

Appendix 4E

Preliminary final report

Name of entity

LandMark White Limited

Australian Business Number

50 102 320 329

Half yearly
(tick)

Preliminary
final (tick)

Financial year ended ('current period')

30 June, 2007

1. Details of the reporting period and the previous corresponding period

This report is for the period July 1 2006 to June 30 2007. The previous corresponding period was July 1 2005 to June 30 2006.

2. Results for announcement to the market

Extracts from this report for announcement to the market.

| | | | | |
|--------------------------------------------------------------------------|----|-------|----|--------------|
| Revenues from ordinary activities | Up | 36.2% | to | \$27,987,338 |
| Profit (loss) from ordinary activities after tax attributable to members | Up | 0.6% | to | \$1,755,156 |
| Profit (loss) from extraordinary items after tax attributable to members | | Nil | | Nil |
| Net profit (loss) for the period attributable to members | Up | 0.6% | to | \$1,755,156 |

Explanations:

Nil

3. Income Statement

Refer to the attached Income Statement and notes.

4. Balance Sheet

Refer to the attached Balance Sheet and notes.

5. Statement of Cash Flows

Refer to the attached Statement of Cash Flows and notes.

6. Dividend Distributions and Payments

| | Amount per security | Franked amount per security |
|----------------------------------------------------------|---------------------|-----------------------------|
| Final dividend | 3.0c | 3.0c |
| Interim dividend (paid 13 March 2007) | 2.2c | 2.2c |
| <u>Previous corresponding period</u> | | |
| Final dividend (paid 4 October 2006) | 3.0c | 3.0c |
| Interim dividend (paid 13 March 2006) | 2.0c | 2.0c |
| Record date for determining entitlements to the dividend | 19 September 2007 | |
| Date the dividend (distribution) is payable | 4 October 2007 | |

7. Dividend or distribution reinvestment plans

No dividend or distribution plans are in operation.

8. Statement of Retained Earnings

| | |
|---------------------------------------|-----------------|
| Retained Profits at beginning of year | \$ 2,058,373 |
| Net Profit | 1,755,156 |
| Dividends Paid | (1,422,837) |
| Retained Profits at end of year | 2,390,692 |

9. NTA backing

| | Current period | Previous corresponding Period |
|--------------------------------------------------|----------------|----------------------------------|
| Net tangible asset backing per ordinary security | \$0.1107 | \$0.1042 |

10.1 Control gained over entities having material effect

| | |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Name of entity : | During the period, LMW Invest Pty Ltd (a 100% owned subsidiary of LandMark White Limited) acquired a 55% shareholding in Guardian Securities Limited (acquired 31 March 2007). The contribution of this entity has not had a material impact on the profit from ordinary activities of LandMark White Limited. |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

10.2 Loss of control of entities having material effect

| |
|-----|
| NIL |
|-----|

11. Details of aggregate share of profits (losses) of associates and joint venture entities

| |
|-----|
| Nil |
|-----|

12. Significant Information

| |
|-----|
| Nil |
|-----|

13. Foreign Accounting Standards

| |
|----------------|
| Not Applicable |
|----------------|

14. Commentary on Results

- *Sales Revenue increased to \$27.99M, up 36.2% from \$20.54M in 2006*
- *After tax profit steady at \$1.76M and we are in a strong position to capitalise on the above strong revenue growth over the forthcoming year*
- *EBIT increased to \$2.5M up 0.3% from 2006*
- *Dividends increased to 5.2 cents a share, up 4% from 5 cents in 2006*
- *Dividends fully franked*
- *Earnings per share steady at 6.41 cents*
- *Remain debt free*
- *Investment into mortgage and fund management through 55% interest in Guardian Securities Limited*
- *Development of LMW Research as a revenue centre*

15. Compliance statement

This report is based on accounts that have not been audited.

Sign here: JOHN CLEMENTS.....Date:.....31 August 2007.....
Company Secretary

Print name: JOHN CLEMENTS.....

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

INCOME STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

| | Note | Consolidated | | Company | |
|-------------------------------------------|------|-------------------|-------------------|------------------|------------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$ | \$ | \$ | \$ |
| Revenue from rendering of services | 2 | 27,987,338 | 20,543,920 | 2,074,441 | 1,211,176 |
| Other income | 3 | | - | 2,400,900 | 1,406,139 |
| | | <u>27,987,338</u> | <u>20,543,920</u> | <u>4,475,341</u> | <u>2,617,315</u> |
| Expenses from ordinary activities: | | | | | |
| Employee expenses | | 19,253,635 | 13,450,565 | 1,541,281 | 1,277,542 |
| Valuation reports presentation expenses | | 1,250,383 | 978,084 | 170,244 | 139,777 |
| Marketing expenses | | 433,001 | 352,558 | 51,602 | 39,526 |
| Administration expenses | | 1,178,072 | 1,002,818 | 378,707 | 72,202 |
| Occupancy expenses | | 1,275,928 | 1,008,416 | 27,923 | 10,032 |
| Depreciation and amortisation expenses | | 627,197 | 522,749 | 235,922 | 183,657 |
| Other expenses from ordinary activities | | 1,423,263 | 734,970 | 225,935 | 107,224 |
| | | <u>2,545,859</u> | <u>2,493,760</u> | <u>1,843,727</u> | <u>787,355</u> |
| Results from operating activities | | | | | |
| Net finance income | 5 | 7,196 | 94,748 | 367,342 | 253,008 |
| | | <u>2,553,055</u> | <u>2,588,508</u> | <u>2,211,069</u> | <u>1,040,363</u> |
| Profit Before Tax | | | | | |
| Income Tax Expense/(Benefit) | 6 | 835,175 | 844,974 | (145,904) | (99,589) |
| | | <u>1,717,880</u> | <u>1,743,534</u> | <u>2,356,973</u> | <u>1,139,952</u> |
| Profit for the year | | | | | |
| Attributable to: | | | | | |
| Equity Holders of the Company | | 1,755,156 | 1,743,534 | 2,356,973 | 1,139,952 |
| Minority Interest | | (37,276) | - | - | - |
| | | <u>1,717,880</u> | <u>1,743,534</u> | <u>2,356,973</u> | <u>1,139,952</u> |
| Profit for the year | | | | | |
| Basic earnings per share | 7 | <u>\$0.0641</u> | <u>\$0.0641</u> | | |
| Diluted earnings per share | 7 | <u>\$0.0636</u> | <u>\$0.0637</u> | | |

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

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

STATEMENTS OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2007

| | Note | Consolidated | | Company | |
|-----------------------------------------------------------|------|--------------|-----------|-----------|-----------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$ | \$ | \$ | \$ |
| Profit for the period | | 1,717,880 | 1,743,534 | 2,449,674 | 1,139,952 |
| | | <hr/> | <hr/> | <hr/> | <hr/> |
| Total recognised income and expense for the period | | 1,717,880 | 1,743,534 | 2,449,674 | 1,139,952 |

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

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

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

BALANCE SHEETS
AS AT 30 JUNE 2007

| | Note | Consolidated | | Company | |
|-------------------------------------------------------------------|------|-------------------|-------------------|------------------|------------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$ | \$ | \$ | \$ |
| Current assets | | | | | |
| Cash and cash equivalents | 8 | 1,920,312 | 3,043,616 | 866,644 | 1,675,067 |
| Trade and other receivables | 9 | 4,935,335 | 3,717,151 | - | 283,039 |
| Inventories | 10 | 371,735 | 259,111 | - | - |
| Other | | 167,053 | 220,934 | 329,148 | 220,934 |
| Total current assets | | 7,394,435 | 7,240,812 | 1,195,792 | 2,179,040 |
| Non-current assets | | | | | |
| Receivables | 9 | - | - | 5,433,910 | 2,759,499 |
| Investments | 11 | - | - | 2,220,002 | 2,220,002 |
| Deferred tax assets | 13 | 804,492 | 682,963 | 251,591 | 232,583 |
| Other non current assets | | 440,100 | 127,947 | 45 | - |
| Property, plant and equipment | 14 | 1,579,910 | 1,271,867 | 503,903 | 602,779 |
| Intangible assets | 15 | 5,451,880 | 5,094,149 | - | - |
| Total non-current assets | | 8,276,382 | 7,176,926 | 8,409,451 | 5,814,863 |
| Total assets | | 15,670,817 | 14,417,738 | 9,605,243 | 7,993,903 |
| Current liabilities | | | | | |
| Trade and other payables | 16 | 5,035,087 | 4,041,030 | 2,083,411 | 986,074 |
| Current tax liabilities | 12 | 299,977 | 386,508 | 299,975 | 386,508 |
| Employee benefits | 17 | 1,094,564 | 993,435 | 140,223 | 86,563 |
| Provisions | 18 | 21,200 | 21,200 | - | - |
| Total current liabilities | | 6,450,828 | 5,442,173 | 2,523,609 | 1,459,145 |
| Non current liabilities | | | | | |
| Other | 16 | - | 491,493 | - | 465,829 |
| Employee benefits | 17 | 204,543 | 199,850 | 10,731 | 5,683 |
| Provisions | 18 | 522,982 | 340,352 | - | - |
| Total non current liabilities | | 727,525 | 1,031,695 | 10,731 | 471,512 |
| Total liabilities | | 7,178,353 | 6,473,868 | 2,534,340 | 1,930,657 |
| Net assets | | 8,492,464 | 7,943,870 | 7,070,903 | 6,063,246 |
| Equity | | | | | |
| Issued capital | 19 | 5,933,674 | 5,878,674 | 5,933,674 | 5,878,674 |
| Reserves | 19 | 25,344 | 6,823 | 25,343 | 6,823 |
| Retained earnings | 19 | 2,390,692 | 2,058,373 | 1,111,886 | 177,749 |
| Total equity attributable to equity holders of the Company | | 8,349,710 | 7,943,870 | 7,070,903 | 6,063,246 |
| Minority Interest | | 142,754 | | - | - |
| Total equity | 19 | 8,492,464 | 7,943,870 | 7,070,903 | 6,063,246 |

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

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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2007

| | Note | Consolidated | | Company | |
|------------------------------------------------------------|--------|-------------------------|-------------------------|-----------------------|-------------------------|
| | | 2007 | 2006 | 2007 | 2006 |
| | | \$ | \$ | \$ | \$ |
| Cash flows from operating activities | | | | | |
| Cash receipts in the course of operations | | 26,384,916 | 19,822,939 | 4,594,377 | 4,820,003 |
| Cash payments in the course of operations | | (23,687,517) | (16,825,244) | (2,251,325) | (1,728,498) |
| Interest received | | 96,028 | 128,222 | 47,150 | 253,008 |
| Income tax paid | | (1,039,800) | (961,142) | (1,039,800) | (961,142) |
| Net cash provided by/(used in) operating activities | 26(ii) | <u>1,753,627</u> | <u>2,164,775</u> | <u>1,670,594</u> | <u>2,383,371</u> |
| Cash flows from investing activities | | | | | |
| Payments for property, plant and equipment | | (816,407) | (528,671) | (137,046) | (365,852) |
| Receipts from controlled entities | | - | - | 2,234,608 | 1,202,505 |
| Payments to controlled entities | | - | - | (3,208,743) | (1,049,870) |
| Payments for business acquisitions (net of cash acquired) | | (1,078,983) | (609,021) | - | - |
| Funds placed on security deposit | | (13,735) | - | - | - |
| Net cash provided by/(used in) investing activities | | <u>(1,909,125)</u> | <u>(1,137,692)</u> | <u>(1,111,181)</u> | <u>(213,217)</u> |
| Cash flows from financing activities | | | | | |
| Proceeds from share issues | | 455,030 | 110,000 | 55,000 | 110,000 |
| Costs of share issues | | - | - | - | - |
| Dividends paid | | (1,422,836) | (1,225,921) | (1,422,836) | (1,225,921) |
| Net cash provided by/(used in) financing activities | | <u>(967,806)</u> | <u>(1,115,921)</u> | <u>(1,367,836)</u> | <u>(1,115,921)</u> |
| Net increase/(decrease) in cash held | | (1,123,304) | (88,838) | (808,423) | 1,054,233 |
| Cash at beginning of the financial year | | <u>3,043,616</u> | <u>3,132,454</u> | <u>1,675,067</u> | <u>620,834</u> |
| Cash at the end of the financial year | 8 | <u><u>1,920,312</u></u> | <u><u>3,043,616</u></u> | <u><u>866,644</u></u> | <u><u>1,675,067</u></u> |

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Landmark White Limited (the 'Company') is a company domiciled in Australia. The consolidated financial report of the Company for the financial year ended 30 June 2007 comprise the Company and its subsidiaries (together referred to as the 'consolidated entity') and the consolidated entity's interest in associates and jointly controlled entities.

The financial report was authorised for issue by the directors on XXXXXXXX.

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. International Financial Reporting Standards ('IFRSs') form the basis of Australian Accounting Standards ('AASBs') adopted by the AASB, and for the purpose of this report are called Australian equivalents to IFRS ('AIFRS') to distinguish from previous Australian GAAP. The financial reports of the consolidated entity and the Company also comply with IFRSs and interpretations adopted by the International Accounting Standards Board.

(b) Basis of preparation

The financial report is presented in Australian dollars.

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

The entity has elected to early adopt the following accounting standards and amendments:

AASB 101 Presentation of Financial Statements (October 2006)

AASB 2007-4 Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments

Accounting estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the consolidated entity's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill and intangibles with indefinite useful lives

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

Provision for contingencies

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

Issued standards not early adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2007, but have not been applied in preparing this financial report:

AASB 7 Financial Instruments: Disclosures (August 2005) replaces the presentation requirements of financial instruments in AASB 132. AASB 7 is applicable for annual reporting periods beginning on or after 1 January 2007, and will require extensive additional disclosures with respect to the Group's financial instruments and share capital.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Issued standards not early adopted (cont'd)

AASB 2005-10 Amendments to Australian Accounting Standards (September 2005) makes consequential amendments to AASB 132 Financial Instruments: Disclosure and Presentation, AASB 101 Presentation of Financial Statements, AASB 114 Segment Reporting, AASB 117 Leases, AASB 133 Earnings Per Share, AASB 139 Financial Instruments: Recognition and Measurement, AASB 1 First time Adoption of Australian Equivalents to International Financial Reporting Standards, AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts arising from the release of AASB 7. AASB 2005-10 is applicable for annual reporting periods beginning on or after 1 January 2007 and is expected to only impact disclosures contained within the consolidated financial report.

AASB 8 Operating Segments replaces the presentation requirements of segment reporting in AASB 114 Segment Reporting. AASB 8 is applicable for annual reporting periods beginning on or after 1 January 2009 and is not expected to have an impact on the financial results of the Company and the Group as the standard is only concerned with disclosures.

AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 makes amendments to AASB 5 Non-current Assets Held for Sale and Discontinued Operations, AASB 6 Exploration for and Evaluation of Mineral Resources, AASB 102 Inventories, AASB 107 Cash Flow Statements, AASB 119 Employee Benefits, AASB 127 Consolidated and Separate Financial Statements, AASB 134 Interim Financial Reporting, AASB 136 Impairment Assets, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts. AASB 2007-3 is applicable for annual reporting periods beginning on or after 1 January 2009 and must be adopted in conjunction with AASB 8 Operating Segments. This standard is only expected to impact disclosures contained within the financial report.

Interpretation 10 Interim Financial Reporting and Impairment prohibits the reversal of an impairment loss recognised in a previous interim period in respect of goodwill, an investment in an equity instrument or a financial asset carried at cost. Interpretation 10 will become mandatory for the Group's 2008 financial statements, and will apply to goodwill, investments in equity instruments, and financial assets carried at cost prospectively from the date that the Group first applied the measurement criteria of AASB 136 and AASB 139 respectively (i.e., 1 July 2004 and 1 July 2005, respectively)

Interpretation 11 AASB 2 Share-based Payment -- Group and Treasury Share Transactions addresses the classification of a share-based payment transaction (as equity or cash settled), in which equity instruments of the parent or another group entity are transferred, in the financial statements of the entity receiving the services. Interpretation 11 will become mandatory for the Group's 2008 financial report. Interpretation 11 is not expected to have any impact on the financial report. The potential effect of the Interpretation on the Company's financial report has not yet been determined.

AASB 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation II amends AASB 2 Share-based Payments to insert the transitional provisions of AASB 2, previously contained in AASB 1 First-time Adoption of Australian Equivalents to international Financial Reporting Standards. AASB 2007-1 is applicable for annual reporting periods beginning on or after 1 March 2007 and is not expected to have any impact on the consolidated financial report. The potential impact on the Company has not yet been determined.

Interpretation 12 Service Concession Arrangements addresses the accounting for service concession operators, but not grantors, for public to private service concession arrangements. Interpretation 12 will apply for the Group's 2009 financial report. The potential effect of the interpretation on the financial report has not yet been determined. At this time an entity must also adopt the revised Interpretation 4 Determining when an arrangement contains a lease and Interpretation 129 Service Concession Arrangements: Disclosures.

AASB 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12 makes amendments to AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards, AASB 117 Leases, AASB 118 Revenue, AASB 120 Accounting for Government Grants and Disclosures of Government Assistance, AASB 121 The Effects of Changes in Foreign Exchange Rates, AASB 127 Consolidated and Separate Financial Statement, AASB 131 Interest in Joint Ventures, and AASB 139 Financial Instruments: Recognition and Measurement, AASB 2007-3 Amendments to Australian Accounting Standards [arising from AASB 8 Operating Segments]. AASB 2007-2 is applicable for annual reporting periods beginning on or after 1 January 2008 and must be applied at the same time as Interpretation 12 Service Concession Arrangements

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Basis of consolidation

(i) Subsidiaries

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

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

(ii) Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Unrealised losses are eliminated in the same way as unrealised gains.

(d) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost or deemed cost less accumulated depreciation (see below) and impairment losses (see accounting policy i). The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads.

When the construction or development of a self-constructed investment property is completed and will be carried at fair value, any difference between the fair value of the property at that date and its previous carrying amount is recognised in the income statement.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(d) Property, plant and equipment (continued)

(ii) Leased assets

Leases in terms of which the consolidated entity assumes substantially all the risks and rewards of ownership are classified as finance leases. The owner-occupied property acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see below) and impairment losses (see accounting policy n). The property held under finance leases and leased out under operating lease is classified as investment property and stated at fair value. Lease payments are accounted for as described in accounting policy (v). Property held under operating leases that would otherwise meet the definition of investment property may be classified as investment property on a property-by-property basis.

(iii) Subsequent costs

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

(iv) Depreciation

With the exception of freehold land and mining property and development assets, depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

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

- plant and equipment 4 years
- fixtures and fittings 5 years

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

(e) Intangible assets

(i) Goodwill

Business combinations

Acquisitions prior to 1 July 2003

Goodwill is included on the basis of its deemed cost, which included an annual assessment of impairment, which represents the amount recorded under previous GAAP. The classification and accounting treatment of business combinations that occurred prior to 1 July 2003 has not been reconsidered in preparing the consolidated entity's opening AIFRS balance sheet at 1 July 2004 (see note 29).

Acquisitions since 1 July 2003

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

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

Negative goodwill arising on an acquisition is recognised directly as a profit in the income statements.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Intangible assets (continued)

(ii) Subsequent expenditure

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

(f) Trade and other receivables

Other trade and other receivables

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

(g) Work in progress

Client engagements in progress at balance date are recorded in the Balance Sheet as an asset and revenue in the Income Statement, based on the proportion of the stage of completion of the engagement, estimated fee for the services and where the stage and revenue from the engagement can be readily estimated. Payments in advance are recognised as unearned income until the services are provided.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, short term bills and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the consolidated entity's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(i) Impairment

The carrying amounts of the consolidated entity's assets, excluding work in progress and deferred tax assets (see accounting policy q), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is assessed for impairment at each balance sheet date.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Impairment (continued)

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through loss in the income statement.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

(i) Calculation of recoverable amount

The recoverable amount of the consolidated entity's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance sheet date.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

(ii) Reversals of impairment

Impairment losses, other than in respect of goodwill, are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount.

An impairment loss in respect of goodwill is not reversed.

An impairment loss in respect of a held-to-maturity security or receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(i) Impairment (continued)

(ii) Reversals of impairment (continued)

An impairment loss in respect of an investment in an equity instrument classified as available for sale is not reversed through profit or loss. If the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognised in profit or loss.

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.

(iii) Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired
- the consolidated entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party; or
- the consolidated entity has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit and loss.

(j) Share capital

(i) Dividends

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

(ii) Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

(k) Employee benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the income statement as incurred.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

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

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

(iii) Share based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options..

Change in accounting policy - company

The Company has applied Australian Interpretation 8 Scope AASB 2 (Interpretation 8) for the first time from 1 July 2006. Under Interpretation 8, when the Company grants options over its shares to employees of subsidiaries, the fair value at grant date is recognised as an increase in the investments in subsidiaries, with a corresponding increase in equity over the vesting period of the grant.

The change in accounting policy was applied retrospectively to share-based payment transactions that were granted after 7 November 2002, with a vesting date on or after 1 January 2005, in accordance with the transitional provisions of AASB 1 First-time Adoption of Australian Equivalents to International Financial Reporting Standards.

For this year, the change had no impact on the companies net profit or earnings per share.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(l) Provisions

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

(m) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the consolidated entity from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(n) 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.

(o) Revenue and other income
Goods sold and services rendered

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

Rendering of services

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

(p) Expenses

(i) Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense and spread over the lease term.

(ii) Net financing costs

Interest income is recognised in the income statement as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established which in the case of quoted securities is ex-dividend date. The interest expense component of finance lease payments is recognised in the income statement using the effective interest method.

(q) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(q) Income tax (continued)

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

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

Tax consolidation

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.

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 'separate taxpayer within group' 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 is assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

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

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

Nature of tax funding arrangements and tax sharing arrangements

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(r) Non-current assets held for sale and discontinued operations

Immediately before classification as held for sale, the measurement of the assets (and all assets and liabilities in a disposal group) is brought up-to-date in accordance with applicable accounting standards. Then, on initial classification as held for sale, non-current assets and disposal groups are recognised at the lower of carrying amount and fair value less costs to sell.

(s) Goods and services tax

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

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

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

(t) Share-based payment transactions

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

(u) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the 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.

(v) Determination of fair values

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

2. SEGMENT REPORTING

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

The consolidated entity comprises the following main business segments:

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

Funds Management: Primarily Property Syndication and Mortgage Funds.

| | Valuation | | Funds Management | | Consolidated | |
|------------------------------|-------------------|-------------------|------------------|------------|-------------------|-------------------|
| | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ |
| Total Revenues | 27,939,525 | 20,543,920 | 47,813 | - | 27,987,338 | 20,543,920 |
| Total Segment Revenue | 27,939,525 | 20,543,920 | 47,813 | - | 27,987,338 | 20,543,920 |
| Segment Result | 2,668,717 | 2,493,760 | (122,858) | - | 2,545,859 | 2,493,760 |
| Net Finance | | | | | | |
| Costs/Income | 2,182 | 94,748 | 5,014 | - | 7,196 | 94,748 |
| Income Tax Expense | (870,183) | (844,874) | 35,088 | - | (835,175) | (844,974) |
| Profit for the Period | 1,800,716 | 1,743,534 | (82,836) | - | 1,717,880 | 1,743,534 |

| | Valuation | | Funds Management | | Consolidated | |
|----------------------------|-------------------|-------------------|------------------|------------|-------------------|-------------------|
| | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ |
| Segment Assets | 15,312,978 | 14,417,738 | 357,839 | - | 15,670,817 | 14,417,738 |
| Total Assets | 15,312,978 | 14,417,738 | 357,839 | - | 15,670,817 | 14,417,738 |
| Segment Liabilities | 7,137,708 | 6,473,868 | 40,645 | - | 7,178,353 | 6,473,868 |
| Total Liabilities | 7,137,708 | 6,473,868 | 40,645 | - | 7,178,353 | 6,473,868 |
| Capital Expenditure | 909,697 | - | 27,232 | - | 936,929 | 528,671 |
| Depreciation | 626,552 | 522,749 | 645 | - | 627,197 | 522,749 |

| 3. OTHER INCOME | Consolidated | | Company | |
|-----------------------------|--------------|------------|------------------|------------------|
| | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ |
| Dividends – related parties | - | - | 2,400,900 | 1,406,139 |
| Total Other Income | - | - | 2,400,900 | 1,406,139 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

| 4. AUDITOR REMUNERATION | Consolidated | | Company | |
|----------------------------------------------|--------------|--------|---------|--------|
| | 2007 | 2006 | 2007 | 2006 |
| <i>Audit services</i> | \$ | \$ | \$ | \$ |
| Auditors of the Company – KPMG Australia | | | | |
| Audit and review of the financial reports | 59,600 | 43,100 | 59,600 | 43,100 |
| <i>Other services</i> | | | | |
| Auditors of the Company – KPMG Australia | | | | |
| Due diligence services | - | - | - | - |
| Taxation services | 10,000 | 19,074 | 10,000 | 19,074 |
| Other Services | - | 2,475 | - | 2,475 |
| | 10,000 | 21,549 | 10,000 | 21,549 |

The audit expenses of the entities in the consolidated entity are paid by the Company

5. NET FINANCING INCOME

| | | | | |
|---------------------------------|--------------|---------------|----------------|----------------|
| Interest income from subsidiary | - | - | 320,192 | 208,666 |
| Interest income | 99,566 | 128,222 | 47,150 | 44,342 |
| Finance expense | (92,370) | (33,474) | - | - |
| Net Financing Income | 7,196 | 94,748 | 367,342 | 253,008 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

| 6. INCOME TAX EXPENSE | Consolidated | | Company | |
|-----------------------------------------------------------------------------------------|----------------------|----------------------|------------------------|-----------------------|
| <i>Recognised in the income statement</i> | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ |
| Current Tax Expense | | | | |
| Current Year | 947,803 | 905,122 | (105,456) | (114,311) |
| Adjustments for Prior Years | (21,018) | 11,477 | - | 11,477 |
| | <hr/> 926,785 | <hr/> 916,599 | <hr/> (105,456) | <hr/> (102,834) |
| Deferred Tax Expense | | | | |
| Origination and reversal of temporary differences | (91,610) | (71,625) | (40,448) | 3,245 |
| Adjustments for Prior Years | | | | |
| | <hr/> (91,610) | <hr/> (71,625) | <hr/> (40,448) | <hr/> 3,245 |
| Total income tax expense in income statement | <hr/> 835,175 | <hr/> 844,974 | <hr/> (145,904) | <hr/> (99,589) |
| All income tax expense is attributable to continuing operations | | | | |
| <i>Reconciliation between tax expense and pre-tax profit</i> | | | | |
| Profit before tax | <hr/> 2,553,055 | <hr/> 2,588,508 | <hr/> 2,211,069 | <hr/> 1,040,363 |
| Prima facie income tax expense calculated at 30% on the profit from ordinary activities | 765,916 | 776,552 | 663,321 | 312,108 |
| Increase in income tax expense due to: | | | | |
| Income tax underprovided in prior year | | 11,477 | | 11,477 |
| Entertainment | 57,008 | 49,338 | 1,547 | 1,104 |
| Sundry items | 5,556 | 10,043 | 5,556 | |
| Non deductible expenses | 27,713 | | | |
| Decrease in income tax expense due to: | | | | |
| Non-assessable dividends | - | - | (720,270) | (421,842) |
| Income Tax over provided in prior year | (21,018) | - | - | - |
| Non-Assessable Interest Income | - | - | (96,058) | - |
| Sundry items | - | (2,436) | - | (2,436) |
| Income tax expense/(benefit) on pre-tax net profit | <hr/> 835,175 | <hr/> 844,974 | <hr/> (145,904) | <hr/> (99,589) |
| <i>Deferred tax asset recognised directly in equity</i> | | | | |
| Relating to share issue expenses | <hr/> 24,062 | <hr/> 48,124 | <hr/> 24,062 | <hr/> 48,124 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

7. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2007 was based on the profit attributable to ordinary shareholders of \$1,755,156 (2006:\$ 1,743,534) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2007 of 27,359,589 (2006: 27,220,082) calculated as follows:

| | Consolidated | |
|-------------------------------------------------------|---------------------|-------------------|
| | 2007 | 2006 |
| | \$ | \$ |
| Profit attributable to ordinary shareholders | <u>1,755,156</u> | <u>1,743,534</u> |
| Weighted average number of ordinary shares | | |
| Issued Ordinary Shares at 1 July | 27,353,781 | 27,153,781 |
| Effect of share options exercised | 25,808 | 66,301 |
| | <u>27,379,589</u> | <u>27,220,082</u> |
| Weighted average number of ordinary shares at 30 June | | |
| | <u>27,379,589</u> | <u>27,220,082</u> |

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2007 was based on the profit attributable to ordinary shareholders of \$1,755,156 (2006:\$ 1,743,534) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2007 of 27,596,553 (2006: 27,378,756) calculated as follows:

| | 2007 | 2006 |
|-----------------------------------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Profit attributable to ordinary shareholders | <u>1,755,156</u> | <u>1,743,534</u> |
| Weighted average number of ordinary shares (diluted) | | |
| Weighted average number of ordinary shares at 30 June | 27,379,589 | 27,220,082 |
| Effect of share options on issue | 216,964 | 158,674 |
| | <u>27,596,553</u> | <u>27,378,756</u> |
| Weighted average number of ordinary shares (diluted) at 30 June | | |
| | <u>27,596,553</u> | <u>27,378,756</u> |

150,000 options have not been included in the calculation of diluted EPS as they are not dilutive because the exercise price of the options is above the strike price used in the calculation. 1,200,000 options have not been included in the calculation of diluted EPS as they are not dilutive because the performance conditions for exercising the options have not been met.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

| | Consolidated | | Company | |
|---------------------------------------------------------------|---------------------|------------------|------------------|------------------|
| | 2007 | 2006 | 2007 | 2006 |
| 8. CASH AND CASH EQUIVALENTS | | | | |
| | \$ | \$ | \$ | \$ |
| Cash at bank and on hand | 216,504 | 234,175 | 10,213 | 9,970 |
| Bank short term deposits and cash management at call accounts | 1,703,808 | 2,809,441 | 856,431 | 1,665,097 |
| Cash and cash equivalents in the statement of cash flows | <u>1,920,312</u> | <u>3,043,616</u> | <u>866,644</u> | <u>1,675,067</u> |
| 9. TRADE AND OTHER RECEIVABLES | | | | |
| Current | | | | |
| Trade debtors | 5,390,949 | 4,020,361 | - | - |
| Less: provision for doubtful debts | (455,614) | (303,210) | - | - |
| | <u>4,935,335</u> | <u>3,717,151</u> | - | - |
| Loans to controlled entities | - | - | - | 283,039 |
| | <u>4,935,535</u> | <u>3,717,151</u> | - | <u>283,039</u> |
| Non-Current | | | | |
| Loans to controlled entities | - | - | 5,433,910 | 2,759,499 |
| | <u>-</u> | <u>-</u> | <u>5,433,910</u> | <u>2,759,499</u> |
| 10. INVENTORIES | | | | |
| Work in progress | <u>371,735</u> | <u>259,111</u> | - | - |
| 11. INVESTMENTS | | | | |
| Non current | | | | |
| Investments in controlled entities | | | | |
| Unlisted shares at cost (refer note 24) | - | - | 2,220,002 | 2,220,002 |
| | <u>-</u> | <u>-</u> | <u>2,220,002</u> | <u>2,220,002</u> |

12. CURRENT TAX ASSETS AND LIABILITIES

The current tax liability for the consolidated entity of \$299,977 (2006: \$386,508) and for the Company of \$299,977 (2006: \$386,508) represent the amount of income taxes payable in respect of current and prior financial periods. In accordance with the tax consolidation legislation, the Company as the head entity of the Australian tax-consolidated group has assumed the current tax liability (asset) initially recognised by the members in the tax-consolidated group.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

13. DEFERRED TAX ASSETS AND
LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| | Assets | | Liabilities | | Net | |
|-------------------------------------|----------------|----------------|------------------|-----------------|----------------|----------------|
| | 2007 | 2006 | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ | \$ | \$ |
| Consolidated | | | | | | |
| Employee provisions | 447,122 | 411,517 | - | - | 447,122 | 411,517 |
| General provisions | 205,070 | 111,843 | - | - | 205,070 | 111,843 |
| Equity | 24,062 | 48,125 | - | - | 24,062 | 48,125 |
| Inventories | - | - | (111,521) | (77,734) | (111,521) | (77,734) |
| Losses | 239,758 | 189,212 | - | - | 239,759 | 189,212 |
| Net tax assets/(liabilities) | 916,012 | 760,697 | (111,521) | (77,734) | 804,492 | 682,963 |
| The Company | | | | | | |
| Employee Provisions | 52,979 | 36,350 | - | - | 52,979 | 36,350 |
| General Provisions | 45,032 | 20,912 | - | - | 45,032 | 20,912 |
| Equity | 24,062 | 48,125 | - | - | 24,062 | 48,125 |
| Losses | 129,518 | 126,896 | - | - | 129,518 | 126,896 |
| Net tax assets/(liabilities) | 251,591 | 232,583 | - | - | 251,591 | 232,583 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

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

| | Consolidated | | | | Company | | | |
|---------------------|-------------------|----------------------|----------------------|-----------------------|-------------------|----------------------|----------------------|-----------------------|
| | Balance 1 July 05 | Recognised in Income | Recognised in equity | Balance at 30 June 06 | Balance 1 July 05 | Recognised in Income | Recognised in equity | Balance at 30 June 06 |
| Employee Provisions | 250,344 | 161,172 | - | 411,517 | 21,628 | 15,023 | - | 36,650 |
| General Provisions | 128,668 | (16,825) | - | 111,843 | - | 20,912 | - | 20,912 |
| Equity | 72,187 | - | (24,062) | 48,125 | 72,187 | - | (24,062) | 48,125 |
| Inventories | (40,414) | (37,319) | - | (77,734) | - | - | - | - |
| Losses | - | 189,212 | - | 189,212 | - | 126,896 | - | 126,896 |
| | 410,785 | 296,240 | (24,062) | 682,963 | 93,815 | 162,831 | (24,062) | 232,583 |

| | Consolidated | | | | Company | | | |
|---------------------|-------------------|----------------------|----------------------|-----------------------|-------------------|----------------------|----------------------|-----------------------|
| | Balance 1 July 06 | Recognised in Income | Recognised in equity | Balance at 30 June 07 | Balance 1 July 06 | Recognised in Income | Recognised in equity | Balance at 30 June 07 |
| Employee Provisions | 411,517 | 35,605 | - | 447,122 | 36,650 | 16,329 | - | 52,979 |
| General Provisions | 111,843 | 93,227 | - | 205,070 | 20,912 | 24,120 | - | 45,032 |
| Equity | 48,125 | - | (24,063) | 24,062 | 48,125 | - | (24,063) | 24,062 |
| Inventories | (77,734) | (33,787) | - | (111,521) | - | - | - | - |
| Losses | 189,212 | 50,547 | - | 239,759 | 126,896 | 2,622 | - | 129,518 |
| | 682,963 | 145,592 | (24,063) | 804,492 | 232,583 | 43,071 | (24,063) | 251,591 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

14. PROPERTY PLANT AND
EQUIPMENT

| | Consolidated | | | | Company | | | |
|-----------------------------------------------|---------------------|------------------------------|---------------------------|-----------|---------------------|---------------------------|---------------------------|---------|
| | Office Equipment | Furniture and Fittings | Leasehold Improvements | Total | Office Equipment | Furniture and Fittings | Leasehold Improvements | Total |
| Cost | | | | | | | | |
| Balance at 1 July 2005 | 1,226,062 | 234,829 | 418,518 | 1,879,409 | 464,427 | 3,666 | - | 468,093 |
| Acquisitions through business combinations | 78,605 | 2,603 | - | 81,208 | - | - | - | - |
| Other acquisitions | 493,351 | 25,298 | 10,023 | 528,671 | 364,111 | 1,741 | - | 365,852 |
| Disposals | - | - | - | - | - | - | - | - |
| Reclassification of assets | 52,483 | (52,483) | - | - | - | - | - | - |
| Balance at 30 June 2006 | 1,850,501 | 210,247 | 428,540 | 2,489,288 | 828,538 | 5,407 | - | 833,945 |
| Balance at 1 July 2006 | 1,850,501 | 210,247 | 428,540 | 2,489,288 | 828,538 | 5,407 | - | 833,945 |
| Acquisitions through business combinations | - | - | - | - | - | - | - | - |
| Other acquisitions | 372,995 | 43,388 | 520,546 | 936,929 | 115,465 | 2,176 | 19,404 | 137,045 |
| Disposals | - | - | - | - | - | - | - | - |
| Reclassification of assets | - | - | - | - | - | - | - | - |
| Balance at 30 June 2007 | 2,223,496 | 253,635 | 949,086 | 3,426,217 | 944,003 | 7,583 | 19,404 | 970,990 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

14. PROPERTY PLANT AND
EQUIPMENT

| | Consolidated | | | | Company | | | |
|-------------------------------------|---------------------|---------------------------|---------------------------|-----------|---------------------|------------------------------|-------------------------------|---------|
| | Office Equipment | Furniture and Fittings | Leasehold Improvements | Total | Office Equipment | Furniture and Fittings | Leasehold Improvement s | Total |
| Depreciation | | | | | | | | |
| Balance at 1 July 2005 | 462,738 | 83,507 | 148,427 | 694,672 | 46,002 | 1,507 | - | 47,509 |
| Depreciation charge for the year | 397,873 | 53,245 | 71,631 | 522,749 | 182,820 | 837 | - | 183,657 |
| Other acquisitions | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| Adjustments | 20,354 | (20,354) | - | - | - | - | - | - |
| Balance at 30 June 2006 | 880,965 | 116,398 | 220,058 | 1,217,421 | 228,822 | 2,344 | - | 231,166 |
| Balance at 1 July 2006 | 880,965 | 116,398 | 220,058 | 1,217,421 | 228,822 | 2,344 | - | 231,166 |
| Depreciation charge for the year | 460,848 | 53,685 | 113,663 | 627,197 | 234,607 | 1,261 | 53 | 235,921 |
| Other acquisitions | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| Adjustments | - | - | 1,690 | 1,690 | - | - | - | - |
| Balance at 30 June 2007 | 1,341,813 | 170,083 | 334,411 | 1,846,308 | 463,429 | 3,605 | 53 | 467,087 |
| Carrying Amounts | | | | | | | | |
| At 1 July 2005 | 763,324 | 151,322 | 270,091 | 1,184,737 | 418,425 | 2,159 | - | 420,584 |
| At 30 June 2006 | 969,536 | 93,849 | 208,482 | 1,271,867 | 599,716 | 3,063 | - | 602,779 |
| At 1 July 2006 | 969,536 | 93,849 | 208,482 | 1,271,867 | 599,716 | 3,063 | - | 602,779 |
| At 30 June 2007 | 881,683 | 83,552 | 614,675 | 1,579,910 | 480,574 | 3,978 | 19,351 | 503,903 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

15. INTANGIBLE ASSETS

The following units have significant carrying amounts of goodwill:

| | Consolidated | | Company | |
|-----------------------------------------------------------------------------------------------------|---------------------|------------------|----------------|-------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| NSW | 1,206,870 | 1,206,870 | - | - |
| Brisbane | 414,094 | 414,094 | - | - |
| Gold Coast | 212,378 | 212,378 | - | - |
| LMW Residential | 3,423,745 | 3,260,807 | - | - |
| LMW Invest | 194,793 | - | - | - |
| | 5,451,880 | 5,094,149 | - | - |
| <i>Movement in Goodwill</i> | | | | |
| Balance at 1 July | 5,094,149 | 3,149,842 | - | - |
| Acquisitions through business combinations | - | 1,944,307 | - | - |
| Revised fair value of deferred consideration relating to the acquisition on goodwill of JLC Valuers | 160,167 | - | - | - |
| Payment of contingent liability relating to the acquisition of goodwill of Madden Hill Valuers | 2,771 | - | - | - |
| Purchase 55% shareholding in Guardian Securities Limited | 194,793 | - | - | - |
| | 5,451,880 | 5,094,149 | - | - |
| Balance at 30 June | 5,451,880 | 5,094,149 | - | - |

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

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

Assumption

Cash flows and profit

How determined

The forecast 5 year cash flows and profits are based on historical results to 30 June 2007 and anticipated growth rates ranging from 0% to 10% based on the growth in revenue achieved historically and costs increasing by a comparable amount

Discount rate

The discount rate adopted was a pre tax rate of 17.6% (FY2006: 15%) and was based on the current risk free interest rate, industry and business specific risk factors, market borrowing rates and investor expected returns.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

| 16. TRADE AND OTHER PAYABLES | Consolidated | | Company | |
|-------------------------------------|------------------|------------------|------------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| Current | | | | |
| Trade payables | 404,999 | 440,919 | 391,024 | 490,420 |
| Other payables and accrued expenses | 4,024,362 | 3,001,420 | 413,058 | 143,407 |
| | <u>4,429,361</u> | <u>3,442,339</u> | <u>804,082</u> | <u>633,827</u> |
| Business acquisition | 605,726 | 598,691 | - | - |
| Loans from controlled entities | - | - | 1,279,329 | 352,247 |
| | <u>5,035,087</u> | <u>4,041,030</u> | <u>2,083,411</u> | <u>986,074</u> |
| Non-Current | | | | |
| Loans from controlled entities | - | - | - | 465,829 |
| Business acquisition | - | 491,493 | - | - |
| | <u>-</u> | <u>491,493</u> | <u>-</u> | <u>465,829</u> |

The business acquisition liabilities relate to the fair value of the deferred consideration payable on the acquisition of the valuation practice from JLC Valuers Pty Ltd (refer note 25)..

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

| 17. EMPLOYEE BENEFITS | Consolidated | | Company | |
|----------------------------------|------------------|----------------|----------------|---------------|
| | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ |
| <i>Current</i> | | | | |
| Liability for annual leave | 795,164 | 749,475 | 32,369 | 17,771 |
| Liability for long service leave | 299,400 | 243,960 | 107,854 | 68,792 |
| | <u>1,094,564</u> | <u>993,435</u> | <u>140,223</u> | <u>86,563</u> |
| <i>Non Current</i> | | | | |
| Liability for long service leave | 204,543 | 199,850 | 10,730 | 5,683 |

a) Share Based Payments

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

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

Share Options

| Grant Date | Number of options | Vesting Conditions | Contractual life of options |
|------------------|-------------------|-------------------------------------------------------------------------------------------------|-----------------------------|
| 9 October 2003 | 800,000 | 2 years of employment | 5 years |
| 30 December 2005 | 1,600,000 | 2 years of employment and an annual cumulative increase in subsidiary profit before tax of 10%. | 5 years |

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

| | Weighted Average exercise price | Number of options | Weighted average exercise price | Number of options |
|--------------------------------------------|---------------------------------|-------------------|---------------------------------|-------------------|
| | 2007 | 2007 | 2006 | 2006 |
| Outstanding at the beginning of the period | \$0.60 | 2,650,000 | \$0.60 | 1,330,000 |
| Forfeited during the period | \$0.55 | (150,000) | \$0.59 | (480,000) |
| Exercised during the period | \$0.55 | (100,000) | \$0.55 | (200,000) |
| Granted during the period | - | - | \$0.59 | 2,000,000 |
| Outstanding at the end of the period | <u>\$0.60</u> | <u>2,400,000</u> | <u>\$0.60</u> | <u>2,650,000</u> |
| Exercisable at the end of the period | <u>\$0.61</u> | <u>1,200,000</u> | <u>\$0.57</u> | <u>900,000</u> |

The options outstanding at 30 June 2007 have an exercise price in the range of \$0.55 to \$0.80 and a weighted average contractual life of 5 years.

During the financial year, 100,000 share options were exercised at a price of \$0.55 each (2005: 200,000). The share price at the date of exercise ranged from \$0.71 to \$0.82.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

17. EMPLOYEE BENEFITS (continued)

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

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

| Grant Date | Expiry Date | Exercise price | Price of shares on grant date | Estimated volatility | Risk free interest rate | Dividend yield | Fair Value per option |
|-------------------|----------------------------|-----------------------|--------------------------------------|-----------------------------|--------------------------------|-----------------------|------------------------------|
| 2007 | | | | | | | |
| 30 December 2005 | 1 July 2011 to 1 July 2015 | \$0.59 | \$0.58 | 40% | 5.5% | 7.63% | \$0.05 |

The fair value per option has been based on these principal assumptions and the value per option obtained has been discounted by 60% due to liquidity and non-transferable conditions on the shares, should the option be exercised.

| Employee Expenses | Consolidated | | Company | |
|----------------------------------------------------|---------------------|----------------|----------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| Expense arising from share options granted in 2006 | 19,408 | (8,119) | 19,408 | (8,119) |
| Total expense recognised as employee costs | <u>19,408</u> | <u>(8,119)</u> | <u>19,408</u> | <u>(8,119)</u> |

18. PROVISIONS

Current

| | | | | |
|-----------------|---------------|---------------|----------|----------|
| Lease incentive | 21,200 | 21,200 | - | - |
| | <u>21,200</u> | <u>21,200</u> | <u>-</u> | <u>-</u> |

Non Current

| | | | | |
|----------------------|----------------|----------------|----------|----------|
| Lease incentive | 157,410 | 61,775 | - | - |
| Business acquisition | 365,572 | 278,577 | - | - |
| | <u>522,982</u> | <u>340,352</u> | <u>-</u> | <u>-</u> |

The business acquisition provision relates to the discounted estimated probable amount payable based on likely increases in revenue which would result in additional amounts payable on the acquisition of the valuation practice from JLC Pty Ltd (refer note 25).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

18. PROVISIONS (continued)

| | Lease incentive | Business acquisition | Total |
|----------------------------------|----------------------------|---------------------------------|----------------|
| Consolidated | \$ | \$ | \$ |
| Balance at 1 July 2006 | 82,975 | 278,577 | 361,552 |
| Provisions made during the year | 116,835 | - | 116,835 |
| Provisions used during the year | (21,200) | - | (21,200) |
| Revision of discounted provision | - | 62,095 | 62,095 |
| Unwind of discount | - | 24,900 | 24,900 |
| Balance at 30 June 2007 | <u>178,610</u> | <u>365,572</u> | <u>544,182</u> |
| Current | 21,200 | - | 21,200 |
| Non-current | <u>157,410</u> | <u>365,572</u> | <u>522,982</u> |
| | <u>178,610</u> | <u>365,572</u> | <u>544,182</u> |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

19. CAPITAL AND RESERVES

| Reconciliation of movement in capital and reserves attributable to equity holders of the parent | Share Capital | Share Option Reserve | Retained Earnings | Total | Minority Interest | Total Equity |
|-------------------------------------------------------------------------------------------------|---------------|----------------------|-------------------|-------------|-------------------|--------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| <i>Consolidated</i> | | | | | | |
| Balance at 1 July 2005 | 5,768,674 | 14,942 | 1,540,759 | 7,324,375 | - | 7,324,375 |
| Total recognised income and expense | - | - | 1,743,534 | 1,743,534 | - | 1,743,534 |
| Share options forfeited (1) | - | (8,119) | - | (8,119) | - | (8,119) |
| Share options exercised by employees | 110,000 | - | - | 110,000 | - | 110,000 |
| Dividends to shareholders | - | - | (1,225,920) | (1,225,920) | - | (1,225,920) |
| Balance at 30 June 2006 | 5,878,674 | 6,823 | 2,058,373 | 7,943,870 | - | 7,943,870 |
| Balance at 1 July 2006 | 5,878,674 | 6,823 | 2,058,373 | 7,943,870 | - | 7,943,870 |
| Total recognised income and expense | - | - | 1,755,156 | 1,755,156 | (37,276) | 1,717,880 |
| 55% Shareholding acquired in Guardian Securities | - | - | - | - | 180,030 | 180,030 |
| Share options forfeited (1) | - | (887) | - | (887) | - | (887) |
| Share options issued | - | 19,408 | - | 19,408 | - | 19,408 |
| Share options exercised by employees | 55,000 | - | - | 55,000 | - | 55,000 |
| Dividends to shareholders | - | - | (1,422,837) | (1,422,837) | - | (1,422,837) |
| Balance at 30 June 2007 | 5,933,674 | 25,344 | 2,390,692 | 8,349,710 | 142,754 | 8,492,464 |

(1) Options were forfeited as a result of the cessation of employment of beneficiary employee

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

| Reconciliation of movement in capital and reserves | Share Capital | Share Option Reserve | Retained Earnings | Total Equity |
|-----------------------------------------------------------|----------------------|-----------------------------|--------------------------|---------------------|
| <i>Company</i> | | | | |
| Balance at 1 July 2005 | 5,768,674 | 14,942 | 263,717 | 6,047,333 |
| Total recognised income and expense | - | - | 1,139,952 | 1,139,952 |
| Share options forfeited | - | (8,119) | - | (8,119) |
| Share options exercised by employees | 110,000 | - | - | 110,000 |
| Dividends to shareholders | - | - | (1,225,920) | (1,225,920) |
| Balance at 30 June 2006 | 5,878,674 | 6,823 | 177,749 | 6,063,246 |
| Balance at 1 July 2006 | 5,878,674 | 6,823 | 177,749 | 6,063,246 |
| Total recognised income and expense | - | - | 2,356,973 | 2,356,973 |
| Share options forfeited | - | (887) | - | (887) |
| Share options issued | - | 19,408 | - | 19,408 |
| Share options exercised by employees | 55,000 | - | - | 55,000 |
| Dividends to shareholders | - | - | (1,422,837) | (1,422,837) |
| Balance at 30 June 2007 | 5,933,674 | 25,344 | 1,111,886 | 7,070,903 |

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

19. CAPITAL AND RESERVES (continued)

| | Company | |
|---------------------------------------|----------------|-------------|
| | 2007 | 2006 |
| Ordinary Shares | | |
| On Issue at 1 July | 27,353,781 | 27,153,781 |
| Issued for cash | 100,000 | 200,000 |
| | <hr/> | <hr/> |
| Fully paid shares on issue at 30 June | 27,453,781 | 27,353,781 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company

20. DIVIDENDS

Dividends recognised in the current year by the Company are:

| | Cents per share | Total Amount | Franked/ Unfranked | Date of payment |
|-----------------------|------------------------|---------------------|---------------------------|------------------------|
| | | \$ | | |
| 2007 | | | | |
| Final 2006 ordinary | 3.0 | 820,613 | Franked | 4 October 2006 |
| Interim 2007 ordinary | 2.2 | <u>602,223</u> | Franked | 13 March 2007 |
| Total | | <u>1,422,837</u> | | |
| 2006 | | | | |
| Final 2005 ordinary | 2.5 | 678,845 | Franked | 23 September 2005 |
| Interim 2006 ordinary | 2.0 | <u>547,076</u> | Franked | 13 March 2006 |
| Total | | <u>1,225,920</u> | | |

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

After the balance sheet date, the directors have declared a final dividend of 3 cents per share, representing \$823,613 fully franked and payable on 4 October 2007. The financial effect of this transaction has not been brought to account in the financial statements for the year ended 30 June 2007.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

20. DIVIDENDS (continued)
Dividend franking account

| | Company | |
|---------------------------------------------------------------------------------------------------------|-----------|-----------|
| | 2007 | 2006 |
| | \$ | \$ |
| 30% franking credits available to shareholders of LandMark White Limited for subsequent financial years | 2,548,933 | 1,629,733 |

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

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

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the balance sheet date but not recognised as a liability is to reduce it by \$352,977 (2006: \$351,691). In accordance with the tax consolidation legislation, the Company as the head entity in the tax-consolidated group has assumed the benefit of \$1,528,987 (2006: \$1,019,434) franking credits.

21. FINANCIAL INSTRUMENTS

Exposure to credit and interest rate risks arise in the normal course of the consolidated entity's business.

Credit Risk

Management has a credit policy in place for the purpose of minimising risks associated with granting credit to clients. The objective of the credit policy is to provide appropriate commercial guidelines in the granting of credit to clients. The exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The consolidated entity does not require collateral in respect of financial assets.

At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Interest Rate Risk

With the exception of cash, all the consolidated entity's financial assets and liabilities are non-interest bearing. The cash balance earns interest at an average variable interest rate of 3.80% pa. The company has loans to and from subsidiary companies and interest is charged on these loans at 9% pa.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

21. FINANCIAL INSTRUMENTS (continued)
Effective Interest Rates

| | Note | Effective interest rate | Total | 2007 | | | | | Effective interest rate | Total | 2006 | | | | |
|------------------------------|------|-------------------------|-------------|------------------|-------------|-----------|-----------|-------------------|-------------------------|-----------|------------------|-------------|-----------|-----------|-------------------|
| | | | | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years | | | 6 months or less | 6-12 months | 1-2 years | 2-5 years | More than 5 years |
| Consolidated | | | | | | | | | | | | | | | |
| Cash and cash equivalents | | 3.80% | 1,920,312 | 1,616,882 | 303,430 | - | - | - | 4.75% | 3,043,444 | 3,043,444 | - | - | - | - |
| | | | 1,920,312 | 1,616,882 | 303,430 | - | - | - | 4.75% | 3,043,444 | 3,043,444 | - | - | - | - |
| The Company | | | | | | | | | | | | | | | |
| Cash and cash equivalents | | 3.80% | 866,644 | 866,644 | - | - | - | - | 4.75% | 1,675,067 | 1,675,067 | - | - | - | - |
| Loan from controlled entity | | 0% | (1,279,329) | (1,279,329) | - | - | - | - | 9% | (818,076) | (352,247) | - | (465,829) | - | - |
| Loans to controlled entities | | 9% | 5,433,910 | 5,433,910 | - | 673,503 | 4,760,407 | - | 9% | 3,042,538 | 283,039 | - | - | 2,759,499 | - |
| | | | 5,021,225 | (412,685) | - | 673,503 | 4,760,407 | - | | 3,899,529 | 1,605,859 | - | (465,829) | 2,759,499 | - |

With the exception of cash and loans to and from controlled entities all of the financial assets and financial liabilities for 2007 and 2006 are non interest bearing. The net fair values of all other financial assets and liabilities of the consolidated entity are represented by the carrying amount of these items.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006

22. COMMITMENTS

Capital expenditure commitments

The consolidated entity and Company do not have any capital expenditure commitments at balance date.

Operating lease commitments

Future non cancellable operating lease commitments of premises, plant and equipment, not provided for in the financial statements and payable:

| | Consolidated | | The Company | |
|------------------------------------------------|------------------|------------------|-------------|----------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| Within one year | 1,199,275 | 234,504 | - | - |
| One year or later and no later than five years | 3,783,164 | 1,931,968 | - | - |
| Later than five years | 2,780,567 | - | - | - |
| | <u>7,763,007</u> | <u>2,166,472</u> | <u>-</u> | <u>-</u> |

The consolidated entity leases property and equipment under operating leases expiring from one to ten years. Leases of property generally provide the consolidated entity with a right of renewal at which time all terms are renegotiated. Lease payments comprise a base amount plus an incremental contingent rental. Contingent rentals are based on either movements in the Consumer Price Index or operating criteria.

The Company does not have any finance lease commitments.

Employee compensation commitments

Key management personnel (Consolidated and the Company)

Salary commitments under non-cancellable employment contracts for the CEO B Piltz not provided for in the financial statements and payable:

| | Consolidated | | The Company | |
|------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2007 | 2006 | 2007 | 2006 |
| | \$ | \$ | \$ | \$ |
| Within one year | 250,000 | 230,000 | 250,000 | 230,000 |
| One year or later and no later than five years | 250,000 | 230,000 | 250,000 | 230,000 |
| Later than five years | - | - | - | - |
| | <u>500,000</u> | <u>460,000</u> | <u>500,000</u> | <u>460,000</u> |

The consolidated entities liability for other early termination of employment contracts, beyond normal termination notices, are considered remote.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

23. CONTINGENCIES

The consolidated entity incurred a potential future liability on the acquisition of JLC Valuers. The amount of this liability is dependent on the growth in revenue of the acquired business. It is impractical to estimate the maximum amount of this contingent liability as there is no limit on the revenue growth from which the additional consideration is payable. Any such payment would be recognised as goodwill.

The Company is involved in matters of litigation in the normal course of business. At 30 June 2007, the Directors have estimated the financial effect of all of these matters and an adequate provision has been made.

24. CONTROLLED ENTITIES

(a) Particulars in relation to controlled entities

| Name | 2007 Ownership % | 2006 Ownership % |
|-------------------------------------|---------------------|---------------------|
| <i>Parent entity</i> | | |
| LandMark White Limited | | |
| <i>Subsidiaries</i> | | |
| LandMark White (NSW) Pty Ltd | 100 | 100 |
| LandMark White (VIC) Pty Ltd | 100 | 100 |
| LandMark White (Gold Coast) Pty Ltd | 100 | 100 |
| LandMark White (Brisbane) Pty Ltd | 100 | 100 |
| LMW Residential Pty Ltd | 100 | 100 |
| LMW Quantity Surveyors Pty Ltd | 100 | - |
| LMW Business Advisory Pty Ltd | 100 | - |
| LMW Invest Pty Ltd | 100 | - |
| GSL Services Pty Ltd | 55 | - |
| Guardian Securities Limited | 55 | - |

All of the above controlled entities were incorporated in Australia.

**25. BUSINESS ACQUISITION
2007**

On 31 March 2007, the consolidated entity acquired a 55% shareholding in Guardian Securities Limited for \$400,000 cash. The company is the holder of an Australian Financial Services License, focusing on property syndication and mortgage funds. Guardian Securities has incurred a net loss before tax of \$117,844 from acquisition on 1 March 2007 through to 30 June 2007. If the acquisition had occurred on 1 July 2006, consolidated entity revenue would have been \$28,368,340 and net profit before tax would have been \$2,504,285.

Net assets at the acquisition date and consideration paid were as follows:

| | <i>Note</i> | Recognised values | Fair Value adjustments | Carrying amounts |
|--------------------------------------------------------------------------------|-------------|-------------------|---------------------------|------------------|
| | | \$ | \$ | \$ |
| Current Assets | | 3,451 | - | 3,451 |
| Current Liabilities | | (4,077) | - | (4,077) |
| Property, plant and equipment | | 1,628 | - | 1,628 |
| Tax Liabilities | | (1,002) | - | (1,002) |
| Cash Contributed on acquisition by LandMark White | | 400,000 | - | 400,000 |
| Net identifiable assets | | 400,000 | - | - |
| Acquirers interest in net fair value of identifiable assets (55% shareholding) | | 220,000 | | |
| Goodwill on acquisition* | | 180,000 | | |
| Costs of acquisition | | 14,794 | | |
| Total consideration | | 414,794 | | |

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2007

| | |
|---------------------------------------|----------------|
| Consideration paid, satisfied in cash | 400,000 |
| Cash Acquired | (220,000) |
| Costs of acquisition | 14,794 |
| Net cash outflow | <u>194,794</u> |

*Goodwill has arisen on acquisition because it relates to customer relationships that did not meet the criteria for recognition as an intangible asset at the date of acquisition.

2006

On 12 May 2006, the consolidated entity acquired the assets and selected liabilities of the valuation practice of JLC Pty Ltd for \$2,322,747 (fair value based on discounted cash flows of deferred settlement consideration is \$1,939,375). The consideration was satisfied partly by cash on settlement and with the remaining due in instalments over 3 years. The Company provides valuation services for the residential market in Victoria, New South Wales and South Australia. In the 2 months to 30 June 2006 the business contributed net profit of \$32,069 to the consolidated net profit before income tax for the year. If the acquisition had occurred on 1 July 2005, consolidated entity revenue would have been \$24,500,000 and consolidated net profit before tax would have been \$2,800,000, based on actual results to the date the contract was negotiated and the normalised result for the balance of the year to 30 June 2006. The acquisitions had the following effect on the consolidated entity's assets and liabilities.

The acquisition agreement provides for additional consideration to be paid based on an incentive plan on 40% of the average of 3 years growth in revenue. At the acquisition date and balance date an estimate of the amounts which are probable to be paid under the incentive plan were included as a provision and the corresponding amount increasing the goodwill on acquisition.

Net assets at the acquisition date and consideration paid were as follows:

| | <i>Note</i> | Recognised values | Fair Value adjustments | Carrying amounts |
|---------------------------------------|-------------|--------------------------|-------------------------------|-------------------------|
| | | \$ | \$ | \$ |
| Property, plant and equipment | | 76,295 | - | 76,295 |
| Employee Provisions | | (118,009) | - | (118,009) |
| Deferred tax asset | | 35,403 | - | 35,403 |
| Net identifiable assets | | <u>(6,311)</u> | - | <u>(6,311)</u> |
| Goodwill on acquisition* | | <u>1,945,686</u> | | |
| Total consideration | | <u>1,939,375</u> | | |
| Deferred consideration – fair value # | | 1,335,287 | | |
| Consideration paid, satisfied in cash | | 604,088 | | |
| Costs of acquisition | | 4,933 | | |
| Net cash outflow | | <u>609,021</u> | | |

*Goodwill has arisen on acquisition because it relates to customer relationships that did not meet the criteria for recognition as an intangible asset at the date of acquisition.

#The deferred consideration includes the deferred consideration liability and a provision for additional consideration payable under the incentive plan in the acquisition agreement.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

| 26. RECONCILIATION OF CASHFLOWS FROM OPERATING ACTIVITIES | Consolidated | | Company | |
|------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | 2007 \$ | 2006 \$ | 2007 \$ | 2006 \$ |
| Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities | | | | |
| Profit/(loss) for the period | 1,755,156 | 1,743,534 | 2,356,973 | 1,139,952 |
| Adjustments for the period: | | | | |
| Depreciation and Amortisation | 627,197 | 522,749 | 235,921 | 183,657 |
| Amounts set aside to employee provisions | 1,006,350 | 436,539 | 58,709 | 106,551 |
| Amounts set aside to other provisions | 101,125 | 304 | | |
| Increase/(decrease) in taxes payable | (86,531) | 156,010 | (86,531) | 156,010 |
| Shares issued as remuneration | 19,408 | (8,119) | 19,408 | (8,119) |
| Net cash provided by operating activities before change in assets and liabilities | 3,422,705 | 2,851,017 | 2,584,480 | 1,578,051 |
| Change in assets and liabilities during the financial period: | | | | |
| (Increase)/decrease in receivables | (1,669,308) | (482,037) | (975,926) | 919,806 |
| (Increase)/decrease in work in progress | (112,624) | (124,397) | - | - |
| Increase/(Decrease) in payables | 40,441 | (107,547) | 170,253 | 55,714 |
| (Increase)/decrease in prepayments | 72,413 | 27,739 | (108,213) | (170,200) |
| Net cash provided by operating activities | 1,753,627 | 2,164,775 | 1,670,594 | 2,383,371 |