standard.

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

(aa) Rounding of Amounts

The group 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.

(ab) Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the Consolidated Entity only. Supplementary information about the parent entity is disclosed in Note 4.

(ac) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purposes of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non current.

2. DETERMINATION OF FAIR VALUES

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

(a) Property, plant and equipment

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

(b) Trade and other receivables

The fair value of trade and other receivables approximates their carrying value.

(c) Share-based payment transactions

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

(d) AFS financial assets

Forrest Street Pty Ltd is a small private company whose equity instruments are not traded in an active market and whose standalone financial statements are not subject to a statutory audit resulting in the inability to reliably measure the fair value of the Group's investment using present value techniques due to the unavailability of reliable data. Therefore, the investment in Forrest Street Pty Ltd has been stated at cost less impairment charges.

3. FINANCIAL RISK MANAGEMENT

The Consolidated Entity has exposure to the following risks from their use of financial instruments:

- credit risk;
- liquidity risk;
- interest rate risk.

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

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.

(i) Credit risk

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

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 customers 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. Customers which fail to meet the Consolidated Entity's benchmark creditworthiness are placed on a restricted customer list and may transact with the Consolidated Entity only on a prepayment basis.

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

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

(ii) Liquidity risk

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

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

(iii) Interest risk

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

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

(iv) Capital management

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

4. PARENT 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
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STATEMENT OF FINANCIAL POSITION

Assets	**2016 $000s**	**2015 $000s**
Current assets	2,260	1,369
Non current assets	6,217	6,168
Total Assets	8,477	7,537
Liabilities		
Current liabilities	1,493	1,729
Non current liabilities	95	80
Total Liabilities	1,588	1,809
Equity		
Issued capital	6,050	6,008
Retained earnings	517	(341)
Share options reserve	322	62
Total Equity	6,889	5,728
STATEMENT OF PROFIT & LOSS AND OTHER COMPREHENSIVE INCOME		
Total profit	1,893	1,903
Total comprehensive income	1,893	1,903

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.

Contractual Commitments

At 30 June 2016, LandMark White Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment (2015: nil).

CONTINGENCIES

The Consolidated Entity is involved in matters of litigation in the normal course of business in undertaking valuation services. At 30 June 2016, the Consolidated Entity has professional indemnity insurance, and under the terms of the insurance policy, each claim has an excess which is required to be paid by the Consolidated Entity. It was not practical to estimate the maximum contingent liability arising from litigation; however, in a worse case situation there could be a material adverse effect on the Consolidated Entity's financial position. In the directors' opinion, disclosures of any further information in relation to litigation would be prejudicial to the interests of the Consolidated Entity.

5. 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.

Two customers contributed $9,014,000 to total revenue of the Consolidated Entity during the 2016 financial year.

6. AUDITOR REMUNERATION

	Consolidated	
	2016 $000s	**2015 $000s**
Audit services		
Auditor of the Consolidated Entity – William Buck		
Audit and review of the financial reports	79	75
Other services		
Auditor of the Consolidated Entity – William Buck		
Taxation and other services	8	8
Total audit services	87	83

7.

(a) FINANCE INCOME

Interest income	8	21
Interest expense	(16)	(6)
Net finance income	(8)	15

(b) OPERATING EXPENSES

Operating lease expenses relating to occupancy	624	661
Superannuation expense	1,179	1,029

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8. INCOME TAX EXPENSE

Recognised in the Statement of Profit & Loss and Other Comprehensive Income		
Current tax expense		
Current year	786	395
Adjustments for prior years	-	-
	786	395
Deferred tax expense		
Origination and reversal of temporary differences	(77)	(19)
Total income tax expense in Statement of Profit & Loss and Other Comprehensive Income	709	376
Reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before tax	2,368	1,155
Prima facie income tax expense calculated at 30% on profit (2015: 30%)	710	347
Increase/(decrease) in income tax expense due to:		
Non-deductible entertainment	24	15
Non deductible share based expense	2	16
Income tax (over)/under provided in prior year	-	-
Fully franked dividend	(27)	(2)
Income tax expense	709	376

9. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2016 was based on the profit attributable to ordinary shareholders of $1,659,000 (2015: $779,000) and the weighted average number of ordinary shares outstanding during the financial year ended 30 June 2016 of 27,607,509 (2015: 27,588,781) calculated as follows:

	Consolidated	
	2016 $000s	**2015 $000s**
Profit attributable to ordinary shareholders	1,659	779
	2016	**2015**
Weighted average number of ordinary shares		
Issued Ordinary Shares at 1 July	27,588,781	27,588,781
Weighted average number of ordinary shares at 30 June	27,607,509	27,588,781

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2016 was based on the profit attributable to ordinary shareholders of $1,659,000 (2015: Profit of $779,000) and the weighted average number of ordinary shares outstanding during the financial year ended 30 June 2016 of 28,722,894 (2015: 27,668,781) calculated as follows:

	2016 $000s	2015 $000s
Profit attributable to ordinary shareholders	1,659	779

	2016	2015
Weighted average number of ordinary shares (diluted)		
Weighted average number of ordinary shares at 30 June	27,607,509	27,668,781
Weighted average number of ordinary shares (diluted) at 30 June	28,722,894	27,668,781

1,000,000 options were granted to an employee via the Employee Share Ownership Plan (ESOP) during the year ended 30 June 2014. As at the date of this report, there are 1,000,000 options over unissued ordinary shares in LandMark White Limited. 1,250,000 Performance rights were granted to 5 employees via the Employee Share Ownership Plan (ESOP) during the year ended 30 June 2016. As at the date of this report, there are 1,000,000 performance rights over unissued ordinary shares in LandMark White Limited.

10. CASH AND CASH EQUIVALENTS

	Consolidated	
	2016 $000s	2015 $000s
Cash at bank and on hand	1,100	218
Cash and cash equivalents in the Statement of Cash Flows	1,100	218

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

	2016 $000s	2015 $000s
Bank overdraft	1,200	1,200
Bank loans	850	-
	2,050	1,200
Unused at reporting date		
Bank overdraft	1,200	1,200
Bank loans	850	-
	2,050	1,200

The bank overdraft facility has unrestricted access for working capital purposes, whilst the bank loans are a bill facility for business acquisitions of which $350,000 can be drawn in respect to acquisition of interest in Forrest Street Pty Ltd already made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

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

11. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2016 $000s	2015 $ 000s
Current		
Trade receivables	2,447	2,621
Less: provision for impairment	(12)	(9)
Other receivables	14	16
	2,449	2,628

Impairment

During the year, an increase in the provision for impairment of receivables of $3,000 (2015: $24,000 decrease) was recorded in the Statement of Profit & Loss and Other Comprehensive Income and included in other expenses. Refer also to Note 23.

12. INVENTORIES

Work in progress	152	99

13. CURRENT TAX LIABILITIES

he current tax liability for the Consolidated Entity of $397,000 (2015: $159,000) 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.

14. DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets

Deferred tax assets are attributable to the following:

	Assets	
Consolidated	2016 $000s	2015 $000s
Employee provisions	427	391
Doubtful debts provision	4	3
Accruals	18	17
Operating lease provisions	1	5
Make good provisions	24	36
Performance rights	75	-
Other	13	11
Total deferred tax assets	562	463

Recognised deferred tax liabilities
Deferred tax liabilities are attributable to the following:

	Liabilities 2016 $000s	Liabilities 2015 $000s
Consolidated		
Inventories	(46)	(30)
Total deferred tax liabilities	(46)	(30)

Movement in temporary differences during the year
Deferred tax assets

Consolidated	Balance 1 July 15 $000s	Recognised in Profit & Loss $000s	Recognised in other comprehensive income $000s	Balance 30 June 16 $000s
Employee provisions	391	36	-	427
Doubtful debts	3	1	-	4
Accruals	17	1	-	18
Operating lease provisions	5	(4)	-	1
Make good provisions	36	(12)	-	24
Performance rights	-	75		75
Other	11	2	-	13
	463	99	-	562

Consolidated	Balance 1 July 14 $000s	Recognised in Profit & Loss $000s	Recognised in other comprehensive income $000s	Balance 30 June 15 $000s
Employee provisions	340	51	-	391
Doubtful debts	10	(7)	-	3
Accruals	16	1	-	17
Operating lease provisions	10	(5)	-	5
Make good provisions	39	(3)	-	36
Other	21	(10)	-	11
	436	27	-	463

Deferred tax liabilities

Consolidated	Balance 1 July 15 $000s	Recognised in Profit & Loss $000s	Recognised in other comprehensive income $000s	Balance 30 June 15 $000s
Inventories	(30)	(16)	-	(46)
	(30)	(16)	-	(46)

NOTES TO THE FINANCIAL STATEMENTS
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Consolidated	Balance 1 July 14 $000s	Recognised in Profit & Loss $000s	Recognised in other comprehensive income $000s	Balance 30 June 15 $000s
Inventories	(25)	(5)	-	(30)
	(25)	(5)	-	(30)

15. PROPERTY, PLANT AND EQUIPMENT

Cost	Consolidated Office Equipment $000s	Furniture and Fittings $000s	Leasehold Improvements $000s	Total $000s
Balance at 1 July 2014	2,440	219	903	3,562
Additions	54	-	131	185
Disposals	-	-	-	-
Writeback(i)	-	-	(50)	(50)
Balance at 30 June 2015	2,494	219	984	3,697
Balance at 1 July 2015	2,494	219	984	3,697
Additions	268	14	-	282
Disposals	-	-	(39)	(39)
Writeback(i)	-	-	-	-
Balance at 30 June 2016	2,,762	233	945	3,940

Accumulated Depreciation	Consolidated Office Equipment $000s	Furniture and Fittings $000s	Leasehold Improvements $000s	Total $000s
Balance at 1 July 2014	2,341	217	784	3,342
Depreciation charge for the year	69	1	54	124
Disposals	-	-	-	-
Write Back (i)	-	-	(75)	(75)
Balance at 30 June 2015	2,410	218	763	3,391
Balance at 1 July 2015	2,410	218	763	3,391
Depreciation charge for the year	106	1	75	182
Disposals	-	-	-	-
Write Back (i)	-	-	(30)	(30)
Balance at 30 June 2016	2,516	219	808	3,543
Carrying Amounts				
At 1 July 2014	99	2	119	220
At 30 June 2015	84	1	221	306
At 1 July 2015	84	1	221	306
At 30 June 2016	246	14	137	397

(i) Adjustments relate to changes in make good requirements within Leasehold improvement category.

16. INTANGIBLE ASSETS

	Consolidated 2016 $000s	Consolidated 2015 $000s
Goodwill	4,918	4,918
Computer software	209	90
Trademarks	41	27
	5,168	5,035

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

	Consolidated 2016 $000s	Consolidated 2015 $000s
Goodwill		
LandMark White Commercial	1,833	1,833
LMW Residential	3,085	3,085
	4,918	4,918
Movement in Goodwill		
Balance at 1 July	4,918	4,918
Additions/disposals/impairments	-	-
Balance at 30 June	4,918	4,918

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

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 2016. The 2016 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 expenses in the first year and 3% increase in the years after
- increase in employee expense calculated as 45% of the increase in revenue since the prior year
- increase in variable expenses calculated as 18% of the increase in revenue since the prior year
- terminal value at the end of year 5 based on year 5 cash flows.

16. INTANGIBLE ASSETS (continued)

Discount rate: The discount rate adopted was a pre tax rate of 18.8% (2015: 18.8%) 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 years cash flows, there would not be any impairment until the discount rate reached 70.6% for Residential and 86.5% for Commercial. In this scenario, all other variables are unchanged.

	Consolidated 2016 $000s	Consolidated 2015 $000s
Computer software	209	90
Movement in Computer Software		
Balance at 1 July	90	154
Additions	150	-
Amortisation	(31)	(56)
Writeback	-	(8)
Balance at 30 June	209	90
Trademarks		
Balance at 1 July	27	4
Additions	14	23
Amortisation	-	-
Balance at 30 June	41	27

17. AFS FINANCIAL ASSETS

AFS financial assets

The details and carrying amounts of AFS financial assets are as follows:

	2016	2015
Investment in Forrest Street Pty Ltd	715	575
	715	575

The investment in Forrest Street Pty Ltd represents a 12.5% equity interest (2015:10%) in an unlisted company. Forrest Street Pty Ltd is a small private company whose equity instruments are not traded in an active market and whose standalone financial statements are not subject to a statutory audit resulting in the inability to reliably measure the fair value of the Group's investment using present value techniques due to the unavailability of reliable data. Therefore, the investment in Forrest Street Pty Ltd has been stated at cost less impairment charges.

18. TRADE AND OTHER PAYABLES

	2016	2015
Current		
Trade payables	256	307
Other payables and accrued expenses	643	659
	899	966

19. EMPLOYEE BENEFITS

Current		
Liability for payroll	-	2
Liability for superannuation payable	-	1
Liability for annual leave	716	657
Liability for long service leave	557	516
Bonus liability	759	828
	2,032	2,004
Non Current		
Liability for long service leave	151	130

(a) Share Based Payments

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

Options:

On the 12 May 2014, 1,000,000 options were issued at an exercise price of 46 cents and a total fair value of $70,900 as identified in the key management personnel disclosures below and the remuneration report in the director's report.

Set out below are the summaries of options granted:

2016

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
12 May 2014	30 April 2017	$0.46	1,000,000	-	-	-	1,000,000
			1,000,000	-	-	-	1,000,000
Weighted average exercise price			$0.46	-	-	-	$0.46

The weighted average share price during the financial year was $ 0.5252.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.83 years (2015: 1.83 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility %	Dividend yield %	Risk free interest rate %	Fair value at grant date
12 May 2014	20 April 2017	$0.46	$0.46	44.21	8.19	2.66	$0.07

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Performance rights

Details of Performance Rights outstanding as part of the LMW Group Performance Rights and Options Plan during the financial year is as follows;

Grant Date	Vesting Date	Expiry Date	Applicable Spot Price	Balance at Beginning of year	Granted during the year	(Lapsed) during the year	Balance at end of the year	Fair Value $
14/10/2015	31/08/2016	30/09/2016	$0.49	-	500,000	-	500,000	0.4597
14/10/2015	31/08/2017	30/09/2017	$0.49	-	250,000	-	500,000	0.4275
14/10/2015	31/08/2018	30/09/2018	$0.49	-	250,000	-	500,000	0.3977
19/11/2015	31/08/2016	30/09/2016	$0.55	-	125,000	(125,000)	-	0.5197
19/11/2015	31/08/2017	30/09/2017	$0.55	-	62,500	(62,500)	-	0.4834
19/11/2015	31/08/2018	30/09/2018	$0.55	-	62,500	(62,500)	-	0.4496

The fair value of the performance rights issued subject to an Earnings Per Share and Service vesting conditions was determined using a Binomial Approximation Option Pricing Model. As at the grant date the following variables and assumptions were used:

Performance Rights granted to senior executives on 14 October 2015	
Exercise price	Nil
Expected life of the instrument (weighted average)	595 days
Current price of the underlying share price at valuation date	$0.49
Expected volatility	50%
Expected dividend yield	7.23%
The risk-free interest rate (weighted average)	1.89%

Performance Rights granted to former CEO on 19 November 2015	
Exercise price	Nil
Expected life of the instrument (weighted average)	560 days
Current price of the underlying share price at valuation date	$0.55
Expected volatility	50%
Expected dividend yield	7.23%
The risk-free interest rate (weighted average)	2.13%

20. PROVISIONS

	Consolidated 2016 $000s	2015 $000s
Non Current		
Operating lease	4	17
Make good	79	172
	83	189

Consolidated	Operating Lease $000s	Make good $000s	Total $000s
Balance at 1 July 2014	34	172	206
Reversal during the year	(17)	-	(17)
Balance at 30 June 2015	17	172	189
Reversal during the year	(13)	(93)	(106)
Balance at 30 June 2016	4	79	83

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

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.

21. CAPITAL AND RESERVES

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 27,669,201 ordinary fully paid shares on issue (2015: 27,588,781). Shares have no par value, and the company does not have a limited amount of capital.

Share Capital	Number	$000s
Balance at 1 July 2014	27,588,781	6,008
Issued during year	-	-
Balance at 30 June 2015	27,588,781	6,008
Issued via Dividend Reinvestment Plan	80,420	42
Balance at 30 June 2016	27,669,201	6,050

22. DIVIDENDS

Dividends recognised in the current year by the Company are:

	Cents per share	Total amount $000s	Franked/ unfranked	Date of Payment
2016				
Final 2015 ordinary	2.5	690	Franked	2 October 2015
Interim 2016 ordinary	1.25	345	Franked	7 April 2016
Total		1,035		
2015				
Final 2014 ordinary	2.5	690	Franked	2 October 2014
Interim 2015 ordinary	1.25	344	Franked	7 April 2015
Total		1,034		

Dividends declared or paid during the year were fully franked at the tax rate of 30%. (2015: 30%)

After the end of the reporting period, the directors have declared a final dividend of 3.25 cents per share, representing $915,499 fully franked and payable on 4 October 2016. The financial effect of this dividend has not been brought to account in the financial statements for the year ended 30 June 2016. The declaration and subsequent payment of dividends has no income tax consequences.

Dividend franking account	Company 2016 $000s	Company 2015 $000s
30% franking credits available to shareholders of LandMark White Limited for subsequent financial years	1,812	1,484

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

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

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the end of the reporting period but not recognised as a liability is to reduce it by $392,000 (2015: $296,000).

23. FINANCIAL INSTRUMENTS

Credit Risk
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:

	Note	Consolidated Carrying amount 2016 $000s	Consolidated Carrying amount 2015 $000s
Trade and other receivables	11	2,449	2,628
Cash and cash equivalents	10	1,100	218
Term deposits & other		262	350
		3,811	3,196

23. FINANCIAL INSTRUMENTS (continued)

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:

	Consolidated Carrying amount	
	2016 $000s	**2015 $000s**
Financial customers	1,557	1,831
Commercial non financial customers	724	760
Residential non financial customers	166	30
	2,447	2,621

The Consolidated Entity's most significant customer, an Australian financial customer, accounts for $515,547 of the trade and other receivables carrying amount at 30 June 2016 (2015: financial customer $614,581).

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

	Consolidated			
	Gross	**Impairment**	**Gross**	**Impairment**
	2016 $000s	**2016 $000s**	**2015 $000s**	**2015 $000s**
Not past due	2,107	-	1,494	-
Past due 0-30 days	189	-	707	-
Past due 31-120 days	142	3	420	9
Past due 121-365 days	9	9	-	-
	2,447	12	2,621	9

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

	Consolidated Carrying amount	
	2016 $000s	**2015 $000s**
Balance at 1 July	9	33
Impairment loss increased / (reduced)	3	(24)
Balance at 30 June	12	9

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

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

Consolidated

30 June 2016

	Carrying amount $000s	**Contractual cash flows $000s**	**6 months or less $000s**
Non-derivative financial liabilities			
Trade and other payables	899	899	899
Bonus liability	759	759	759
	1,658	1,658	1,658

30 June 2015

	Carrying amount $000s	**Contractual cash flows $000s**	**6 months or less $000s**
Non-derivative financial liabilities			
Trade and other payables	966	966	966
Bonus liability	828	828	828
	1,794	1,794	1,794

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

	Consolidated Carrying amount	
	2016 $000s	**2015 $000s**
Variable rate instruments		
Financial assets	1,100	218

Cash flow sensitivity analysis for rate instruments
There is no material impact of interest rate changes on the profitability of the company.

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

24. COMMITMENTS

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

Operating lease commitments

	Consolidated	
	2016 $000s	**2015 $000s**
Within one year	546	588
One year or later and no later than five years	704	1,120
Later than five years	-	55
	1,250	1,763

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.

25. CONTINGENCIES

The Consolidated Entity is involved in matters of litigation in the normal course of business in undertaking valuation services. At 30 June 2016, 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 would 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.

26. CONTROLLED ENTITIES

Particulars in relation to controlled entities

Name	**2016 ownership %**	**2015 ownership %**
Parent entity/Ultimate controlling party		
LandMark White Limited		
Subsidiaries		
LandMark White (Gold Coast) Pty Ltd	100	100
LandMark White (Brisbane) Pty Ltd	100	100
LMW Residential Pty Ltd	100	100
LMW Group Pty Ltd	100	100
LMW Business Advisory Pty Ltd	100	100
LMW Invest Pty Ltd	-	100
LandMark White (Melbourne) Pty Ltd	100	100
LMW Advisory Pty Ltd	100	100
LMW Hegney Pty Ltd	50	50
LMW Australia Pty Ltd	50	-

All of the above controlled entities were incorporated in Australia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016
LANDMARK WHITE LIMITED AND ITS CONTROLLED ENTITIES ABN 50 102 320 329

27. RECONCILIATION OF CASHFLOWS FROM OPERATING ACTIVITIES

	Consolidated	
Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities	**2016 $000s**	**2015 $000s**
Profit for the period after tax	1,659	779
Adjustments for the period:		
Depreciation and amortisation	213	168
Options & performance rights expense	260	53
Doubtful debt increase / (decrease)	4	(19)
Provision for make good	(12)	(10)
Operating lease provision	-	(18)
Net cash provided by operating activities before change in assets and liabilities	2,124	953
Change in assets and liabilities during the financial period:		
(Increase)/decrease in security deposits	88	(62)
(Increase)/decrease in receivables	181	(519)
(Increase)/decrease in inventories	(53)	(16)
(Increase)/decrease in deferred tax assets	(100)	(27)
(Increase)/decrease in other assets	70	(70)
Increase/(decrease) in payables	(160)	151
Increase/(decrease) in provision for income tax	238	(110)
Increase/(decrease) in deferred tax liabilities	16	5
Increase/(decrease) in employee provision	48	19
Net cash provided by operating activities	2,452	324

28. RELATED PARTIES

Key Management Personnel
The following were key management personnel of the Consolidated Entity and unless otherwise indicated were key management personnel for the entire period:

Non-Executive Directors
Mr S Gregory (Chairman - resigned 25 November 2014)
Mr G White (Chairman from 1 December 2015)
Mr B Piltz
Mr John McCarthy (Chairman - resigned 1 December 2015)

Executive Director
Mr C Nicholl (appointed 15 July 2014, resigned 21 March 2016)
Mr F Hardiman (appointed Director 21 March 2016)

Executives
Mr C Nicholl (appointed 1 May 2014 as CEO, resigned 21 March 2016)
Mr F Hardiman (CFO & Company Secretary for full year & prior year)
Mr C Coonan (appointed as CEO on 13 April 2016)

Refer to the Remuneration Report contained in the Directors' Report for details of remuneration paid or payable to each of the Consolidated Entity's key management personnel for the year ended 30 June 2016.

The total remuneration of key management personnel for the year are as follow:

	Consolidated	
	2016 $	**2015 $**
Short-term employee benefits	481,011	490,423
Other long-term benefits	2,278	2,369
Post-employment benefits	194,252	91,363
Share–based payments	134,650	53,175
	812,191	637,330

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

During the 2016 financial year Mr Brad Piltz was remunerated $8,850 for management services through Australian Advisory Group Pty Ltd a company of which he is a director.

Options and rights over equity instruments
During the previous financial year there were 1,000,000 options granted at an exercise price of 46 cents which are exercisable no earlier than 1 September 2015 and with an expiry date of 30 April 2017. There were no options exercised during the year and outstanding options at 30 June 2016 were the 1,000,000 granted during the 2014 year. Refer to Note 19(a) for further details.

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

2016	**Held at 1 July 2015**	**Purchases**	**Exercise of options**	**Sales**	**Held at 30 June 2016**
Directors					
Mr G White	9,470,134	-	-	-	9,470,134
Mr B Piltz	3,102,301	150,143	-	-	3,252,444
Mr C Nicholl	-	-	-	-	-
Mr J McCarthy	-	-	-	-	-
Mr F Hardiman	-	31,218	-	-	31,218
Executive officers					
Mr C Coonan	-	-	-	-	-

2015	**Held at 1 July 2014**	**Purchases**	**Exercise of options**	**Sales**	**Held at 30 June 2015**
Directors					
Mr G White	9,470,134	-	-	-	9,470,134
Mr B Piltz	2,977,164	125,137	-	-	3,102,301
Mr C Nicholl	-	-	-	-	-
Mr J McCarthy	-	-	-	-	-
Mr S Gregory	129,000	-	-	-	129,000
Executive officers					
Mr F Hardiman	-	-	-	-	-

The executive officers named are those who are directly accountable and responsible for the strategic direction and operational management of LandMark White Limited or its subsidiaries. In 2015 there were no executive officers holding shares in the Company. The Directors are of the opinion that only the executive officers detailed above meet the definition of key management personnel as set out in AASB 124 *Related Party Disclosures*.

Non-key management personnel
Identity of related parties
The Consolidated Entity has a related party relationship with its subsidiaries (refer to Note 26).

29. EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

A fully franked dividend of 3.25 cents per share was declared by Directors on 11 August 2016, to be paid on 4 October 2016.

There have been no other events subsequent to the end of the reporting period which affect the results contained in the financial statements or the continuing operations of the Consolidated Entity.

DIRECTORS' DECLARATION

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

(a) the financial statements and notes set out on pages 26 to 59 and the remuneration disclosures of the Remuneration report in the Directors' report, set out on pages 15 to 21, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the financial position of the Company and the Consolidated Entity as at 30 June 2016 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 1(a);

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2016.

Signed in accordance with a resolution of the directors:

Glen White
Director

Dated at Sydney this 27th September 2016

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANDMARK WHITE LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of LandMark White Limited (the Company) on pages 26 to 60, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001 has been given to the directors of LandMark White Limited on the same date as this auditor's report.

CHARTERED ACCOUNTANTS & ADVISORS

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANDMARK WHITE LIMITED AND CONTROLLED ENTITIES (CONT)

Auditor's Opinion

In our opinion:

a) the financial report of LandMark White Limited on pages 26 to 60 is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the Company and consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
   ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 22 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of LandMark White Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of LandMark White Limited for the year ended 30 June 2016 included on LandMark White Limited's web site. The company's directors are responsible for the integrity of the LandMark White Limited's web site. We have not been engaged to report on the integrity of the LandMark White Limited's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck

William Buck
Chartered Accountants
ACN 16 021 300 521

MONevill

M A Nevill
Partner
Dated this 27th day of September, 2016

ASX ADDITIONAL INFORMATION

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

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

Shareholdings (as at 7 September 2016)

Substantial Shareholders

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

Shareholder	Number of Ordinary Shares	Percentage
White Valuations Pty Ltd	9,470,134	33.62%
Piltz Holdings Pty Ltd	3,180,188	11.29%
IHOP Pty Ltd and associates	1,873,797	6.65%

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

	Ordinary Shares		Options	
Category	Number of Shareholders	Number of Shares	Number of Option Holders	Number of Options
1 – 1,000	40	27,240	-	-
1,001-5,000	281	994,570	-	-
5,001-10,000	95	774,282	-	-
10,001-50,000	150	3,726,624	-	-
50,001-100,000	25	1,922,183	-	-
100,001 and over	33	20,724,302	1	1,000,000
Total	624	28,169,201	1	1,000,000

On-market buy-back

There is no current on-market buy-back.

Marketable Parcels

The number of shareholders holding less than a marketable parcel of 1,052 shares (based on closing price of $0.73 on 7 September 2016) is 16 and they hold 5,033 securities.

Name	Number of Ordinary Shares held	Percentage of capital held
White Valuations Pty Ltd <Glen White Super Fund A/C>	9,470,134	33.62%
Brad Piltz Super Fund	2,971,105	10.55%
IHOP Pty Ltd	1,368,878	4.86%
McMullin Nominees Pty Ltd	1,330,437	4.72%
Kevin King Pty Ltd	645,083	2.29%
Llanzeal Pty Ltd	551,551	1.96%
Mr Brett Andrew Gorman <The Gorman Super Fund A/C>	504,919	1.79%
Phillips Consolidated Pty <Phillips Family Super Fund A/C>	350,000	1.24%
Mr Mark Sheffield Hancock & Mr Ian Denis Westwood	300,000	1.06%
Mr Alister John Forsyth	255,985	0.91%
Mr Henry Arthur Kamstra & Mrs Ina Johanna Kamstra	200,821	0.71%
Coad & Pratt Super Fund Pty Ltd	200,000	0.71%
C N & W J Pointon Pty Ltd <Pointon Super Fund A/C>	200,000	0.71%
Mr Christopher Holden	200,000	0.71%
Bond Street Custodians Limited	196,651	0.71%
Piltz Holdings Pty Ltd	180,940	2.93%
J P Morgan Australia Limited	161,565	0.57%
Hardiman Nominees Pty Ltd <Hardiman Family Super Fund A/C>	156,218	0.55%
Mrs Melina Louise Ellis	146,000	0.52%
Mrs Marianne Vernal Beveridge	130,000	0.46%
	19,520,287	69.30%

Offices and officers

Company Secretary

Mr Frank Hardiman

Principal Registered Office

Level 15
55 Clarence Street
Sydney NSW 2000
Telephone: (02) 8823 6300
Facsimile: (02) 8823 6399
Website: www.lmw.com.au

Location of Share Registry

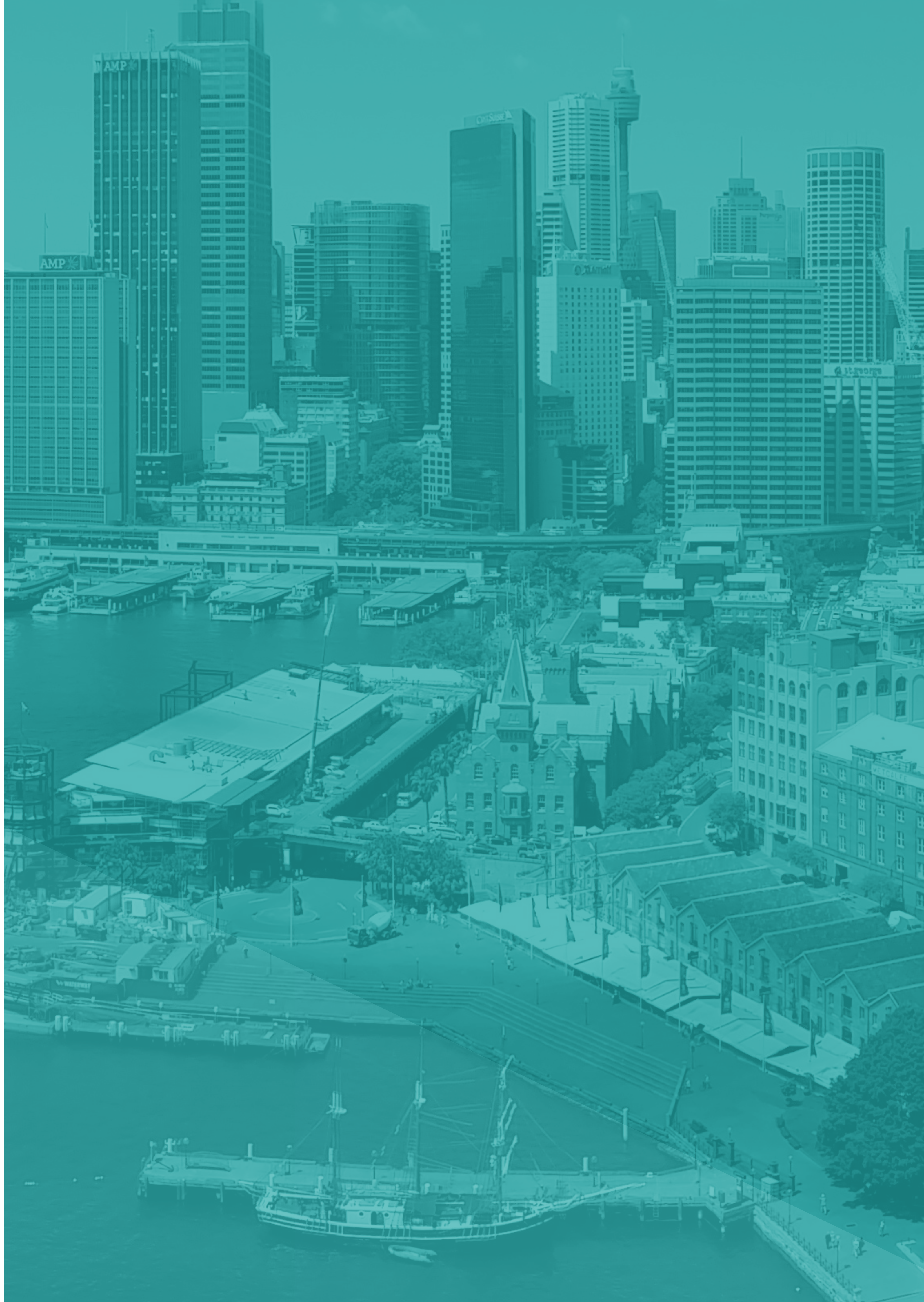
Brisbane
Link Market Services
Phone: 1300 554 474 (toll free within Australia)
Hours: 8:30am to 7:30pm - Monday to Friday (excluding Public Holidays)
Email: registrars@linkmarketservices.com.au
Postal Address: Locked Bag A14
Sydney South NSW 1235

Stock Exchange

The Company is listed on the Australian Securities Exchange.

Other information

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



LMW

2016

Annual Report

Australia's
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