veris

Annual Report 2017

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Contents

Corporate Directory

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Non-Executive Chairman
Adam Lamond
Managing Director
Tom Lawrence
Non-Executive Director
Karl Paganin
Non-Executive Director

EXECUTIVE TEAM
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Managing Director
Brian Mangano
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Highlights 2017

This Annual Report is a summary of Veris Limited's operations, activities and financial position as at 30 June 2017.

References in this report to 'the year' or 'the reporting period' relate to the financial year, which is 1 July 2016 to 30 June 2017, unless otherwise stated. All figures are expressed in Australian currency.

- EBITDA $9.8m
- Surveying Professional Services EBITDA up 16%
- Net Profit after Tax before Amortisation $3.0m
- Cash generated from operations $7.0m
- Cash at bank $14.6m
- Second Consecutive Fully Franked Dividend of 0.5 cents per share
- Revenue on Surveying Professional Services up 40%
- Four new acquisitions in the year and one post year end

Chairman's Report

Our journey to date has principally been one of growth by horizontal integration, through the acquisition of surveying firms across Australia in order to combine them into a truly national professional services business.

Our aim is to create a unified culture with one common shared ambition That shared ambition is to be a market leading and profitable planning, design, survey and spatial solutions company.

Welcome to our first annual report as Veris, a new brand and image that reflects our transition into a national professional services business providing surveying, planning/urban design and geospatial services.

The name Veris has its roots in Latin - meaning truth, accuracy and reliability. The letter combination also reflect the words 'service' and 'versatile'. Our aim was to create a single brand that not only brought our businesses together but also reflected our desire to only provide top quality premium services.

There is a lot more to creating a successful national business than a new name, especially a professional services business that relies upon the endeavours of individual people working as a team. Our aim is to create a unified culture with one common shared ambition. That shared ambition is to be a market leading and profitable planning, design, survey and spatial solutions company.

As we move forward into FY18, our multiple businesses across Australia are being transitioned into one single operating company. This transition will not only have positive practical implications such as cost savings and increased operational efficiencies, it will more importantly have cultural benefits in bringing everyone together with a shared vision under the one brand.

Our journey to date has principally been one of growth by horizontal integration, through the acquisition of surveying firms across Australia in order to combine them into a truly national professional services business and a dominant player in a $3 billion dollar plus industry. We are now moving toward our next phase of growth, which is one of expanding our urban design and planning business through acquisition. This provides the opportunity for vertical integration whereby an expanded urban design and planning division will provide the conduit for sales for our surveying teams and geospatial group.

As we grow as a national business, we need to continue to ensure our board and management team adequately reflect and cater for that growth. Our intention is to recruit an additional board member within FY18 who likely has an infrastructure/professional

service background and is based on the east coast.

One of our underlying goals in creating a national professional services business was to diversify away from the cyclical revenue trends apparent in the construction services industry, and particularly apparent in the resources sector. With the expanded size of our national surveying business and the completion of a large construction project within our subsidiary OTOC Australia, the decision was made to discontinue our construction operations and focus only on professional services.

I would like to take this opportunity to thank all of the people who have worked for OTOC Australia's contracting business since its creation by Adam Lamond in 2003 as Ocean to Outback Electrical. The company they built over the years and in particular more recently gave us the opportunity to create and build Veris. Their contribution has been significant and will not be forgotten.

I am also pleased to see the launch of AQURA Technologies as part of the restructure of OTOC Australia; as a specialist information and communications technology company. Whilst this part of OTOC Australia has been in the shadow of the larger construction operations for the past twelve years, it has now grown in size and stature such that it can rightly have its own unique identity. Over this incubation period the AQURA team have developed new technologies along with long term relationships with major resource and retail companies. All of our board and management look forward to the growth and prosperity of this part of our organisation.

Going into FY18 Veris now has two professional services divisions namely, AQURA Technologies and Veris Australia's surveying, planning/urban design and geospatial business. What these divisions share in common goes beyond sustainable earnings and low working capital requirements; what they provide is an ethos of high quality client service across a broad spectrum of industries.

There is no point building a national business that provides high quality services unless we can operate in a manner that delivers consistent and sustainable profits and benefits to our shareholders. This is and must remain a core tenant of our company. I would like to thank my fellow Board members, senior management and all of the Veris team for their efforts and endeavours during FY17. Although our results for the first part of the financial year were not satisfactory, we have as a team delivered a solid financial result for the full financial year and we must ensure we add to this by delivering still stronger financial results for FY18 and beyond.

May I also thank those who have worked hard behind the scenes to develop standardised systems and operating platforms with which to bring together the various businesses we have acquired over the past few years. We are sure the investment into and establishment of these systems and platforms will not only provide efficiencies but also enable us to continue to grow and operate a larger business in the years to come.

Finally and most importantly, may I also thank you, our shareholders for your continued support during FY17 and into FY18. I wish you well for the year ahead.

Yours sincerely

Derek La Ferla

CHAIRMAN

Managing Director's Report

2017 has seen continued growth in both the property and infrastructure sectors on the east coast of Australia; further underpinning our strategy to create a national professional services business focused on urban design and town planning, survey, and geospatial solutions as we close the chapter on our traditional construction business.

Our FY17 group EBITDA result of $9.8 million was largely underpinned by a $9.4 million contribution from our surveying business, this reflects the transition from FY16 where the OTOC Australia construction business contributed $12.5 million toward the FY16 group result of $16.2 million. On reviewing our financials from FY16 - $16.2 million EBITDA compared to FY17 - $9.8 million EBITDA we can clearly see the impact that the completion of the Nauru Construction project had, with a decline in EBITDA of $8.3 million in OTOC Australia against an overall $6.4 million reduction in EBITDA. Our professional services business has seen an increase in revenue from $47.8 million to $66.8m over the same period with increase in EBITDA also from $8.1 million to $9.4 million, most coming from our second half recovery in FY17.

This past year has been one of continuing transition towards our goal to a fully integrated national business, including the important step of our rebrand to Veris. Our financial performance in the second half of the financial year has improved considerably - with a clearer focus on costs and the efficiencies of integration in our business. The second half earnings growth of our professional services business more than covered the expected decline in OTOC Australia revenue after the successful completion of its final major projects. This performance was driven by an increase in revenue coming from our expanded east coast presence.

The completion of OTOC Australia's final projects enabled us to sharpen our focus and become a true professional services business; removing the risk associated with earnings from the construction contracting business. This clear focus is important as we move to implement our new national target operating model for the professional services business.

We have made significant progress this year with the development of our new national operating model which will allow Veris to operate consistently as a quality spatial services business across Australia.

Through the exposure to the east coast over the last year, our business has continued to grow.

With hard work and commitment, business representatives across the company are helping to align this operating model with benchmark industry systems and practices. This process has been a challenging, but a critical step forward.

Part of our operating model is the operation of our national business with a Regional Manager in place throughout four regions. These regions are divided into:

VIC/TAS/SA - Malcolm Lester

NSW/ACT - Alan Prudames

QLD/NT - Shane Murphy

WA – Gavin Hassett

I would like to take this opportunity to welcome Alan Prudames to our business. Alan brings with him a tremendous amount of knowledge and experience particularly in the infrastructure sector, having also previously grown, and sold his own successful business. With over 30 years in the industry Alan's reputation and contacts, through private and government infrastructure sectors is another great addition to our growing team.

The rebrand to Veris, another very important part of the journey, received the approval of our shareholders at our last Annual General Meeting. This has enabled us to unify our brand and business across the country with Whelans, THG Resource Strategists, Geo-Metric, WKC and Lawrence Group all rebranding to Veris in the past year. As we move into the new financial year, we expect to have all remaining businesses rebranded as Veris.

Through the exposure to the east coast over the last year, our business has continued to grow. We have added to this growth by continuing to acquire the best businesses in our industry. There has been a big increase in funding commitments from state and federal governments, which will both underpin the infrastructure growth in New South Wales and increase in Victoria.

Through the acquisition of Lester Franks and Lawrence Group this year, we again expanded our capabilities from both a technical and location perspective. The Lester Franks team is known Australia wide for its spatial services, especially in 3D laser scanning and metrology where accuracy and quality is key. Lester Franks operate across Australia and have offices in Tasmania, Victoria and South Australia.

We are on an exciting path, that many people don't have the chance to experience in their work, to be a first mover in creating a national professional services business and change a profession.

The acquisition of Lawrence Group has increased our exposure to the property construction sector, but more importantly the infrastructure sector in New South Wales which has a strong pipeline of opportunities over the next three to five years. Key clients for the Lawrence Group include Lendlease and Mirvac who are truly national clients; reflecting the strategic direction of our growing national business and our targeted quality client base.

It is great to be back in the chair as Managing Director of Veris, to continue the journey of growing the professional services business; a strategy we started back in 2011 with the acquisition of Whelans. This was the first step in diversifying our revenue away from the construction industry.

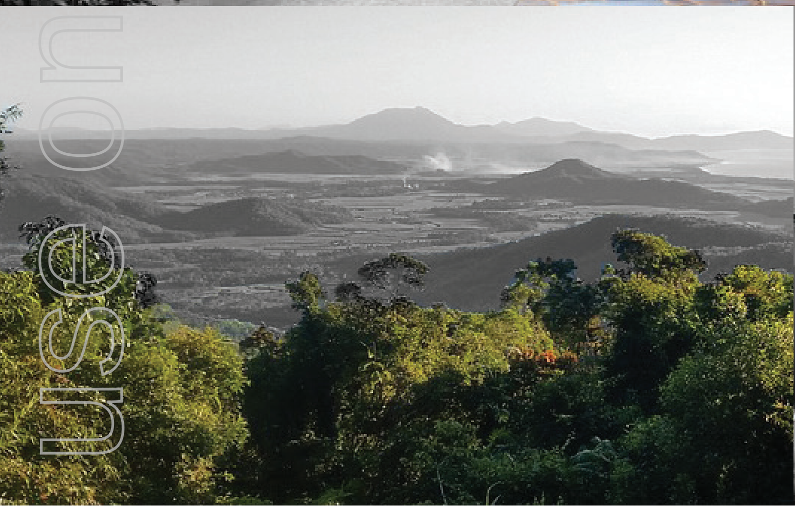
I would like to personally thank Simon Thomas, who moved on earlier in the year to tackle new opportunities, for his part in our successful journey. After joining us in 2014, Simon oversaw critical acquisitions which have formed the backbone of the national footprint we have today.

The decision to discontinue the OTOC Australia division brings to the end an amazing chapter of our company's history which started in 2003. This decision provides a platform for the more sustainable company we are today, with a business more aligned to population growth.

I can't thank enough the efforts of every single person who has been part of this journey over the years. It's great to see that many faces have transitioned into the new AQURA Technologies business with Travis Young. AQURA has been an integral part of the OTOC business, but now has the potential scale and opportunity to grow on its own. There is an exciting year ahead for AQURA, with some technological world firsts already being achieved.

As we move into the new financial year, we have just completed another acquisition - Canberra based business LANDdata. This acquisition again adds to the diversity of our business through geographic location, but also national clients based in Canberra.

Moving forward, there is a very clear focus within the professional services business to fully implement our national operating model and finish FY18 as one company with one brand as we continue to grow the culture of our national business.



Obviously none of this can be achieved without all of our staff and the families that support them. I would like to thank everyone involved with our company either directly or indirectly for their part in our journey.

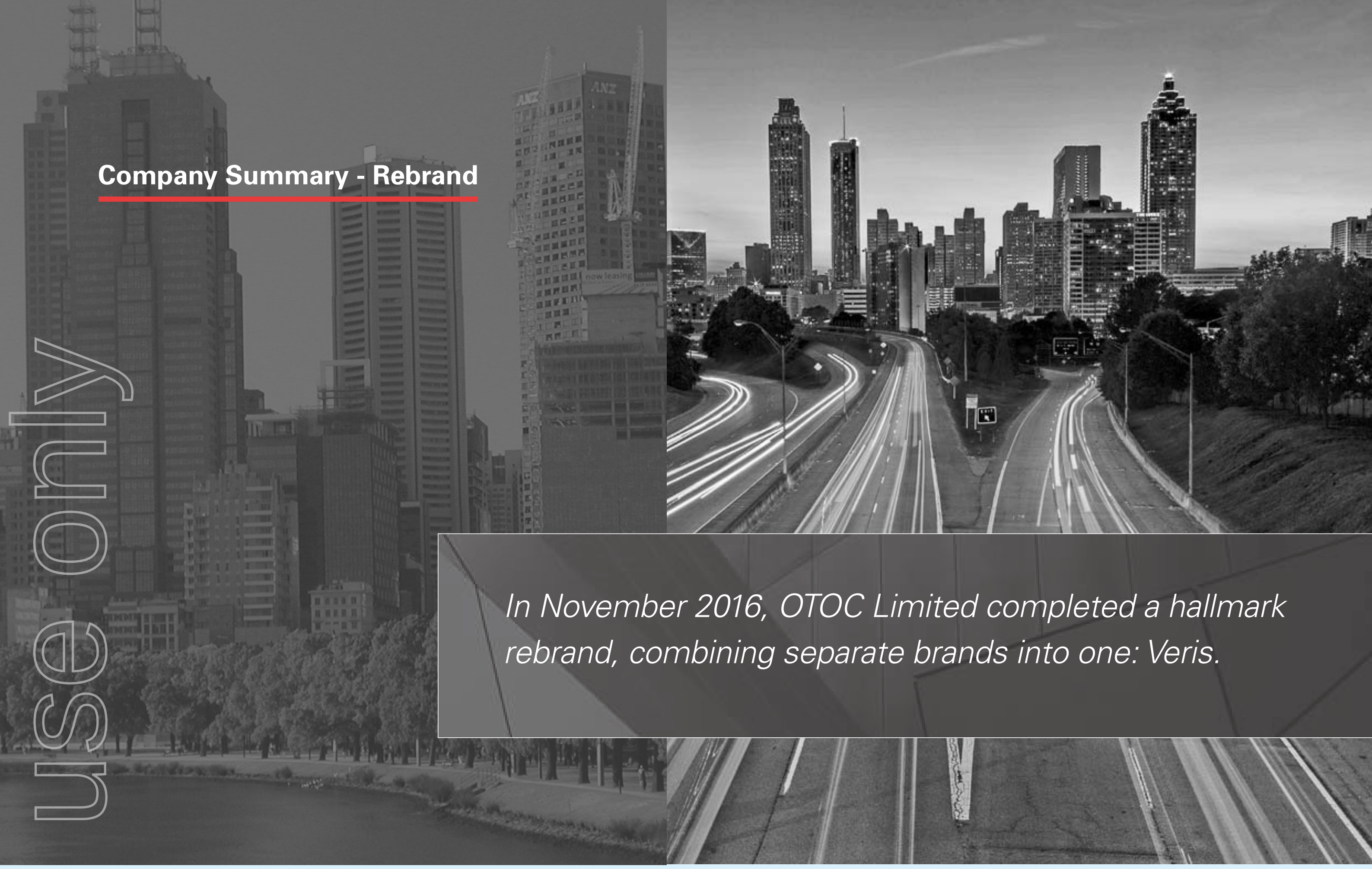
We are on an exciting path, that many people don't have the chance to experience in their work, to be a first mover in creating a national professional services business and change a profession. In everything we do we should remember that this is a great opportunity not without, challenges.

By continuing to work to the values we have as a business, and performing safely and to the highest quality, we will continue to be successful in attracting key national clients who we can help to grow alongside us and the best people from our industries to join our exciting journey.

Adam Lamond

MANAGING DIRECTOR

Company Summary - Rebrand



In November 2016, OTOC Limited completed a hallmark rebrand, combining separate brands into one: Veris.

The benefits of a new brand were clear. A new brand would provide scalability and competitiveness in a fragmented market. A new brand would also capitalise on brand synergies, cement relationships with cross-border clients and leverage the strengths and efficiencies within the surveying businesses.

A formal branding process was embarked upon to ensure alignment across the whole of the business. The branding strategy was very deliberate and focussed on protecting and enhancing both business lines; allowing them to focus on their identity, services and markets. Significant time and resources were spent analysing the competitor landscape and unpacking the brand values, personality and essence of the businesses.

Across all businesses, the shared values were performance, accountability, respect, integrity and sustainability. The new name needed to reflect the brand values, be short but strong and be easily understood.

The name Veris was chosen for the qualities that lie in its Latin roots; including truth, accuracy and reliability. Veris has Latin roots from verus, berus, vera, verum, veior and verissumus meaning true, suitable, right and just. The Veris approach would be to think national and act local, ensuring services are delivered across Australia with combined skills, experience and knowledge.

The majority of companies have been rebranded as Veris. The exceptions are Bosco Jonson, Linker Surveying, Lester Franks and LANDdata who have retained their trading names for a period. They are identified as 'A Veris Company', with this update being applied across material accordingly.

Bosco Jonson and Linker Surveying have established brand recognition and reputations in core markets in Victoria and New South Wales respectively. These markets are currently in a very buoyant period and retention of the established brands in these locations has been deemed the most appropriate strategic direction. Lester Franks became part of the company in November 2016 and LANDdata in June 2017; appropriate strategies to adopt the Veris brand are underway.

Veris now stands as an industry leader as Australia's first publicly-listed national surveying, town planning, urban design and spatial services business. The rebrand has had widespread positive impact on the organisation and its stakeholders.

The new brand has provided unity in the market for clients and investors, as well as supporting internal harmony. The rebrand functioned in converting the business from a resources-dependent business to an infrastructure-based business, capitalising on the continued growth in infrastructure projects in the eastern seaboard.

The priorities for FY18 are to continue to build awareness of the Veris brand and establish the credibility of Veris as an industry leader and national provider of surveying, town planning, urban design and 3D spatial services.

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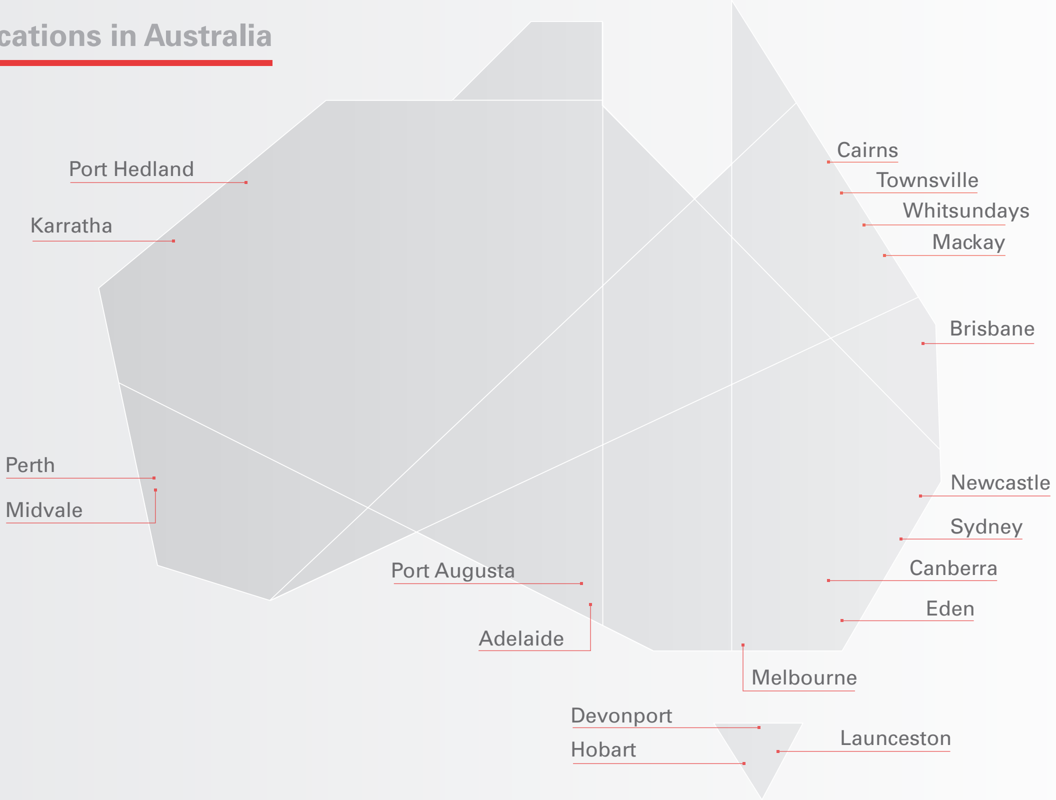
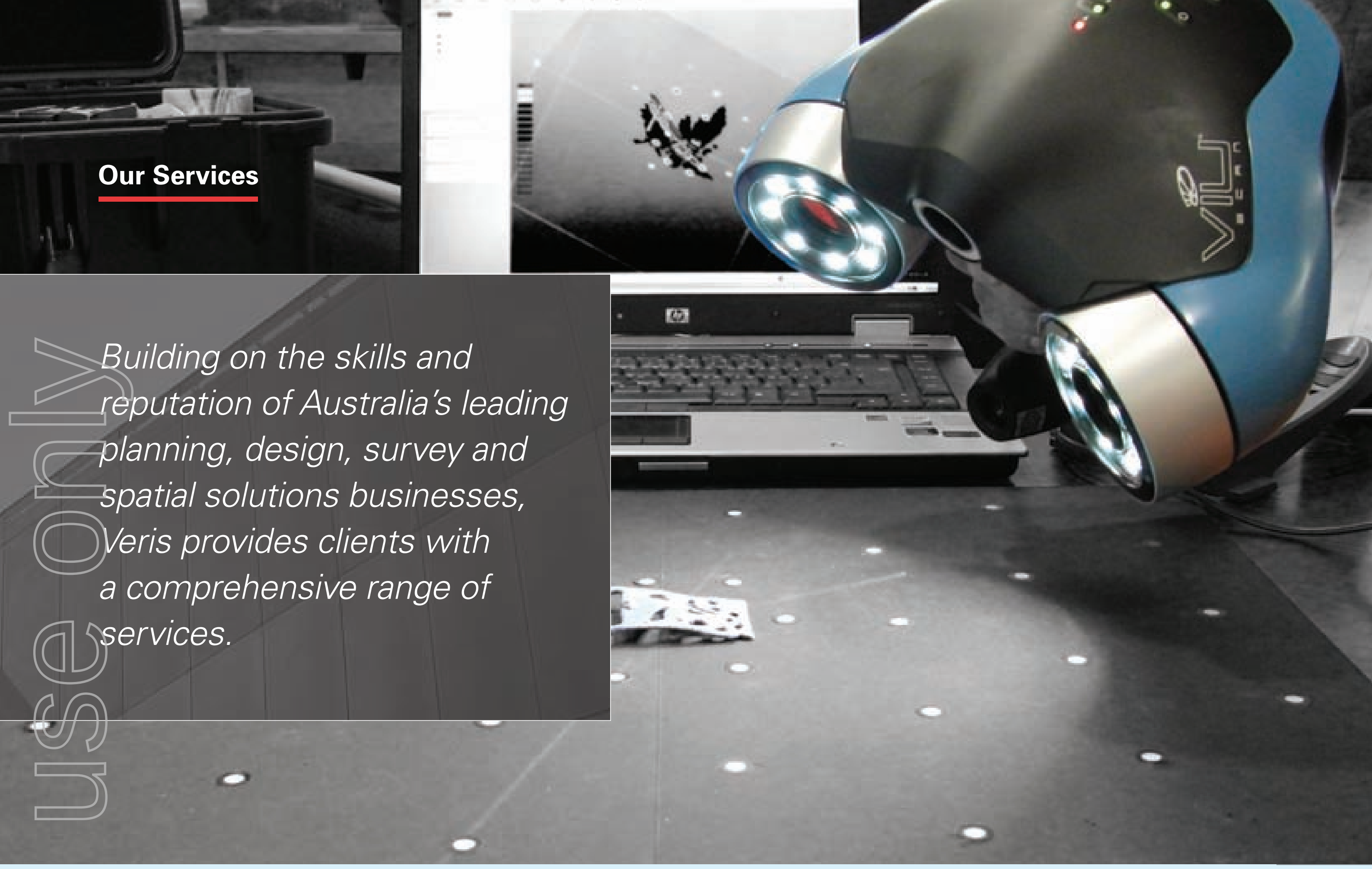
Veris Locations in Australia





Our Services

Building on the skills and reputation of Australia's leading planning, design, survey and spatial solutions businesses, Veris provides clients with a comprehensive range of services.

Veris combines innovative technologies with some of Australia's best surveying experience to deliver an integrated approach to the full project life cycle, from initial planning and feasibility through to construction and beyond.

Wherever you are in Australia, our experienced team of specialists will make the difference to the success of your future development.

Our comprehensive range of services includes:

Property Surveying

Land and property surveying is our traditional area of expertise, but there is nothing traditional about the way we use spatial information.

We have teams of registered cadastral surveyors in each state who have expertise across all industries from Residential, Agribusiness, Industrial, Mining, Tourism, Commercial/Retail and Education.

Civil Construction & Engineering Surveying

We have a reputation for exacting work. We have a long history of working across all aspects of the building and civil construction industry, producing land surveys that ensure the quality, safety and success of a wide range of projects.

The team at Veris specialise in supporting high-end engineering construction including, railways, tunnels, roads, bridges, buildings, earthworks and customised monitoring projects with detailed engineering surveys.

GeoSpatial Data Management

Veris offers a range of services to facilitate geospatial data management. Our GIS data management products are uniquely tailored to client needs, allowing clear visualisation of information. Our teams have experience with a vast array of data formats and can manipulate virtually any dataset using mainstream or custom software to solve problems and underpin decision making.

With the geospatial data extracted by our laser scanning systems, we can create physical 3D models and fly-throughs, supporting terrain analysis on all types of developments. These products greatly assist site planning, due diligence and investigation processes, as well as community consultation.

Town Planning

Town planning is a process that is both technical and political as it involves strategic planning and local government. Every development project needs to work within a statutory and regulatory framework.

The planning role is one of facilitation, bringing together all the interested parties and goals to achieve a successful outcome. This always involves good advice and the reassurance that the best solutions can be achieved.

As each state has its own statutory requirements, Veris have a team of town planners in all major cities in Australia including Sydney, Melbourne, Brisbane, Adelaide and Perth.

Urban Design

Urban design is the development of communities, from small villages to major cities and towns. Unlike architecture, which deals with the design of an individual structure, urban design focusses on a much larger geographical area. Designing our environment is a process of integrating buildings, open space, transport infrastructure and human activity and shaping them into a neighbourhood, community or campus. Veris is driven to create liveable, sustainable communities.

Urban design largely relates to outdoor public spaces including streets, parks and gardens. At Veris, we take the time to understand the unique social, economic, physical and environmental constraints and opportunities of each project as part of our integrated design and idea generation process. Our inclusive, open-ended approach provides the freedom to generate and test a range of possible outcomes, from the abstract to the detailed design level.

3D Spatial

Remote 3D spatial represents a service line that uses specialised equipment including laser scanners, ground penetrating radar and photographic cameras to collect geospatial information about an object without making physical contact. Remote 3D spatial services are beneficial for gathering information on hard to access or culturally sensitive areas.

Veris can provide Laser scanning and 3D spatial services for a wide variety of project applications where precise data extraction and delivery are paramount. Our expert teams utilise the latest technologies to provide 3D spatial solutions specific to the needs of each individual project and client.

Projects of Note

Throughout the ebb and flow of an increasingly fragmented market, Veris has managed continual growth; expanding our offering nationwide. To achieve this, we have acquired businesses who are leaders in their respective fields and geographical location.

The Veris offices are aligned through their culture of success and desire to realise the vision of the company - to be a market leading planning, design, survey and spatial solutions company; renowned for generating client value through innovation and excellence from our exceptional people.

What follows is a brief summary of several projects undertaken with key clients across the company that provides an indication of the breadth of our coverage and capability. While it is not possible to outline every project, the following provides evidence of the scale and scope of our work and how we are helping to shape our cities and infrastructure across Australia.

NEW SOUTH WALES

Sydney Light Rail

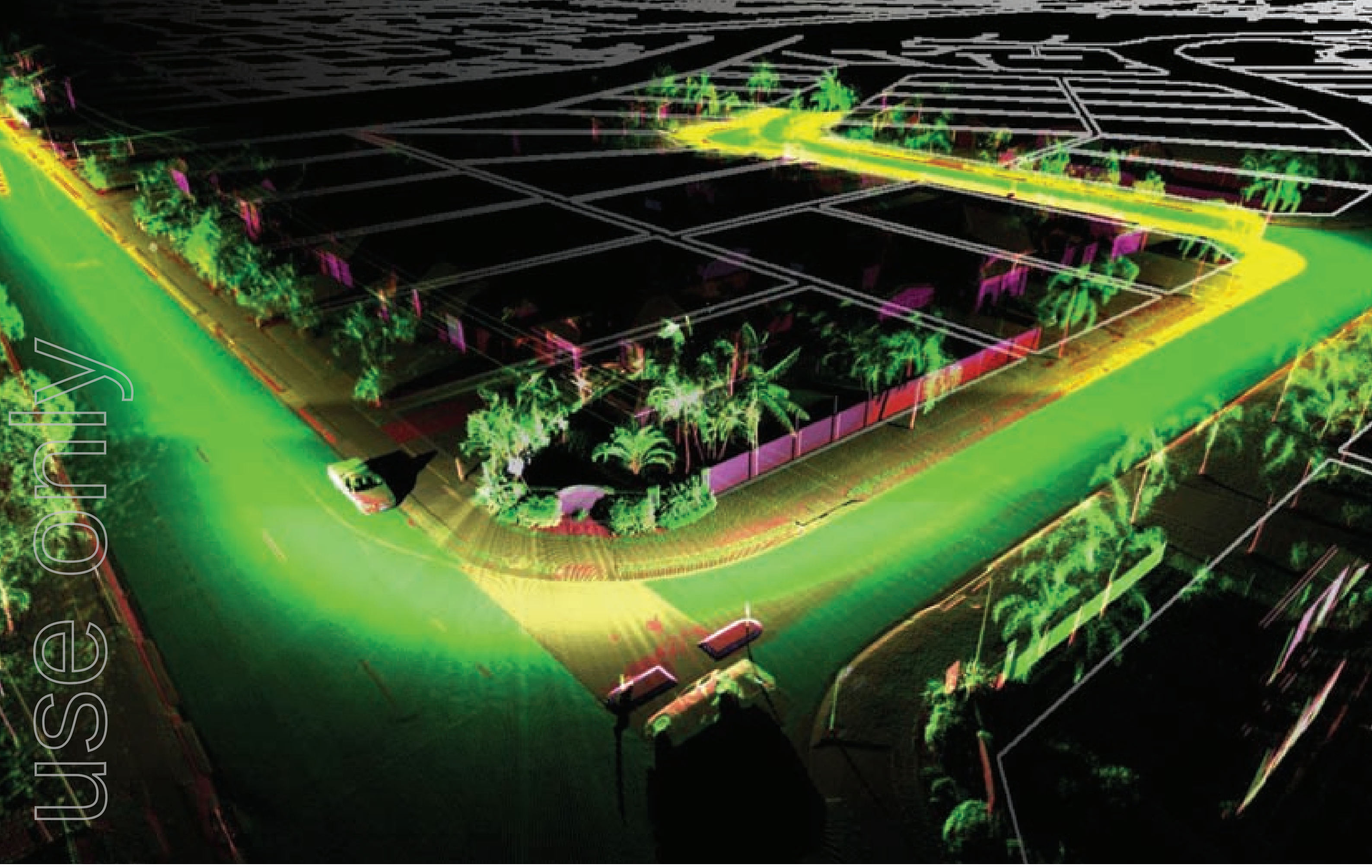
Veris are the Survey Services Partner on the Central Business District and South East Light Rail project. With a budget of A$2.1 billion, the project has been designed to be a vital part of Sydney's public transport system and to reduce congestion.

NWRL (Norwest Rail Link)

This contract involves delivering eight new railway stations, 4,000 commuter car parking spaces, and includes rail installation. It is the largest Public Private Partnership ever awarded in NSW. Veris are responsible for Engineering, Construction and Rail Surveying. Additional services include high-end Mobile Laser Scanning of existing track and tunnel as well as 3D spatial modelling for reverse engineering and fit-out requirements.

Australia Pacific LNG

The Collaborative Well Delivery (CWD) project is one of the few remaining resource projects in the construction phase and development. Veris field surveying



crews are operating along the pipeline route from Miles and Roma. Additional services include Cadastral Surveying and creation of Mining Plans for lodgement.

V by Crown

Veris is engaged in key developments in NSW, the most recent of which is providing titling, services including subdivision of residential and hotel components and strata subdivision of the residential floors, as well as ongoing advice regarding the creation of the site parcel for the Crown Sydney Hotel Resort, Hickson Road.

Darling Square – South West Plot

Part of the Redevelopment of the old Entertainment Centre Precinct located at Darling Harbour/ Haymarket, the South West Plot is the first residential apartment complex within the Darling Square Precinct. Veris will complete a four lot stratum plan creating three residential stratum lots and one retail stratum lot; then the subsequent strata subdivision of the SW1 and SW2 buildings into 204 strata lots. SW3, being the tallest tower, containing 330 strata lots is scheduled for completion during September 2017.

Green Square - Ebsworth

The completion of Green Square comprised approximately 180 residential lots together with significant retail, inclusive of a retail lot containing a Woolworths Supermarket.

QUEENSLAND

Residential Communities

Veris' survey services and knowledge in titling and tenure design has been engaged over the last year across a number of major, mixed use high-rise developments adjacent to the CBD fringe of Brisbane.

Critically, the services provided underpin spatial information for detailed infrastructure and building design as well the guiding structure and critical draft titling documentation for marketing and contractual documentation.

Current projects being undertaken will create upwards of 900 units as well as retail/commercial facilities. Another key aspect is that the proponents of these projects are current active clients of Veris in other states, which typifies the strong benefit of Veris' national surveying model.

Mackay Regional Council

Mackay Regional Council have adopted a Veris spatial 3D modelling and visualisation strategy. The strategy outlines steps to enhance the council's services across a range of departments utilising 3D data and tools in Geographic Information Systems (GIS). Key to the strategy is the acquisition of 3D data including Terrestrial LiDAR point cloud.

One of the key derived 3D datasets identified in the 3D strategy is a dataset of building floor levels. Veris was commissioned to capture the data set using its mobile laser scanning equipment.

The project involved the capture of the data using the MLS mounted on a vehicle across the council area, ultimately digitising approximately 50,000 houses.

Hamilton Solar Farm

Veris have been commissioned to undertake the survey works in the establishment of the Hamilton Solar Farm near Collinsville.

This project is currently under construction, with four to five survey crews on-site to ensure construction deadlines are achieved.

Projects of Note Cont.

WESTERN AUSTRALIA

Gruyere Project

Provision of surveying services for the duration of the project for all mining infrastructure for 20 months.

Alkimos Central

Surveying Consultant engaged for the Alkimos Central Project to assist the client to deliver the 1,600 lot master-planned community including residential, retail and transport hubs.

North Baldivis

Surveying Consultant engaged for the project to assist the client to deliver the 1500 lot masterplanned community.

Brockman Park Structure Plan

Preparation of Structure Plan on behalf of the Shire for the Brockman Park Precinct to facilitate long term development for the Shire, including aged care planning facilities.

Yamarna

Provision of route selection for pipeline extension surveying services.

Perth Airport

Utility location services through the estate for the upgrade of Fauntleroy Ave, T1 and T2 parking areas.

VICTORIA

Jaques Ironworks

Bosco Jonson has been actively involved in the urban renewal three stage mixed use development of over 380 residential apartments on the former Jaques Foundry (1885-1997) site in Richmond. Project also included the Open Space dedication of Dyer Street to the public in recognition of Richmond Football Club great Jack Dyer (1913-2003).

Mayfield Livingston

Abutting estates for different developers in Melbourne's growing south east completed by Bosco Jonson with around 1300 new homes and an Interactive Children's Nature Garden at Mayfield with inspired play spaces and sensory trails.

Goodman & Moorabbin Airport Corp

Bosco Jonson is working with Goodman and the Moorabbin Airport Corporation to better utilise surplus areas of Moorabbin Airport with the creation of new commercial precincts. Tenants include Costco, Coca-Cola, Visy, Simplot, McCormick Foods and Spectrum Brands. Surveys have also been provided for the upgrade and beautification of the Mordialloc Settlement Drain, and as a donor to the Fareshare Kitchen Garden project onsite.

Melbourne Airport

Bosco Jonson has provided boundary re-establishment surveys and professional advice in relation to titles, easements, roads and acquisitions to enable runway expansion at Melbourne Airport.

Harbourtown

Bosco Jonson is providing survey and subdivision services as part of a $150m redevelopment of the Harbourtown precinct, including a new Hoyts cinema complex, which will help reposition the centre as a shopping and entertainment drawcard for Melbourne.

GMH – Port Melbourne

Bosco Jonson is working with Development Victoria in regard to survey and subdivision services on the General Motors Holden site, a significant city fringe brownfields site of 37 hectares.

35 Spring Street

35 Spring Street is a high-end residential apartment development of 43 levels and 241 apartments abutting the iconic Fitzroy and Treasury Gardens. Bosco Jonson has provided subdivision services; including preparation of subdivision documentation for inclusion into Contracts of Sale, liaison with council, authorities and Land Registry to obtain relevant approvals and titles.

Kaduna Park

With Bosco Jonson providing urban design, town planning, survey and subdivision services, and an ultimate yield of approximately 1250 lots including Town Centre and community facilities; Kaduna Park will be an environmental estate with UDIA EnviroDevelopment accreditation and features, including frog ponds.

Woolworths MSRDC

A Highbay warehouse being built for Woolworths as their Melbourne South Regional Distribution Centre. Bosco Jonson are engaged by Vaughans to deliver the construction surveying, and by Vanderlande Industries for the services relating to the fit-out. The warehouse includes over 50,000m2 of floor space, with an impressive height of 45m.

Overtaking Lanes Bruce Highway Scovazzis Road to Como Road

Lester Franks was awarded the survey package from Downer EDI, in relation to the construction of Bruce Highway - overtaking lanes (Scovazzis Road to Como Road). The value of the overall project is $9.6M and it forms part of the accelerated works program. This project is estimated to finish in October 2017. Lester Franks has been providing full time survey services since August 2016.

Projects of Note Cont.

A selection of the Bosco Jonson fleet; captured using our Unmanned Aerial Vehicle.

A relationship spanning more than 50 years, Lester Franks continues to provide survey, planning and 3D spatial services

SOUTH AUSTRALIA

BMD Projects

Lester Franks finalised an exclusive agreement with BMD in South Australia in early 2016. This agreement has underpinned the continued success and growth experienced in the region. Working locally in Adelaide to remote areas in Coober Pedy and Kangaroo Island, Lester Franks continues to provide exceptional support on all subdivision, land development and construction sites.

Sundrop Farm

Sundrop farms is a world leading greenhouse project, using solar thermal electricity, heat and desalinated seawater to grow tomatoes in the South Australian desert. The state-of-the-art solar thermal development came at the perfect time for the already depressed regional economy. Estimated at $205M construction costs, Lester Franks is proud to be part of the development. Providing consultancy, survey, construction survey and scanning services, Lester Franks provided services to Sundrop farms and the majority of contractors onsite.

TASMANIA

Cement Australia

A relationship spanning more than 50 years, Lester Franks continues to provide survey, planning and 3D spatial services to multiple Cement Australia sites around Australia. Lester Franks is recognised as the 'go-to' for any survey, planning or 3D spatial related projects. This relationship grows in strength year on year.

TasPorts

The North-West Coast of Tasmania experienced once in 100 year flood conditions. Thus, the iconic Spirit of Tasmania was berthed due to unknown underwater debris. Based on conversations with Tasport around the hydrographic capabilities of Lester Franks, we were engaged to map the seabed of the Mersey River, and identify and report any debris which would prevent the Spirit from sailing. Using a single beam sonar, coupled with our advanced point cloud processing skills, Lester Franks could clear the Spirit for sailing.

Veris Racing

Veris believes in being actively involved within the community and is committed to making a difference through long-term strategic and sustainable partnerships.

Veris is pleased to be the title sponsor of Australia's newest national road racing cycle team, 'Veris Racing Team'.

The partnership supports young cyclists to develop through to elite levels, providing emerging young athletes with direction, focus, wellbeing and an opportunity to compete in a national program, with potential for progression into the international arena.

All athletes engaged in this program work in community service in exchange for access to resources aimed at assisting them on their athletic journey and beyond into corporate and lifestyle behaviours. This program aims to develop with confidence.

The initiative provides athletes with mentoring, support and development and guidance beyond the sporting environment, with particular focus on achieving:

> Growth of Human Capital
> Diversity and Equity
> Community Engagement

The year saw several highlights across both the community and in competition.

COMMUNITY

> Liv Cycling Rides for Women; Australia's biggest women only social ride has been hosted by Veris Racing athletes now for over two years, allowing women of all ability levels to engage in cycling as a form of exercise and participation, not necessarily sport.

> Hosted by Bosco Johnson and HWL Ebsworth, the event allowed clients and colleagues to ride with members of the Veris Racing team before sharing breakfast and a discussion around cycling life and racing from the eyes of our junior male riders.

> Members of the Veris Racing team visited North Perth primary school to teach children confidence and road safety.

> Veris Racing members assisted in delivering an exercise testing and training program at Clontarf Aboriginal College in Manning. Assisting in the implementation of Vo2max power testing and the use of interval training for honing fitness, Veris Racing athletes discussed how these aspects can be best used to increase fitness, health and even wellbeing.

> Veris Racing athletes host monthly ride to work days that now coincide with Veris Corporate rides for associates of Veris Limited. Monthly ride to work days engage over 100 commuters riding to and from work. Free coffee and a bike tune up is also provided.

RACING

> Veris Racing wins more local races across the summer racing series, in both men's and women's categories, than any other Perth-based team.

> Connor Lambert runs fifth at the Elite Irish Time Trial Championships.

> Leighton Cook runs second in an elite Belgium race in Flanders region.

> Sarah Duffield wins the State Criterium Championship.

> Erin Nolan wins the richest handicap race in Australia at the Goldfields Classic.

Sabine Bird crowned the World 24hr Cycling Champion, breaking the world record for distance covered across this period.

Health, Safety, Environment and Quality

Veris continued certification with SAI Global for accreditations to Health and Safety AS4801, Quality ISO9001 and Environment ISO14001.

Health, Safety, Environment and Quality are essential components of Veris' platform. By instigating an alignment of systems, a stable foundation towards fulfilling the ongoing challenges in an ever-challenging workplace has enabled Veris employees to safely provide an exciting level of service and delivery to customers without harming the environment in which they work.

This structured alignment of pillars, platforms and advancements will enable all businesses within Veris to concentrate on a coordinated focus towards Safety, Environment and Quality processes to keep our people safe, the environment protected and the quality of our service delivery at a higher than industry-leading standard.

The implementation of the onsite leadership strategy ensures that safety is in the forefront of the leader's minds, as they engage with the workforce around meaningful risk-based conversations and provide visible and appropriate guidance in a proactive manner.

The improved initiative around an employee's personal digital risk evaluation system has provided a stable foundation for safety in the field, whilst still maintaining ongoing procedural ownership to ensure a proven high level of accuracy and performance that safeguards a focus on service and delivery to customers.

The continuous focus on improving an already exceptional service delivered to our customers, is an ongoing priority; without compromising Veris' core value of sustainability and whilst always striving towards the ultimate goal of Zero Hazard, Zero Hurt and Zero Harm.

Outstanding HSE Performance

> Over 1 million hours completed this FY Lost time injury free.
> TRIFR = 4.12
> AIFR = 22.28

Continuous Improvement Initiatives

> Online platform for infield personnel around risk mitigation
> Focus on leading indicators as a measure of performance
> Structured approach to emergency management
> Integrated Business Management System
> Legislative compliance review

Certification

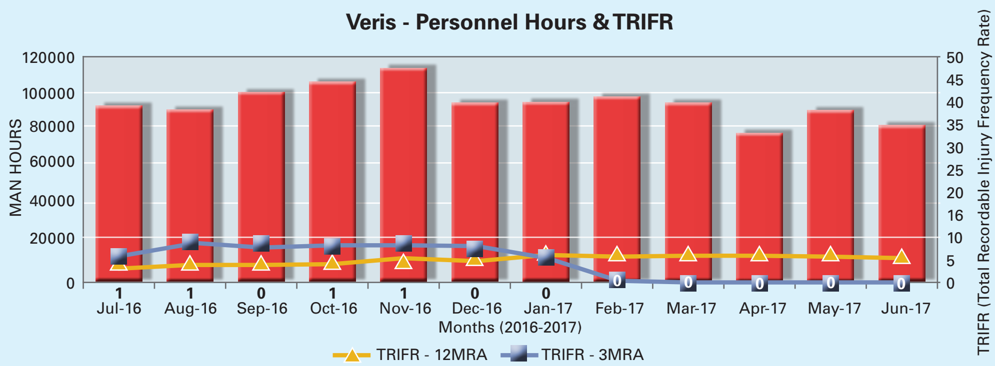
Accreditation to the following standards:

> ISO 9001:2008
> ISO14001:2004
> AS/NZS 4801:2001
> Federal Safety Commission Accreditation

Environment ISO 14001 SAI GLOBAL

Health & Safety AS 4801 SAI GLOBAL

Quality ISO 9001 SAI GLOBAL



Annual Financial Report 2017

Contents

veris

Your Directors present their report together with the consolidated financial statements of Veris Limited ABN 80 122 958 178 ("the Company" or "Veris") and the entities it controlled (together referred to as ''the Group'') at the end of, or during, the year ended 30 June 2017.

Information on Directors

Directors of the Company during the whole of the financial year ended 30 June 2017 and up to the date of this report are as follows:

NAME	PERIOD OF DIRECTORSHIP
Derek La Ferla Independent Non-Executive Chairman	Appointed 28 October 2011
Tom Lawrence Non-Executive Director	Appointed 13 October 2011
Karl Paganin Non-Executive Director	Appointed 19 October 2015
Adam Lamond Managing Director	Appointed 13 October 2011 (Managing Director from 29 March 2017

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

Derek La Ferla- Independent Non-Executive Chairman

Experience
Mr La Ferla is an experienced corporate lawyer and company director with more than 30 years' experience. He has held senior positions with some of Australia's leading law firms, and is currently a Partner with Western Australian firm, Lavan Legal, in the firm's Corporate Services Group. Mr La Ferla also serves as the chairman of Sandfire Resources Limited and Threat Protect Australia Limited and is a director of Goldfields Money Limited. He is a fellow of the Australian Institute of Company Directors (AICD) and member of the AICD Western Australian Council.

Special Responsibilities
Member of the Nomination and Remuneration Committee
Member of the Audit and Risk Committee

Other Listed Company Directorships in last 3 years
Sandfire Resources Limited (May 2010 – Current)
Threat Protect Australia Limited (September 2015 – Current)
Goldfields Money Limited (November 2015 – Current)

Interests in Shares of Veris
567,704 fully paid ordinary shares

Information on Directors (continued)

Adam Lamond - Managing Director

Experience
Mr Lamond has over 20 years' commercial experience with particular expertise in construction and infrastructure activities across Australia. Mr Lamond held the position of Chief Executive Officer of Veris Limited from its listing in October 2011 to January 2014. Mr Lamond held the role of Executive Director – Business Development from January 2014 to March 2017, when he was appointed Managing Director. During his time Mr Lamond has led the Company into its new strategic direction evolving Veris into a national professional service business delivering town planning, urban design, survey and spatial solutions to the infrastructure, property and resource markets throughout Australia.

Special Responsibilities
Member of the OHS Committee

Interests in Shares of Veris
45,841,815 fully paid ordinary shares

Tom Lawrence - Independent Non-Executive Director

Experience
Mr Lawrence is a qualified accountant with a Bachelor of Laws and a Masters Degree in taxation. Mr Lawrence was the principal of Lawrence Business Management for over 15 years, providing tax and management advice to a diverse range of businesses. He now works as a solicitor for Capital Legal, advising clients on a broad range of business related transactions. Mr Lawrence has been an advisor to Veris from its inception.

Special Responsibilities
Chairman of the Audit and Risk Committee
Member of the Nomination and Remuneration Committee
Member of the OHS Committee

Interests in Shares of Veris
3,662,596 fully paid ordinary shares

Karl Paganin - Independent Non-Executive Director

Experience
Mr Paganin has over 15 years senior experience in Investment Banking, specialising in transaction structuring, equity capital markets, mergers and acquisitions and strategic management advice to listed companies. Mr Paganin was a Director of Major Projects and Senior Legal Counsel for Heytesbury Pty Ltd (the private trading company of the Holmes à Court Family) which was the proprietor of John Holland Group Pty Ltd. Mr Paganin holds degrees in Law (B.Juris, LLB) and Arts (BA) from the University of Western Australia and is a Non-Executive Director of ASX listed Southern Cross Electrical Engineering Limited and Vice Chairman of the not for profit charity, Autism West Support Inc.

Special Responsibilities
Chairman of the Nomination and Remuneration Committee
Member of the Audit and Risk Committee
Member of the OHS Committee

Other Listed Company Directorships in last 3 years
Southern Cross Electrical Engineering Ltd (June 2015 – current)
Interests in Shares of Veris
5,500,000 fully paid ordinary shares

Information on Company Secretary

Lisa Wynne - Company Secretary

Experience
Ms Lisa Wynne is a Chartered Accountant and Chartered Secretary with significant experience working with publicly listed companies. Former owner of a consulting company, for 11 years, Ms Wynne provided corporate and financial services to public companies and held the role of Company Secretary and Chief Financial Officer of a number of ASX listed companies.

Directors Meetings

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

Director	Board Meetings		Audit & Risk Committee		Remuneration & Nomination Committee		Occupational Health & Safety Committee	
	A	B	A	B	A	B	A	B
Derek La Ferla	11	11	4	4	3	3	*	*
Adam Lamond	11	11	*	*	*	*	2	3
Tom Lawrence	11	11	4	4	3	3	3	3
Karl Paganin	10	11	3	4	3	3	2	3

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

Dividends

Dividends paid or declared by the Company to members since the end of the previous financial year were:

Declared and paid during the year 2017	Cents per share (cents)	Franked amount per share (cents)	Total Amount $'000 (1)	Record Date	Date of Payment
Final FY2016 ordinary	0.5	0.5	1,368	29 August 2016	12 September 2016

(1) The Dividend paid in cash to shareholders was $1,060,000 and 1,024,415 shares were issued under the Veris Dividend Reinvestment Plan. The Dividend Reinvestment Plan's shortfall shares were underwritten by Veritas Securities Limited and 3,532,005 shares were issued to Veritas on the same date at 30.02 cents per share raising $1,060,307 (net of underwriting fees). The 30.02 cents price per share was based on 5% discount to the VWAP 5 days following the record date.

After the balance sheet date the directors have approved to pay a dividend of 0.5 cent per share out of 2017 financial year profits.

Principal Activities

Veris is a national professional service business delivering planning, urban design, survey and geospatial solutions to the infrastructure, property and resource markets throughout Australia. Veris Limited is the Group's holding company that is listed on the ASX under the code VRS.

Veris Limited has two operating segments in the 2017 financial year namely Survey Professional Services and Infrastructure Construction. Infrastructure operations were discontinued in July 2017. The focus in the 2018 financial year will be on the Surveying Professional Services operating segment and the Communications operating segment. The Communications business has been extracted from the infrastructure operations and will form part of the group business moving forward.

Surveying Professional Services

As a market leading town planning, urban design, survey and spatial solutions business Veris delivers quality service to clients across a range of industry sectors. The three most significant sectors being:

- Infrastructure
- Property
- Resources

Communications Technology

Veris also owns AQURA Technologies Pty Ltd (formerly OTOC Australia Pty Ltd). The construction operations of OTOC Australia were discontinued in July 2017 at which time the company changed its name to AQURA Technologies to represent its focus on communications technologies. AQURA complements the accomplished existing spatial solution capabilities of the survey segment with highly specialised ICT and Communications services, offering industry- leading technology solutions.

Significant Changes

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

- The acquisition of Sydney based construction surveying firm Lawrence Group Pty Ltd in July 2016.
- The acquisition of WKC spatial a leading pipeline ad infrastructure surveying business in August 2016.
- Payment of the Group's maiden dividend of $0.005 per share in August 2016.
- Completion of $12.0 million placement to sophisticated and institutional investors through the issue of 44.44 million fully paid ordinary shares at a price of $0.27 per share in September 2016.
- At the company's Annual General Meeting of shareholders held in November 2016 it was resolved to change the company's name from OTOC Limited to Veris Limited. OTOC Limited was previously listed on the ASX under the code OTC, its listing name has now been updated to VRS.
- The acquisition of Goodwin Midson, a geospatial, cadastral surveying and engineering business in November 2016.
- The acquisition of Lester Franks a spatial engineering and surveying business in December 2016
- CBA continued supporting the business with the approval of increased banking facilities for the Group, namely the cash advance facility to fund potential future acquisitions was increased from $10.0m to $25.0m, and additional asset refinancing facility agreed for $4.5m.
- The acquisition of LANDdata a Canberra based surveying business, which was settled subsequent to 2017 financial year end on 31 July 2017.
- The completion of a major government sector construction and installation project in Nauru by OTOC Australia.

Operating and Financial Review

Veris is a national professional service business delivering town planning, urban design, survey and spatial solutions to the infrastructure, property and resource markets throughout Australia.

For the year ended 30 June 2017 the Group reported NPAT (Net Profit after Tax from operating activities of $48,000 (2016: $19,698,000)

In 2017 Veris Group continued to implement its national professional services strategy with the acquisition of quality East Coast businesses. These along with existing acquisitions delivered enhanced exposure to the construction, property and civil infrastructure markets on the East Coast. The Group was rebranded to Veris to reflect the focus on professional services at a national level. In the financial year 2017 OTOC Australia operations completed a number of large projects, with the most notable being the offshore work on Nauru Island. In financial year 2018 this business will be discontinued, as the Group is moving away from the low margin, high risk work in this sector.

During the 2017 financial year the Group progressed its integration activities of the professional services surveying business. It has established shared service support functions and a new operating model which focuses on inclusion, consolidation and efficiencies. 2018 financial year will focus on the group wide implementation and completion of integration activities across the national surveying business. There will be strong focus on driving organic growth, and revenue and cost synergies. We expect to continue our progress on acquiring businesses that enhance the service offering and/or geographic market position of our business including further expansion into complementary town planning & urban design and geospatial segments. 2018 will also see the launch of the AQURA business - AQURA complements the accomplished existing spatial solution capabilities of the survey segment with highly specialised ICT and communications services, offering industry- leading technology solutions.

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

Key Item	**FY2017 $000**	**FY2016 $000**	**Comments**
Revenue	107,875	120,858	Revenue from surveying was up 40%, whilst revenue from infrastructure was down 44%
Underlying EBITDA*	9,814	16,176	$9.4m of EBITDA was generated from the Surveying Professional Services, $4m from Infrastructure Construction and the balance was attributed to cover Corporate costs. Construction EBITDA reduced by $8m as a result of the completion of a major project during the year.
Acquisition costs/(income)	1,192	(1,336)	The group purchased four companies in 2017 plus commenced work on securing some future acquisitions. The prior year included reversals of vendor payments.
Net Assets	66,937	53,298	Net assets mainly increased due to a capital raising in the year.
Working Capital**	18,769	10,994	The main driver of the change was a reclassification of the banking facility to Non-Current from Current Liabilities as this was re-negotiated during the year.

*Underlying EBITDA is defined as earnings before depreciation, amortisation, interest, tax, impairment, restructuring, share-based payments and acquisition costs and is an unaudited non-IFRS measure.
** Working capital is defined as current assets less current liabilities.

Operating and Financial Review (continued)

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

	FY2017 $000	FY2016 $000
Statutory profit/(loss) after tax	48	19,698
Add back:		
Tax benefit	(2,134)	(9,750)
Net finance expense	846	751
Restructuring costs	1,309	173
Acquisition costs	1,192	(1,336)
Share-based payment	298	1,050
Underlying EBIT profit	1,559	10,586
Depreciation and amortisation	8,255	5,590
Underlying EBITDA	**9,814**	**16,176**

Risks

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

Project Delivery Risk

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

Legal and Contractual Risk

Errors, omissions or incorrect rates and quantities mean the Group may not achieve full benefits of project deliverables and may lead to a negative impact on financial performance. Additionally, failure to understand the contract terms can lead to disputes with third parties and litigation over contractual terms. The Company seeks to mitigate these risks by following a tendering process and estimation programme and using the knowledge and experience of staff to conduct pricing appropriately and contract review and screening.

Political Risk

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

Integration Risk

In the last 3 years Veris has purchased 8 companies as part of its strategy to create a national professional services business. To fully derive benefits from this, Veris are integrating the acquired businesses so that synergies and economies of scale can continue to be achieved and to offer a better service to our growing national customer base. This will mitigate against companies operating in silos with increased costs and risks to the Group. Veris has already established shared service support functions and a new operating model which focuses on inclusion, consolidation, controls and efficiencies.

Goodwill

As a result of the acquisition of 8 companies Veris has purchased a significant amount of Goodwill. This Goodwill has been generated by the vendors of the acquired businesses over a number of years and has resided in a variety of business names. Veris has created a national corporate brand that it is currently transitioning the goodwill generated by the individual vendors, into to create corporate Goodwill in the Veris Brand. This mitigates the risk associated with individuals as the business grows in scale.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs of the Group other than that referred to in the financial statements or notes thereto and sections of this report.

Events Subsequent to Reporting Date

Subsequent to the 30 June, the Group have decided to discontinue the Infrastructure division of OTOC Australia following the completion of existing projects. The Communications division of OTOC Australia has been renamed AQURA Technologies and will continue its operations which include the provision of support to Veris professional services business.

On 31 July 2017, Veris Australia purchased LANDdata Surveys PTY LTD, a leading surveying consultancy with operations in the Australian Capital Territory and New South Wales. This acquisition will enhance Veris' experience and expertise in commercial, residential, land development and government infrastructure projects and increasing the Group's national footprint.
Veris Limited has declared after the balance sheet date that it will pay a fully franked dividend for 2017 of 0.5 cents per share in September 2017.

Likely Developments

The Veris Group continues on its national strategy of developing a national professional services business and increasing its capabilities and geographical market presence.

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

Directors Report

Remuneration Report - Audited

The directors are pleased to present your Company's 2017 remuneration report which sets out the remuneration information for Veris Limited's non-executive directors, executive directors and other key management personnel. The information provided in this Remuneration Report has been audited as required by section 308(3C) of the Corporations Act 2001. This Remuneration Report forms part of the Directors' Report. For the purposes of this report 'Key Management Personnel' (KMP) of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly.

The report contains the following sections:

a) Directors and Executive Disclosures
b) Remuneration Policy
c) Remuneration Advice
d) Relationship between remuneration and the Company's performance
e) Details of share-based compensation and bonuses
f) Voting and comments made at the Company's 2016 Annual General Meeting
f) Contractual Arrangements
h) Details of remuneration
i) Analysis of bonuses included in remuneration
j) Equity Instrument Disclosure Relating to Key Management Personnel

a) Director and Executive Disclosures

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

Non-Executive Directors		
Derek La Ferla	Chairman	(Independent)
Tom Lawrence	Non-Executive Director	(Independent)
Karl Paganin	Non-Executive Director	(Independent)
Executive KMP		
Adam Lamond	Managing Director	(Original appointment date 13 October 2011, appointed Managing Director 29 March 2017)
Brian Mangano	Chief Financial Officer	
Lisa Wynne	Company Secretary	
Simon Thomas	Chief Executive Officer	(Resigned 29 March 2017)

b) Remuneration policy

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

Remuneration & Nomination Committee

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

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

Remuneration Report – Audited (continued)

Non-executive director remuneration policy

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

The Company has entered into service agreements with its current Non-Executive Directors; refer details of the contractual arrangements on page 19 of this remuneration report. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the Corporations Act 2001 at the time of the Directors retirement or termination. Non-Executive Directors' remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with the ASX Listing Rules.

Executive remuneration policy

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

The overall executive remuneration framework has three components and is presented in the diagram below:

- Base pay and superannuation
- Short-term incentives (STIs)
- Long-term incentives (LTIs) through participation in Company's Performance Rights Plan

Remuneration Report – Audited (continued)

Remuneration Framework

EXECUTIVE REMUNERATION FRAMEWORK

FIXED REMUNERATION

Comprises base salary and superannuation

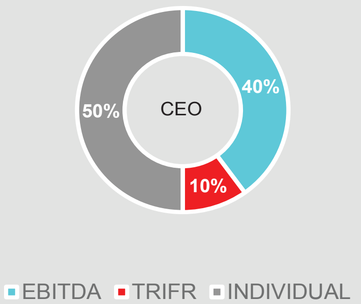
VARIABLE REMUNERATION

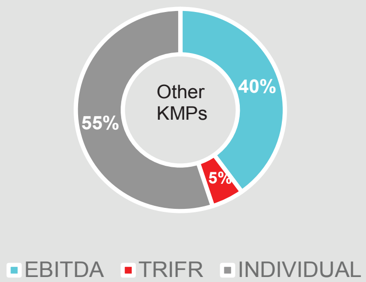
At Risk Components (STI/LTI)

STI PLAN

Annual reward in the form of a cash bonus of 20%-50% of Total Fixed Remuneration determined by performance against annual financial, safety and personal Key Performance Indicators

Performance Measures (Annual)





STI at Risk

20%-50% of TFR

LTI PLAN

Annual grant of performance rights with a three year vesting period subject to the achievement of Total Shareholder Return (TSR) and Earnings Per Share (EPS) hurdles (equally weighted)

Performance Measures (3 Years)

FY17 Plan

50%	50%
Absolute Veris TSR(A)	Absolute Veris EPS target – 3 year pool(B)

Pre FY17 Plans

50%	50%
rTSR(C) compared to the ASX All Ordinaries Index	EPSCAGR(D)

LTI at Risk

60-100% of TFR

(A) TSR means the Total Shareholder Return of VRS

(B) Absolute EPS target means a normalised Earnings Per Share pooled over 3 years, i.e. setting an aggregate value of dollars of EPS that must be achieved over the three years (i.e. a pool consisting of year 1 EPS plus year 2 EPS plus year 3 EPS)

(C) rTSR means Relative total Shareholder Return

(D) EPSCAGR means Earnings Per Share Compounded Annual Growth

(E) TRIFR means Total Recordable Injury Frequency Rate

Remuneration Report – Audited (continued)

The table and graphs below represent the target remuneration mix for the KMP's in the current year. The short-term incentive and the long-term incentive amount is provided based on target levels and not the value granted during the year.

		At Risk	
	Fixed Remuneration	Short-term Incentive	Long-Term Incentive
MD [1]	100%	-	-
CEO[1]	42%	17%	42%
CFO	45%	18%	36%
Company Secretary	53%	16%	32%

[1] CEO, Simon Thomas resigned as CEO on 29 March 2017 and Executive Director, Adam Lamond was appointed to the role of MD. Mr Lamond's did not participate in either the STI or the LTI Plan in either his role as Executive Director or MD.

Total Fixed Remuneration

The Base Salary is a monetary recognition for the undertaking of task and assumption of responsibilities in line with an individual's role in the organisation. It is set against industry and regional benchmarking for role, market conditions and complexity of task. Where appropriate independent remuneration advice is obtained. There are no guaranteed base pay increases included in any executive contracts. Statutory superannuation is payable in addition to the base pay.

Short-term incentives

Executives have the opportunity to earn an annual short-term incentive (STI) if predefined targets are achieved (KPIs). The Group's STIs are paid in the form of cash and are calculated as a percentage of Total Fixed Remuneration, based on achievement of set financial, safety and personal KPIs that provide a measured return to the organisation set by the Remuneration and Nomination Committee. The behaviours of our employees against the values of the Company are also assessed through a performance evaluation process. STIs play a key role in aligning superior operational outcomes for shareholders with the remuneration outcomes for management.

For the financial year ended 30 June 2017 the KMP's had target STIs of between $52,000 and $186,000, which represents between 20% and 50% of the KMP's individual Total Fixed Remuneration) linked to EBITDA, safety and personal performance hurdles within their individual roles.

The KPI's cover financial, non-financial, company and individual objectives, chosen as they represent the key drivers for the short-term success of the business and provide a framework for delivering long-term value. The KPI's for the KMP's are as follow:

Measure	Weighting	KPI	Rationale
Safety	5%-10%	TRIFR	Safety is paramount and the inclusion of safety in the incentive plan reflects the Company's commitment to provide an incident-free work environment
Financial	40%	Underlying EBITDA	Key profitably driver
Individual	50%-55%	Based on individual objectives set annually which align with the Company's strategy and assist with the Company meeting its overall performance targets	Drives focus on key performance elements that align to overall company performance targets and strategy

Remuneration Report – Audited (continued)

The Remuneration and Nomination Committee is responsible for determining the STI payable based on an assessment of whether the KPIs are met. The performance evaluation in respect of the year ended 30 June 2017 has taken place and STIs payable to the KMP's have been accrued and presented in the table outlined in part (h) of this report. Excluding, the outgoing CEO, approximately 51% of the target STIs for the KMP's were assessed as achieved and payable.

Long-term Incentives

The Group bases its Long Term Incentive Plan (LTI) on a combination of continued valued service of the particular executive and overall corporate performance of the Group as a whole so as to align each of the executives' incentives with the total performance of the Group.

In 2014 the Group adopted a Performance Rights Plan ("Plan") as an essential part of retaining senior executives in an increasingly competitive market. The Plan provides the long term incentive component of the remuneration for executives and KMP's to be identified by the Board. The purpose of the Plan is to issue a performance based bonus in the form of Performance Rights based on KPI's and performance hurdles to encourage alignment of personal and shareholder interest and:

- Foster a long term perspective within the employees necessary to increase shareholder return;
- Drive sustainable, long term performance of the Company;
- Retain key senior executives;
- Provide an opportunity for employees to participate in the Company's share price performance; and
- Ensure that the Company has a remuneration model that makes it an attractive employment option for talented personnel

LTI Performance measures and hurdles (including tenure provisions) are determined by the Board and linked to financial measures.

During the period, the Group issued 3,002,848 Performance Rights under the Plan.

The value of the Performance Rights offered as LTIs represents between 32% and 42% of the KMP's individual Total Fixed Remuneration. The mechanism for converting the LTI dollar value of the rights into the number of Performance Rights that were granted was based on the Company's 30-day volume weighted average price per share prior to 31 August 2016.

Vesting of the Performance Rights is subject to the achievement of the two separate financial performance hurdles (over a three year vesting period) outlined in the table below. Subject to the achievement of the performance hurdles, each Key Executive Performance Right may be converted (on a one for one basis) into one Share.

	50% Absolute TSR**		50% Absolute EPS Pool (cents per share)***	
*Performance Vesting Hurdles:	<100%	Nil	<6	Nil
	>100% < 180%	Pro-rata vesting between 25% and 100%	>6 < 6.5	pro rata vesting between 25%-100%
	180%>	100%	6.5>	100%

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

** Performance of management measured against absolute shareholder return target

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

Remuneration Report – Audited (continued)

The Board believes a Total Shareholder Return ("TSR") performance hurdle alongside the use of an Earnings per Share ("EPS") hurdle provides an appropriate balance. These performance measures are mutually exclusive, meaning, that if one measure is not met, there is still the ability to earn an LTI under the other measure.

Absolute TSR
Veris' justification for the use an absolute TSR target as opposed to a comparison against a selected comparator group is companies such as Veris that are in a diversification and growth phase and small to mid-capitalised are unique in their operations and appropriate and relevant comparator groups are difficult to identify.

EPS Pool
Veris' believes that pooling the EPS over three years focuses on long term EPS performance, incorporating all performance periods into the final outcome.
Subject to the terms and conditions of a grant of a Performance Right, the Board has discretion determine that all or a portion of the unvested Performance Rights automatically vest and automatically exercise on the occurrence of a Change of Control.

Remuneration Review
The Board is in the process of conducting a full review of the current remuneration structure of the Group to apply for the next and future financial years.

c) Remuneration Advice

Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. During the period, the Board engaged, consulting firm, The Reward Practice to provide independent advice in the form of a written report detailing benchmarking of executive long-term incentive structures to ensure effective alignment with business requirements, key shareholder group expectations. During the period no remuneration recommendations, as defined by the Corporations Act, were provided by the Reward Practice.

d) Performance Linked Compensation

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

	Financial Year Ended 30 June	2017	2016	2015	2014	2013
LTI	Closing Share Price ($)	0.15	0.23	0.07	0.14	0.12
	EPS (cents)	0.02	7.4	(3.6)	2.8	2.5
STI	Profit/(Loss) from Continuing Operations ($'000)	48	19,698	(8,786)	5,496	5,208
	Average % of Maximum STI awarded to Executives [(i)] (%)	25%	92%	34%	59%	-
	Dividends paid ($'000)	1,368	-	-	-	-

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

Remuneration Report – Audited (continued)

e) Details of share-based compensation and bonuses

(i) Options

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

(ii) Performance Rights granted as compensation to key management personnel

The following Performance Rights over ordinary shares were granted to key management personnel during the reporting period:

Key Management Personnel	Number of Performance Rights Granted During 2017	Vesting Condition(A)	Vesting Hurdle (B)	Grant Date	Exercise Price	Fair value at grant date (C)	Expiring date
Adam Lamond	-	-	-	-	-	-	-
Simon Thomas	-	-	-	-	-	-	-
Brian Mangano	828,848	3 years' service	50% Absolute TSR and 50% Absolute 3 Yr EPS pool	5 June 2017	-	$0.063	30 June 2019
Lisa Wynne	328,500	3 years' service	50% Absolute TSR and 50% Absolute 3 Yr EPS pool	5 June 2017	-	$0.063	30 June 2019

(A) All Performance Rights granted under the Plan during the reporting period will not vest until the Vesting Conditions imposed by the Board are satisfied.

(B) Vesting is conditional on the Group achieving certain performance hurdles. Details of the performance criteria and vesting are included in the long-term incentives discussion on page 16,17 and 18 of this report.

(C) The fair value of the Performance Rights has been calculated at grant date and measured using Monte Carlo simulation model incorporating the probability of the relative TSR vesting condition being met. This amount is allocated to remuneration over the vesting period (i.e. in years 1 July 2016 to 30 June 2019).

An unexercised Performance Right will lapse upon the earlier to occur of:

i. failure to satisfy the applicable vesting conditions;
ii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;
iii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;
iv. in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;
v. the expiry date; or
vi. the seven year anniversary of the date of grant of the Performance Rights.

Remuneration Report – Audited (continued)

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

During the period, the following shares were issued on the vesting of performance rights previously granted as compensation in previous financial years:

Key Management Personnel	Number of Shares	Amount paid $/share
Adam Lamond	-	-
Simon Thomas	2,477,344	-
Brian Mangano	435,000	-
Lisa Wynne	73,973	-

(iv) Details of Long Term Incentives affecting current and future remuneration

Key Management Personnel	Instrument	#	Grant date	% vested in year	# vested in year	% forfeited/lapsed in year (A)	# forfeited /lapsed in year	Financial years in which grant vests	Face value of vested rights (B)
Simon Thomas	Performance Rights	2,390,625	12 Nov 2014	25%	597,656	75%	1,792,968	2017	$89,648
		1,368,750	20 Jan 2016	50%	684,375	50%	684,375	2017	$102,656
		4,106,250	20 Jan 2016	-	-	100%	4,106,250	2018	-
		7,865,625							
Brian Mangano	Performance Rights	870,000	12 Nov 2014	45%	391,500	55%	478,500	2017	$58,725
		650,077	20 Jan 2016	100%	650,077	-	-	2017	$97,511
		1,950,229	20 Jan 2016	-	-	-	-	2018	-
		828,848	5 June 2017	-	-	-	-	2019	-
		4,299,154							
Lisa Wynne	Performance Rights	147,945	12 Nov 2014	45%	66,575	55%	81,370	2017	$9,986
		220,588	20 Jan 2016	100%	220,588	-	-	2017	$33,088
		661,765	20 Jan 2016	-		-	-	2018	-
		328,500	5 June 2017	-	-	-	-	2019	-
		1,104,271							

(A) The percentage forfeited in the year represents the reduction from the maximum number of instruments available to vest due to performance criteria not being achieved or cessation of employment.

(B) The face value of the vested rights is based on the share price as at 30 June 2017 of 15 cents multiplied by the number of rights vested.

Remuneration Report – Audited (continued)

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

FY2015 LTI Plan Performance Outcomes

As the Company had been lacking a long term incentive plan until the introduction of the Plan in 2014, in the prior periods, the Board has adopted a transitional vesting approach for the grant of rights to long standing KMP's (CEO, CFO and Company Secretary) and therefore 50% of the LTI performance rights issued to KMP's in November 2014 were subject to the Group achieving the EPSCAGR and rTSR growth rates set out in the table below over a three year period 1 July 2014 to 30 June 2017.

The table below outlines the hurdles linked to vesting of the FY2015 Performance Rights and the performance of the Group against these hurdles.

50% rTSR			50% EPS CAGR		
Hurdle		**Performance 30/06/17**	**Hurdle**		**Performance 30/06/17**
< 50% percentile	Nil	70^{th} Percentile	<6%	Nil	(8%)
>50th percentile, <75th percentile	50%, plus 2% for every one percentile increase above 50th percentile		>6%-<24%	pro rata vesting between 25%-100%	
75th percentile or more	100%		24%>	100%	

The achievement of the above hurdles was assessed in August 2017 against the base FY2014 EPS of 2.8 cents and base share price of Veris at 30 June 2014 of 10 cents.

Total Shareholder Return

Veris' TSR was 55% during the performance period 1 July 2014 to 30 June 2017 ranking Veris in the 70^{th} percentile against the ASX All Ordinaries Index, resulting in the following outcomes for the vesting of the FY2015 Performance Rights:

- 1,055,731 Performance Rights ***vested***; and
- 50,897 Performance Rights ***lapsed***

Normalised Earnings Per Share

Veris' normalised EPS has decreased by 8% since the beginning of the performance period of 1 July 2014 to 30 June 2017, hence, failing the minimum 6% growth target, resulting in the following outcomes for the vesting of the FY2015 Performance Rights:

- 508,973 Performance Rights ***lapsed***

Cessation of Employment

A further 1,792,969 Performance Rights ***lapsed*** during the financial year following the resignation of Veris' CEO.

Remuneration Report – Audited (continued)

FY2016 LTI Plan Performance Outcomes

As the Company had been lacking a long term incentive plan until the introduction of the Plan in 2014, in the prior periods, the Board has adopted a transitional vesting approach for the grant of rights to long standing KMP's (CEO, CFO and Company Secretary) and therefore 25% of the LTI performance rights issued to KMP's in January 2016 were subject to the Group achieving the EPSCAGR and rTSR growth rates set out in the table below over the two year period 1 July 2015 to 30 June 2017.

The table below outlines the hurdles linked to vesting of the FY2015 Performance Rights and the performance of the Group against these hurdles.

50% rTSR			50% EPS CAGR		
Hurdle		**Performance 30/06/17**	**Hurdle**		**Performance 30/06/17**
< 50% percentile	Nil	92nd Percentile	<5%	Nil	33%
>50th percentile, <75th percentile	50%, plus 2% for every one percentile increase above 50th percentile		>5%-<25%	pro rata vesting between 25%-100%	
75th percentile or more	100%		25%>	100%	

The achievement of the above hurdles was assessed in August 2017 against the base FY2015 Normalised EPS of 0.9 cents and base share price of Veris at 30 June 2015 of 7 cents.

Total Shareholder Return

Veris' TSR was 118% during the performance period 1 July 2015 to 30 June 2017 ranking Veris in the 92nd percentile against the ASX All Ordinaries Index, resulting in the following outcomes for the vesting of the FY2016 Performance Rights:

- 1,119,707 Performance Rights ***vested***

Normalised Earnings Per Share

Veris' normalised EPS has increased by 33% since the beginning of the performance period of 1 July 2015 to 30 June 2017, hence achievement of the EPS growth target by 100%, resulting in the following outcomes for the vesting of the FY2015 Performance Rights:

- 435,332 Performance Rights ***vested***

Cessation of Employment

4,790,625 Performance Rights ***lapsed*** during the financial year following the resignation of Veris' CEO.

f) Voting and comments made at the Company's 2016 Annual General Meeting

The adoption of the Remuneration Report for the financial year ended 30 June 2016 was put to the shareholders of the Company at the Annual General Meeting held 23 November 2016. The Company received more than 98% of votes, of those shareholders who exercised their right to vote, in favour of the remuneration report for the 2016 financial year. The resolution was passed without amendment on a show of hands.

Remuneration Report – Audited (continued)

g) Contractual Arrangements

On appointment to the board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration, relevant to the office of director.

Remuneration and other terms of employment for the managing director, chief executive officer, chief financial officer and other key management personnel are also formalised in service agreements. Major provisions of the agreements relating to remuneration are set out below.

Name	Term of agreement	Base Salary including superannuation	Termination
Derek La Ferla	Mr La Ferla will hold office until the next annual general meeting of the Company where he may be subject to retirement by rotation under the company's constitution.	$125,744	In accordance with the company's constitution and the Corporations Act 2001 (Cth).
Adam Lamond (A) (B) (C) & (D)	Until validly terminated in accordance with the terms of the Agreement.	$414,616	Termination by Company with reason – 1 months' notice Termination by Company without reason – 3 months' notice (or payment of the equivalent of 5 months' salary to dispense of the notice period)
Tom Lawrence	Mr Lawrence will hold office until the next annual general meeting of the Company where he may be subject to retirement by rotation under the company's constitution.	$77,305	In accordance with the company's constitution and the Corporations Act 2001 (Cth).
Karl Paganin	Mr Paganin will hold office until the next annual general meeting of the Company where he may be subject to retirement by rotation under the company's constitution.	$77,305	In accordance with the company's constitution and the Corporations Act 2001 (Cth).
Simon Thomas (resigned 29 March 2017) (A) (B) & (C)	Until validly terminated in accordance with the terms of the Agreement.	$465,374	Termination by Company with reason – 1 months' notice Termination by Company without reason – 3 months' notice (or payment of the equivalent of 5 months' salary to dispense of the notice period)
Brian Mangano (A) (B) & (C)	Until validly terminated in accordance with the terms of the Agreement.	$331,538	Termination by Company with reason – 1 months' notice Termination by Company without reason – 3 months' notice (or payment of the equivalent of 5 months' salary to dispense of the notice period)
Lisa Wynne (A) (B) & (C)	Until validly terminated in accordance with the terms of the Agreement.	$200,000	Termination by Company with reason – 1 months' notice Termination by Company without reason – 3 months' notice (or payment of the equivalent of 5 months' salary to dispense of the notice period)

Remuneration Report – Audited (continued)

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

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

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

(D) Mr Lamond was an Executive Director for the period 1 July 2016 to 29 March 2017 and received an annual salary of $126,650 during that period. On 29 March 2017, Mr Lamond was appointed to the role of Managing Director.

h) Remuneration of directors and key management personnel of the group for the current and previous financial year

		Short-term employee benefits			Post-employment benefits	Termination Benefits		Share-based Payments		
		Salary & fees $	STI Cash bonus (A) $	Non-monetary $	Superannuation $	$	Performance Rights $ (E)	Performance Rights $ (E)	Total $	Proportion of remuneration performance related
Directors										
Non-Executive Directors										
Derek La Ferla (Chairperson)	**2017**	**115,983**	**-**	**-**	**7,343**	**-**	**-**	**-**	**123,326**	**-**
	2016	114,834	-	-	10,909		-		125,744	-
Tom Lawrence	**2017**	**77,305**	**-**	**-**	**-**	**-**	**-**	**-**	**77,305**	**-**
	2016	77,305	-	-	-	-	-	-	77,305	-
Karl Paganin	**2017**	**77,305**	**-**	**-**	**-**	**-**	**-**	**-**	**77,305**	**-**
	2016	47,588	-	-	-	-	-	-	47,588	-
Executive Director										
Adam Lamond (Managing Director) (C)	**2017**	**178,804**	**-**	**-**	**9,891**	**-**	**-**	**-**	**188,695**	**-**
	2016	120,000	-	-	6,650	-	-	-	126,649	-
Total Directors' Remuneration	**2017**	**449,397**	**-**	**-**	**17,234**	**-**	**-**	**-**	**466,631**	**-**
	2016	359,727	-	-	17,559	-	-	-	377,286	-

Remuneration Report – Audited (continued)

		Short-term employee benefits			Post-employ-ment benefits	Termination Benefits		Share-based Payments		
		Salary & fees $	STI Cash bonus (A) $	Non-monetary $	Super-annuation $	$	Perfor-mance Rights $ (E)	Perfor-mance Rights $ (E)	Total $	Proportion of remuneration performance related
Other Executives										
Simon Thomas (CEO, resigned 29 March 2017)	**2017**	**330,981**	**-**	**-**	**24,520**	**251,981**	**(239,324)**	**116,645**	**484,712**	**24%**
	2016	446,067	172,189	-	19,308	-	-	461,651	1,099,215	58%
Brian Mangano (CFO)	**2017**	**295,788**	**67,454**	**-**	**28,100**	**-**	**-**	**229,818**	**621,160**	**48%**
	2016	291,130	126,648	-	33,163	-	-	196,652	647,593	50%
Lisa Wynne (Company Secretary) (D)	**2017**	**145,000**	**26,735**	**-**	**14,623**	**-**	**-**	**73,165**	**259,523**	**38%**
	2016	126,093	36,724	-	11,400		-	54,186	228,403	40%
Total Executives' Remuneration	**2017**	**771,679**	**94,189**	**-**	**67,242**	**251,981**	**(239,324)**	**419,627**	**1,365,395**	**38%**
	2016	863,290	335,561	-	63,871	-	-	712,489	1,975,211	33%
Total Directors' and Executives' Remuneration	**2017**	**1,221,076**	**94,189**	**-**	**84,477**	**251,981**	**(239,324)**	**419,627**	**1,832,026**	**28%**
	2016	1,223,017	335,561	-	81,430		-	712,489	2,352,497	45%

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

(A) Short-term incentive bonus is for the achievement of KPIs within their individual roles for the financial year ended 30 June 2017. The performance evaluation in respect of the year ended 30 June 2017 has taken place and the short-term incentive bonuses have been accrued but not yet paid.

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

(C) Adam Lamond served as an Executive Director from January 2014 to March 2017, when he was appointed Managing Director.

(D) Pro-rata based on annual salary of $200,000.

(E) The value of the Performance Rights granted or lapsed in the year is the fair value of the rights calculated at grant date. This amount is allocated to remuneration over the vesting periods (in years 1 July 2015 to 30 June 2019). The fair value of the Performance Rights has been measured using Monte Carlo simulation model.

Remuneration Report – Audited (continued)

i) Analysis of bonuses included in remuneration – audited

Details of the vesting profile of the short-term incentive cash bonuses awarded as remuneration to key management personnel during the period are detailed below.

		Short-term incentive bonus		
Key Management Personnel	**Maximum Potential Value of STI Payment $**	**Included in remuneration $ (A)**	**% of Maximum Potential STI Payment Awarded**	**% Maximum Potential STI Payment Forfeited**
Adam Lamond	-	-	-	-
Simon Thomas	186,150	-	-	100% (B)
Brian Mangano	132,615	67,454	51%	49% (C)
Lisa Wynne	52,560	26,735	51%	49% (C)

(A) Amounts included in remuneration for the financial year is for the achievement of 90% of personal KPIs and performance within their individual roles for the financial year ended 30 June 2017. The performance evaluation in respect of the year ended 30 June 2017 has taken place however the short-term incentive bonuses have been accrued but not yet paid.

(B) The amounts forfeited are due to the cessation of employment of the CEO.

(C) The amounts forfeited are due to Financial and Safety KPIs not being met in relation to the financial year.

j) Equity Instrument Disclosure Relating to Key Management Personnel

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

KMP	**# Held 1 July 2016**	**Granted in year**	**Grant Value (A)**	**Grant Face Value (B)**	**Number Vested in year**	**Number forfeited / lapsed in year**	**Number held at 30 June 2017**
Adam Lamond	-	-	-	-	-	-	-
Simon Thomas	7,865,625	-	-	-	(1,282,032)	(6,583,594)	-
Brian Mangano	3,470,306	828,848	$52,217	$124,327	(1,041,576)	(478,500)	2,779,078
Lisa Wynne	1,030,298	328,500	$20,696	$49,275	(287,163)	(81,370)	990,265

(A) The value of the Performance Rights granted in the year is the fair value of the rights calculated at grant date. This amount is allocated to remuneration over the vesting period (i.e. in years 1 July 2015 to 30 June 2018). The fair value of the Performance Rights has been measured using Monte Carlo simulation model incorporating the probability of the relative TSR vesting condition being met.

(B) The face value of the rights granted during the year is based on the share price as at grant date of 12 cents multiplied by the number of rights granted.

Remuneration Report – Audited (continued)

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

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

	Balance at 30/06/2016	Movement	Balance at 30/06/2017
Directors			
Derek La Ferla	562,500	5,204	567,704
Adam Lamond	50,266,815	(4,425,000)	45,841,815
Tom Lawrence(A)	3,662,596	-	3,662,596
Karl Paganin	4,746,929	753,071	5,550,000
KMP's			
Simon Thomas (B)	50,000	2,477,344	2,527,344
Brian Mangano (C)	1,300,000	536,202	1,836,202
Lisa Wynne (C)	-	75,205	75,205
Total	**60,588,840**	**(577,974)**	**60,010,866**

(A) Includes 439,998 shares held by OTC ESP Pty Ltd as trustee of the Veris Employee Share Plan of which Tom Lawrence is a Director but in which shares Tom Lawrence has no beneficial interest.
(B) KMP shareholding at cessation of employment.
(C) KMP shareholdings do not include the Performance Rights which have vested during the period as Performance Rights do not convert to ordinary shares until the Board notifies the employee and provides a vesting notification advising them that the Performance Rights have vested. The vesting notice will be provided following the finalisation of the audit for the period.

THIS CONCLUDES THE AUDITED REMUNERATION REPORT

Shares Under Option

As at 30 June 2017 there are no shares under option.

Indemnification and Insurance of Officers

During the financial year the Group paid insurance premiums of $31,000 (2016: $24,000) to insure the directors, secretaries and executive officers of the Group and its subsidiary companies.

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

Non-Audit Services

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

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

All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit Committee to ensure they do not impact the integrity and objectivity of the auditor; and the non-audit services provided do not undermine the general principals relating to the auditor independence as set out in APES110 Code of Ethics for the Professional Accountants, as they did not involve reviewing or auditing the auditors own work, acting in a management or decision making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

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

	Consolidated	
	2017 $000	**2016 $000**
Audit services:		
Audit and review of the financial reports	222	195
Services other than audit services:		
Other services (Due Diligence)	142	76
Other services (Integration)	405	-
Earn out audit	-	25
	769	296

Environmental Regulations and Performance

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

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

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

Proceedings on Behalf of the Group

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

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 76 and forms part of the directors' report for the year ended 30 June 2017.

Rounding off

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

Corporate Governance Statement

Veris is committed to implementing sound standards of corporate governance. In determining what those standards should involve, the Group has had regard to the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd Edition) ("ASX Recommendations"). This corporate governance statement outlines the key principles and practices of the Company which in the terms of the Group's Corporate Governance Charter, define the Group's system of governance. A copy of the Group's Corporate Governance Statement has been placed on the Group's website under the Investors tab in the corporate governance section - http://www.veris.com.au/media/1228/veris_corporate_governance_statement.pdf

Signed in accordance with a resolution of the directors:

Derek La Ferla
Chairman
Dated at Perth 16 August 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017 $000	2016 $000
Revenue	2	107,875	120,858
Operating Expenses		(98,061)	(104,682)
		9,814	**16,176**
Depreciation	13	(4,087)	(2,550)
Amortisation	14	(4,168)	(3,040)
Acquisition related (cost)/income	3	(1,192)	1,336
Restructuring costs		(1,309)	(173)
Share-based payment		(298)	(1,050)
Results from operating activities		(1,240)	10,699
Financial income		55	69
Finance costs		(901)	(820)
Net finance costs		(846)	(751)
Profit (loss) before income tax		**(2,086)**	**9,948**
Income tax benefit	15	2,134	9,750
Profit for the year		**48**	**19,698**
Total comprehensive income for the year		**48**	**19,698**
Earnings per share			
Basic earnings cents per share	4	0.02	7.40
Diluted earnings cents per share	4	0.02	7.40

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

Consolidated Statement of Financial Position

As at 30 June 2017

	Note	30 Jun 2017 $000	30 Jun 2016 $000
Assets			
Current assets			
Cash and cash equivalents	*17*	14,574	12,968
Trade and other receivables	*10*	15,983	14,353
Work in progress		4,616	6,750
Other current assets		1,118	1,856
Current tax asset		-	42
Total current assets		36,291	35,969
Non-current assets			
Plant and equipment	*13*	11,049	8,048
Intangible assets	*14*	40,525	31,844
Deferred tax asset	*16*	7,636	6,716
Total non-current assets		59,210	46,608
Total assets		95,501	82,577
Liabilities			
Current Liabilities			
Trade and other payables	*11*	7,291	10,384
Deferred vendor payments	*7*	1,544	2,700
Loans and borrowings	*19*	2,593	7,799
Employee benefits	*12*	5,481	4,092
Current tax liability		613	-
Total current liabilities		17,522	24,975
Non-current liabilities			
Loans and borrowings	*19*	8,935	3,593
Deferred vendor payments	*7*	1,200	300
Employee benefits	*12*	907	411
Total non-current liabilities		11,042	4,304
Total liabilities		28,564	29,279
Net assets		**66,937**	**53,298**
Equity			
Share capital	*20*	37,283	22,622
Share based payment reserve	*22*	1,747	1,449
Retained earnings		27,907	29,227
Total equity		**66,937**	**53,298**

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

	Note	Share Capital $000	Share Based Payment Reserve $000	Retained Earnings $000	Total Equity $000
Balance at 1 July 2016		22,622	1,449	29,227	53,298
Total comprehensive income for the year					
Profit for the period		-	-	48	48
Total comprehensive profit for the year		-	-	48	48
Transactions with owners of the Company, recognised directly in equity					
Issue of ordinary shares (net of costs)	*20*	14,661	-	-	14,661
Dividends paid	*21*	-	-	(1,368)	(1,368)
Share-based payment transactions		-	298	-	298
Total transactions with owners of the Company		14,661	298	(1,368)	13,591
Balance at 30 June 2017		**37,283**	**1,747**	**27,907**	**66,937**

	Note	Share Capital $000	Share Based Payment Reserve $000	Retained Earnings $000	Total Equity $000
Balance at 1 July 2015		22,155	399	9,529	32,083
Total comprehensive income for the year					
Profit for the year		-	-	19,698	19,698
Total comprehensive profit for the year		-	-	19,698	19,698
Transactions with owners of the Company, recognised directly in equity					
Issue of ordinary shares (net of costs)	*20*	467	-	-	467
Dividends paid	*21*	-	-	-	-
Share-based payment transactions		-	1,050	-	1,050
Total transactions with owners of the Company		467	1,050	-	1,517
Balance at 30 June 2016		**22,622**	**1,449**	**29,227**	**53,298**

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

Consolidated Statement of Cash Flow

For the Year Ended 30 June 2017

	Note	2017 $000	2016 $000
Cash flows from operating activities			
Receipts from customers		121,706	130,133
Payments to suppliers and employees		(114,737)	(113,765)
Cash generated from operations		6,969	16,368
Tax received		272	160
Interest paid		(901)	(820)
Interest received		55	69
Net cash from operating activities	*18*	6,395	15,777
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		395	547
Purchase of property, plant and equipment		(822)	(1,348)
Deferred vendor payment		(2,545)	(2,400)
Acquisition of subsidiaries net of cash acquired		(7,500)	(3,158)
Net cash (used in) investing activities		(10,472)	(6,359)
Cash flows from financing activities			
Dividends paid		(1,060)	-
Repayment of borrowings and lease liabilities		(5,578)	(6,632)
Proceeds from share issues (net of costs)		12,321	-
Net cash (used in) from financing activities		5,683	(6,632)
Net increase in cash and cash equivalents		1,606	2,786
Cash and cash equivalents at 1 July		12,968	10,182
Cash and cash equivalents at 30 June	*17*	**14,574**	**12,968**

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

BASIS OF PREPARATION

REPORTING ENTITY

Veris Limited (the "Company" or "Veris") is a for-profit company domiciled in Australia. The Company's registered office is at Level 12, 3 Hasler Road, Osborne Park WA 6017. The consolidated financial statements of the Company as at and for the year ended 30 June 2017 comprises the Company and its subsidiaries (together referred to as the "Group"). The Group is a diversified infrastructure and survey solutions company.

STATEMENT OF COMPLIANCE

The consolidated financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB). This consolidated annual report was approved by the board of directors on 16 August 2017.

NOTE INDEX

GROUP PERFORMANCE
1. OPERATING SEGMENTS

The Group has two reportable segments that are being managed separately by the service provided as described below:

- Surveying Professional Services – provides surveying, mapping and town planning services across Australia
- Infrastructure Construction – provides turnkey construction and installation services to the resources and infrastructure sectors.

Information regarding the results of each reporting segment is detailed below for the year ended 30 June 2017.

	Surveying Professional Services		Infrastructure Construction		Total	
	2017 $000	**2016 $000**	**2017 $000**	**2016 $000**	**2017 $000**	**2016 $000**
Revenues	68,831	49,382	42,414	73,080	111,245	122,462
Inter-segment revenues	(2,056)	(1,565)	(1,314)	(39)	(3,370)	(1,604)
External revenues	66,775	47,817	41,100	73,041	107,875	120,858
Costs	(59,394)	(39,960)	(38,223)	(61,920)	(97,617)	(101,880)
Inter-segment costs	2,056	267	1,314	1,337	3,370	1,604
External costs	(57,338)	(39,693)	(36,909)	(60,583)	(94,247)	(100,276)
EBITDA*	**9,437**	**8,124**	**4,191**	**12,458**	**13,628**	**20,582**
Depreciation	(3,531)	(1,986)	(422)	(552)	(3,953)	(2,538)
Amortisation	(4,168)	(3,040)	-	-	(4,168)	(3,040)
EBIT** for reportable segments	1,738	3,098	3,769	11,906	5,507	15,004
	2017 $000	**2016 $000**	**2017 $000**	**2016 $000**	**2017 $000**	**2016 $000**
Segment assets	69,301	52,777	8,807	18,043	78,108	70,820
Segment liabilities	(15,018)	11,988	(4,587)	10,736	(19,605)	22,724

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

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

Revenue from one major customers of the Group (Canstruct Pty Ltd), individually represents more than 10% of total Group revenue, represented $24.7 million during the year ended 30 June 2017. (2016: Canstruct represented more than 10% total Group revenue; $49.3 million).

1. OPERATING SEGMENTS (CONTINUED)

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

	2017 $000	2016 $000
Revenues		
Total revenue for reportable segments	111,245	122,445
Elimination of inter-segment revenue	(3,370)	(1,587)
Consolidated revenue	107,875	120,858
Expenses		
Total expenses for reportable segments	97,617	101,880
Elimination of inter-segment costs	(3,370)	(1,604)
Unallocated amounts - other corporate expenses	3,814	4,406
Consolidated expenses	98,061	104,682
Profit (loss)		
EBIT for reportable segments	5,507	15,004
Unallocated amounts - other corporate expenses	(4,246)	(5,468)
Acquisition related cost/income	(1,192)	1,336
Restructuring costs	(1,309)	(173)
Net finance expense	(846)	(751)
Consolidated profit (loss) before income taxes	(2,086)	9,948

Assets	2017 $000	2016 $000
Total assets for reportable segments	78,108	70,820
Other unallocated amounts	17,393	11,757
Consolidated total assets	95,501	82,577
Liabilities		
Total liabilities for reportable segments	19,605	22,724
Other unallocated amounts	8,959	6,555
Consolidated total liabilities	28,564	29,279

2. REVENUE

	2017 $000	2016 $000
Surveying Professional Services	66,775	47,817
Infrastructure Construction rendering of services	41,100	73,041
	107,875	120,858

3. ACQUISITIONS

During the year, the Company made the following acquisitions as part of its national surveying and strategic plan as detailed below:

ACQUISITION OF BUSINESS – LAWRENCE GROUP PTY LTD.

On 29 July 2016, the Group entered into an agreement to acquire Lawrence Group Pty Ltd, a Sydney-based surveying consultancy. The purchase price comprises of $3,900,000 in cash and $1,500,000 in the Company's shares. A further $1,000,000 in cash will be paid if Lawrence achieves performance milestones. A net working capital adjustment will be paid (refunded) following completion of the acquisition. Details of the acquisition including total consideration transferred, goodwill recognition, identifiable assets acquired and liabilities assumed was provided at note 3 in the Company's 30 June 2016 Annual report. Further to the items identified on acquisition, the Company has agreed to a net working capital adjustment which amounted to a refund of $299,000. Subject to the Share Sale Agreement with the vendors, no performance milestones had elapsed during the year.

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date

	30 June 2016 Disclosure $000	At Settlement $000
Cash	136	174
Customer Relationships	1,980	1,980
Trade and other receivables	1,208	1,145
WIP	-	320
Other current assets	33	92
Property, plant and equipment	1,046	1,025
Deferred tax asset	-	182
Trade and other payables	(485)	(864)
Employee benefits	(262)	(344)
Loans and borrowings	(818)	(863)
Current Tax Liability	(173)	(1)
Deferred Tax Liability	-	(594)
	2,665	2,252

Goodwill

The amendment to the provisional goodwill recognised as a result of the above amendments is as follows:

	30 June 2016 Disclosure $000	At Settlement $000
Total consideration transferred	6,385	6,085
Fair value of identifiable assets and liabilities	(2,665)	(2,252)
Goodwill	3,720	3,833

3. ACQUISITIONS (CONTINUED)

ACQUISITION OF BUSINESS – WKC SPATIAL

On 5 August 2016, the Group's subsidiary Whelans Australia Pty Ltd ("Whelans") acquired the business and certain assets of WKC Spatial ("WKC"). WKC is a geospatial, cadastral surveying and engineering business, based in Midland, Western Australia. The purchase consideration of $1,900,000 was paid in cash with an additional scope for a royalty of 10% of the revenue for specific projects related to the prior owner's business development activities. The acquisition provides expertise and established client relationships within the gas infrastructure industry, complementing existing activities already undertaken by Whelans. The business has been fully integrated with the Whelans operations.

In the period since acquisition to 30 June 2017, WKC contributed revenue of $2,989,893 and EBIT profit of $38,473 to the Group's results. If the acquisition had occurred on 1 July 2016, The Company estimates that revenue would have been $3,288,882 and contributed EBIT profit would have been $38,473. In determining these amounts, Management have assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2016.

Consideration transferred

The following table summarises the acquisition- date fair value of each major class of consideration transferred.

	$000
Cash	1,900
	1,900

At balance date, the company is of the view that the specific circumstances to incur a liability for the potentially payable royalty are not yet sufficient to warrant accounting for in accordance with AASB 3.

Identifiable assets acquired and liabilities assumed

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	$000
Customer Relationships	1,200
Property, plant and equipment	954
Employee benefits - current	(302)
Deferred Tax Liability	(360)
Additional rectification liability works – pre-acquisition project	(263)
	1,229

The fair values of assets and liabilities have been determined on a provisional basis.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$000
Total consideration transferred	1,900
Fair value of identifiable assets and liabilities	(1,229)
Goodwill	671

The goodwill is attributable mainly to the skills and technical talent of WKC Spatial's workforce, and the synergies expected to be achieved from integrating the company into Whelans existing surveying business.

3. ACQUISITIONS (CONTINUED)

ACQUISITION OF BUSINESS - GOODWIN MIDSON

On 2 November 2016, the Group's subsidiary Queensland Surveying Pty Ltd acquired the business and certain assets of Hillmir Pty Ltd trading as Goodwin Midson ("Goodwin Midson"), a geospatial, cadastral surveying and engineering business, based in Brisbane Queensland. The purchase consideration of $500,000 was paid in cash with an additional royalty payment of 5% of gross revenue for the proceeding 12 month period, estimated at a maximum value of $100,000.

The acquisition provides expertise and established client relationships within the construction and telecommunications industries, significant survey expert witness reputation and additional capacity for cadastral, geospatial, drafting, and Geographic Information Systems (GIS).

In the period since acquisition to 30 June 2017, Goodwin Midson contributed revenue of $1,375,000 and EBIT of $243,000 to the Group's results. If the acquisition had occurred on 1 July 2016, The Company estimates that revenue would have been $2,060,000 and contributed EBIT would have been $365,000. In determining these amounts, Management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2016.

Consideration transferred

The following table summarises the acquisition- date fair value of each major class of consideration transferred.

	$000
Cash	500
Deferred vendor payment	100
	600

Deferred vendor payment

As part of the purchase price, Queensland Surveying has agreed to pay the vendor a royalty payment in respect of awarded future work and developed relationships with established clients, amounting to 5% of the revenue specific to the Goodwin Midson business for the following 12 months from date of settlement, payable quarterly. A full provision of $100,000 amounting to the maximum estimated amount payable has been recognised as deferred consideration at acquisition on the basis that the revenue target will be reached. If the targets are not reached, the fair value amount of the deferred consideration will be reduced in accordance with the asset sale agreement.

Identifiable assets acquired and liabilities assumed

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	$000
Cash (overdraft)	(16)
Customer Relationships	576
Property, plant and equipment	81
Employee benefits	(144)
Deferred Tax Liability	(173)
	324

The fair values of assets and liabilities have been determined on a provisional basis.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$000
Total consideration transferred	600
Fair value of identifiable assets and liabilities	(276)
Goodwill	324

The goodwill is attributable mainly to the skills and technical talent of Goodwin Midson's workforce, and the synergies expected to be achieved from integrating the company into the Group's existing surveying business.

3. ACQUISITIONS (CONTINUED)

ACQUISITION OF BUSINESS – LESTER FRANKS SURVEY & GEOGRAPHIC PTY LTD

On 1 December 2016, the Group acquired the assets of Lester Franks Survey & Geographic Pty Ltd, a specialist geospatial, surveying and engineering business. Consideration paid was $1,700,000 cash, issue of $500,000 ordinary shares and potential future performance consideration of up to $1,400,000, subject to the achievement of financial hurdles.

The acquisition brings specialised surveying skills to the group, including high-end 3D scanning, metrology and consulting capabilities.

In the period since acquisition to 30 June 2017, Lester Franks contributed revenue of $4,300,000 and an EBIT loss of $63,000 to the Group's results. If the acquisition had occurred on 1 July 2016, The Company estimates that contributed revenue and would have been $6,882,000 and EBIT profit of $85,000. In determining these amounts, The Company has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 July 2016.

Consideration transferred

The following table summarises the acquisition- date fair value of each major class of consideration transferred.

	$000
Cash	1,767
Equity instruments (1,852 million ordinary shares)	481
Deferred vendor payment	1,400
Provision for net asset adjustment due January 2017	104
	3,752

Deferred vendor payment

As part of the purchase price the Company has agreed to pay the vendors of Lester Franks an earn-out of $1,400,000 in two tranches over 2 years subject to meeting certain EBITDA hurdles of at least $2,800,000 and Revenue of $6,250,000 in a performance period. A full provision of $1,400,000 has been recognised as deferred consideration at acquisition on the basis that management forecasts targets will be reached. If the targets are not reached, the fair value amount of the deferred consideration will be reduced in accordance with the asset sale agreement and credited to profit or loss.

Identifiable assets acquired and liabilities assumed

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	$000
Cash	58
Customer Relationships	2,900
Trade and other receivables	1,155
WIP	233
Other current assets	189
Property, plant and equipment	1,392
Current tax asset	138
Deferred tax asset	207
Trade and other payables	(681)
Employee benefits	(861)
Loans and borrowings	(1,473)
Deferred Tax Liability – Customer relationships	(870)
	2,387

The fair values of assets and liabilities have been determined on a provisional basis.

3. ACQUISITIONS (CONTINUED)

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	$000
Total consideration transferred	3,752
Fair value of identifiable assets and liabilities	(2,387)
Goodwill	1,365

The goodwill is attributable mainly to the skills and technical talent of Lester Frank's workforce, and the complementary addition to geographical and capability spread to the existing survey businesses previously acquired by Veris Limited.

Acquisition of business – LANDdata Surveys Pty Ltd

On 31 July 2017, the Group entered into an agreement to acquire the business and certain assets of LANDdata Survey PTY LTD, a Canberra and Sydney-based surveying consultancy. The purchase price comprises $3.8 million in cash. A net adjustment of up to $350,000 will be paid (refunded) following completion of the acquisition. A further $1.0 million in cash will be paid if LANDdata achieves performance milestones. In addition an incentive bonus will be paid if the Gross Margin over a two year period is greater than certain values.

The acquisition of LANDdata enhances the Group's surveying businesses in New South Wales, and provides an entry into the ACT market, adding scale and capability to the Group's existing surveying businesses.

Consideration transferred

The following table summarises the acquisition-date fair value of each major class of consideration transferred.

	2017 $000
Cash	3,450
Deferred vendor payment	1,960
	5,410

Deferred vendor payment

As part of the purchase price the Company has agreed to pay the LANDdata an earn out of up to $1.0 million cash over 2 years subject to meeting certain Revenue and Gross Margin hurdles of at least $5.3 million and 30% respectively in a performance period with a cap on revenue of $5.8 million in Period 1 and $11.5m combined revenue for Period 1 and 2. An additional incentive bonus will also be paid at the end of Milestone Period 2 if Gross Margin is greater than $4.4 million. This also includes up to $350,000 net adjustment on acquisition.

3. ACQUISITIONS (CONTINUED)

Identifiable assets acquired and liabilities assumed

The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.

	2017 $000
Customer Relationships	3,360
Other current assets	44
Property, plant and equipment	322
Employee benefits	(238)
Deferred tax liability	(1,008)
	2,480

The fair values of intangible assets and contingent liabilities have been determined on a provisional basis.

Goodwill

Goodwill arising from the acquisition has been recognised as follows:

	2017 $000
Total consideration transferred	5,410
Fair value of identifiable assets and liabilities	(2,480)
Goodwill	2,930

The goodwill is attributable mainly to the skills and technical talent of LANDdata Group's workforce, and the synergies expected to be achieved from integrating the company into the Group's existing surveying business.

ACQUISITION COSTS

The Group incurred acquisition costs of $1,192,000 to acquire new surveying businesses which is recognised in the Statement of Profit and Loss and Other Comprehensive Income. In prior year Incurred acquisition costs of $1.2 million to acquire new surveying businesses which is recognised in the Statement of Profit and Loss and Other Comprehensive Income are offset by a $2.5 million write-back of deferred vendor payment for a surveying business. Net position ($1.3 million).

4. EARNINGS PER SHARE

	2017	2016
Earnings used to calculate basic EPS ($000)	48	19,698
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS (number of shares)	309,734,798	264,625,881
Basic earnings per share (cents per share)	0.02	7.40

Diluted Earnings per share
There is no material impact on basic EPS arising from dilutive potential shares.

5. SUBSEQUENT EVENTS

Subsequent to the 30 June, the Group have decided to discontinue the Infrastructure division of OTOC Australia following the completion of existing projects. The Communications division of OTOC Australia has been renamed AQURA Technologies and will continue its operations which include the provision of support to Veris professional services business.

On 31 July 2017, Veris Australia purchased LANDdata Surveys PTY LTD, a leading surveying consultancy with operations in the Australian Capital Territory and New South Wales. This acquisition will enhance Veris' experience and expertise in commercial, residential, land development and government infrastructure projects and increasing the Group's national footprint. Refer to Note 3.

Veris Limited has declared after the balance sheet date that it will pay a fully franked dividend for 2017 of 0.5 cents per share in September 2017.
Other than the matters discussed above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

RISK MANAGEMENT

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the consolidated financial statements in conformity with IFRSs require management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
Critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements relate to contract revenue, contract work in progress and deferred vendor payments. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period which the estimates are revised and in any future periods affected.

Contract revenue and work in progress
Revenue from construction contracts is recognised using the percentage of completion method. Judgement is exercised in determining the stage of completion of the contract and in reliably estimating the total contract revenue and contract costs to completion. The stage of contract completion is generally measured by reference to physical completion. An assessment of total labour hours and other costs incurred to date as a percentage of estimated total costs for each contract is used if it is an appropriate proxy for physical completion. Task lists and milestones are also used to calculate or confirm the percentage of completion if appropriate.
The key judgement in determining revenue from construction contracts is estimating the unapproved variations and claims to be included in project forecast revenue and work in progress. The Company uses its best estimate and its expertise to determine the value included supported by qualified external experts where necessary. The outcome of the events which are the subject of these judgements are by nature uncertain such that final positions resolved with clients can differ materially from original estimates which may impact the recoverability of work in progress.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Deferred vendor payments

As part of the purchase price of the four acquisitions during the year, the Group agreed to pay the vendors performance payments subject to the acquisitions reaching certain targeted earn out values – one of these acquisitions was based on EBITDA measures, another on Gross Margin & Revenue, and the other two were based on royalties Revenue. The value for deferred vendor payment is estimated based on actual results to date plus forecasts. Actual results may differ from these estimates. This information is set out under Note 3 and 7.

7. FINANCIAL INSTRUMENTS

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit & Risk Committee, which is responsible for overseeing how manage monitors risk and reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee reports regularly to the Board of Directors on its activities.

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

The fair values and carrying amounts of various financial instruments recognised at reporting date are noted below:

	2017		2016	
	Carrying Amount	Fair Values	Carrying Amount	Fair Values
	$000	$000	$000	$000
Cash and cash equivalents	14,574	14,574	12,968	12,968
Trade and other receivables	15,983	15,983	14,353	14,353
Trade and other payables	7,291	7,291	10,384	10,384
Hire purchase liabilities	(8,153)	(8,153)	(6,811)	(6,811)
Cash advance facility	(3,375)	(3,375)	-	-
Commercial bills (drawn)	-	-	(4,582)	(4,582)
Deferred vendor payments – Bosco Jonson	-	-	(1,500)	(1,500)
Deferred vendor payments – Goodwin	(70)	(70)	(900)	(900)
Deferred vendor payments – Linker	(300)	(300)	(600)	(600)
Deferred vendor payments – Lawrence	(1,000)	(1,000)	-	-
Deferred vendor payments – Lester Franks	(1,374)	(1,374)	-	-

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

Measurement at fair values

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring Level 3 fair values at 30 June 2017, as well as the significant unobservable inputs used.

Type	**Valuation Technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Deferred vendor payments	The Company forecast that Linker, Lawrence and Lester Franks will reach their targeted earn out values and therefore have recognised the maximum amount payable under the contract for contingent consideration. For Goodwin and WKC an estimate of potential revenue has been used to determine contingent consideration. Given that payments are due within two years of acquisition the amount recognised approximates to fair value.	For Linker and Lawrence the target is EBITDA, For WKC and Goodwin it's revenue, and for Lester Franks it's a combination of Gross Margin and Revenue. For further details refer to the Deferred Vendor Payment table below.	The estimated fair value of the deferred vendor payments would decrease if any of the conditions were not met. Generally, a change in the annual revenue will impact all companies, and for Linker, Lawrence and Lester Franks we expect a change in revenue to be accompanied by a directionally similar change in margin.

ii. Level 3 fair values

Sensitivity analysis

For the fair values of deferred vendor payments, reasonably possible changes at 30 June 2017 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Deferred Vendor Payments

		Linker**	
	EBITDA Target	**Tranche 1 Period 1 Payout 1/05/16 – 30/04/17**	**Tranche 2 Period 2 Payout 1/05/17 – 30/04/18**
	$000	**$000**	**$000**
Target equals	810	-	100
Target between*	810 – 1,010	-	200
Target greater than	1,010	-	-
Total		-	300

7. FINANCIAL INSTRUMENTS (CONTINUED)

Deferred Vendor Payments continued

	Revenue Target	WKC***		EBITDA Target	Lawrence	
		Tranche 1 Period 1 Payout 6/08/16 – 5/08/17	Tranche 2 Period 2 Payout 6/08/17 – 5/08/18		Tranche 1 Period 1 Payout 1/08/16 – 29/07/17	Tranche 2 Period 2 Payout 1/08/17 – 29/07/18
	$000	$000	$000	$000	$000	$000
		-	-	0 – 1,199	-	-
10% Revenue		-	-	1,200 – 1,400	300	300
		-	-	> 1,400	200	200
Total		-	-		500	500

	Revenue	Goodwin Midson **	Gross Profit Margin & Revenue Target	Lester Franks	
		Tranche 1 Period 1 Payout 1/11/16 – 31/10/17		Tranche 1 Period 1 Payout 1/12/16 – 30/11/17	Tranche 2 Period 2 Payout 1/12/17 – 30/11/18
	$000	$000		$000	$000
5% Gross Revenue		70	Margin < 45% & Revenue < 6,250	-	-
		-	Margin > 45% & Revenue > 6,250	674	-
		-	Margin < 45% & > 2,813 & Revenue > 6,250 &	-	700
Total		70		674	700

* In this range the deferred vendor payment will be earned on a dollar for dollar basis up to a maximum of $0.75 million for Bosco Jonson, $0.1 million for Queensland Surveying and $0.2 million for Linker. If the minimum targets are not met, then no vendor payment is made.
** The following deferred vendor payments were made during the year; THG $0.7 million; Bosco Jonson $1.5 million; and Linker $0.3 million. In addition, $30k Royalty payments were made during the year in respect of Goodwin Midson.
*** The earn out targets for WKC were not achieved and hence no payments have been made.

7. FINANCIAL INSTRUMENTS (CONTINUED)

Risk Management Strategies

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

Credit risks

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

As detailed in Note 1, revenue from one major customers of the Group (Canstruct Pty Ltd), individually represents more than 10% of total Group revenue, and represent approximately $24.7 million, during the year ended 30 June 2017 (2016: Canstruct; $49.3 million). The Company is implementing its diversification strategy to mitigate this risk, through its acquisition surveying businesses.

Credit risk is kept continually under review and managed to reduce the incidence of material losses being incurred by the non-receipt of monies due.

Credit risk is managed through monitoring and follow-up of accounts receivable on a regular basis, and follow up on overdue customer balances.

Bad debts are written off in the year in which they are identified. Specific provisions are made against identified doubtful debts. An assessment of expected losses is made based on past experience and customer payment history patterns.

There has been no change in the above policy since the prior year. The Group typically trades with counterparts that are considered blue-chip as a means of mitigating credit risk.

The Group's maximum exposure to credit risk is:

	2017 $000	2016 $000
Cash and cash equivalents	14,574	12,968
Trade and other receivables	15,983	14,353
	30,557	27,321

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

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

	2017 $000	2016 $000
0 – 30 days not past due	9,921	10,753
Past due 1 – 30 days	3,499	2,064
Past due 31 – 60 days	1,139	504
Past due 61 – 90 days	985	675
Past due 90 days	700	355
Provision for impairment	(261)	(152)
Total	15,983	14,199

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

The Group's maximum exposure to credit risk for trade and other receivables at the reporting date by geographic region was $16,279,000 (2016: $14,353,000) for Australia. The allowance for impairment for 2017 amounted to ($261,000) (2016: $152,000).
Based on historic default rates, the Group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 30 days.
The movement in the allowance for impairment in respect trade receivables during the year was as follows:

	2017 $000	2016 $000
Balance 1 July	152	64
Impairment loss reversed	(143)	-
Impairment loss provided	252	88
Total	261	152

Liquidity risks

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.
The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements. Liquidity risk is the risk that the Group will encounter difficulties to meet its contractual obligations arising from the financial liabilities.
Liquidity risk is constantly monitored and managed through forecasting short term operating cash requirements and the committed cash outflows on financial liabilities.
Maturity analysis of contractual undiscounted cash flows on financial liabilities at reporting date. There has been no change in the above policy since prior year.

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

2017

Non-derivative financial liabilities	Carrying Amount $000	Contractual Cash Flows $000	6 Months or less $000	6 – 12 Months $000	1 – 2 Years $000	2 – 5 Years $000	>5 Years $000
Hire purchase liabilities	8,153	8,541	1,098	931	1,154	5,358	-
Trade and other payables	7,291	7,291	7,291	-	-	-	-
Deferred vendor payments	2,744	2,744	1,244	300	1,200	-	-
Cash advance facility	3,375	5,021	583	576	1,135	2,727	-
	21,563	23,597	10,216	1,807	3,489	8,085	-

2016

Non-derivative financial liabilities	Carrying Amount $000	Contractual Cash Flows $000	6 Months or less $000	6 – 12 Months $000	1 – 2 Years $000	2 – 5 Years $000	>5 Years $000
Hire purchase liabilities	6,811	7,339	1,800	1,706	3,125	708	-
Trade and other payables	10,384	10,384	10,384	-	-	-	-
Deferred vendor Payments	3,000	3,000	1,950	750	300	-	-
Commercial Bill	4,582	4,827	4,827	-	-	-	-
	24,777	25,550	18,961	2,456	3,425	708	-

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

7. FINANCIAL INSTRUMENTS (CONTINUED)

Market risk

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

Interest rate risk

Interest rate risk is the risk that the fair values and cash-flows of the Group's financial instruments will be affected by changes in the market interest rates.
The Group's cash and cash equivalents, and loans and borrowings are exposed to interest rate risks. The average nominal interest rate is 4.59% for loans and borrowings (2016: 5.85%), for all current facilities in note 19, and sensitivity is calculated for a 1% change.

	2017		2016	
	+1%	-1%	+1%	-1%
	$000	$000	$000	$000
Consolidated Group				
Cash and cash equivalents	146	(146)	129	(129)
Loans and borrowings	(115)	115	(114)	114
	31	(31)	15	(15)

Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors has not implemented a formal capital management policy or a dividend policy.

There were no changes in the Group's approach to capital management during the year. The Group is not subject to externally imposed capital requirements. Capital comprises share capital and retained earnings.

Currency risk

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

8. COMMITMENTS

Operating leases

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

	2017 $000	2016 $000
Not later than one year	2,412	2,220
Later than one year but not later than five years	3,624	1,282
Later than five years	-	-
Total commitments not recognised in financial statements	6,036	3,502

The non-cancellable operating leases are predominately for the lease of office and staff accommodation. The leases are generally for a term of between 1 to 5 years.

9. CONTINGENT LIABILITIES

There were no contingent liabilities as at the date of this report.

WORKING CAPITAL

10. TRADE AND OTHER RECEIVABLES

	2017 $000	2016 $000
Trade receivables	15,772	14,199
Other receivables	211	154
	15,983	14,353

The Group's exposure to credit and currency risk is disclosed in note 7.

11. TRADE AND OTHER PAYABLES

	2017 $000	2016 $000
Trade and other payables	7,291	10,384
	7,291	10,384

The Group's exposure to liquidity risk related to trade and other payables is disclosed in note 7.

CAPITAL EMPLOYED

12. EMPLOYEE BENEFITS

	2017 $000	2016 $000
Current		
Annual leave	2,554	2,057
Long service leave	2,107	1,398
Other employee provisions	820	637
	5,481	4,092
Non-current		
Long service leave	907	411
	907	411

13. PLANT AND EQUIPMENT

	2017 $000	2016 $000
Leasehold Improvements at cost	425	64
Less: accumulated depreciation	(72)	(8)
	353	56
Plant and equipment at cost	21,453	16,190
Less: accumulated depreciation	(13,554)	(10,619)
	7,899	5,571
Motor vehicles at cost	7,703	6,236
Less: accumulated depreciation	(4,906)	(3,815)
	2,797	2,421
Total written down value	11,049	8,048

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

13. PLANT AND EQUIPMENT – (CONTINUED)

2017	**Leasehold Improvements $000**	**Plant & Equipment $000**	**Motor Vehicles $000**	**Total $000**
Carrying amount at 1 July 2016	56	5,571	2,421	8,048
Acquired through business acquisitions	77	2,972	489	3,538
Additions at cost	284	2,488	1,154	3,926
Disposals at carrying value	-	(197)	(179)	(376)
Depreciation	(64)	(2,935)	(1,088)	(4,087)
Carrying amount at 30 June 2017	353	7,899	2,797	11,049

2016	**Leasehold Improvements $000**	**Plant & Equipment $000**	**Motor Vehicles $000**	**Total $000**
Carrying amount at 1 July 2016	74	5,048	2,777	7,899
Acquired through business acquisitions	-	118	202	320
Additions at cost	-	2,380	275	2,655
Disposals at carrying value	-	(256)	(20)	(276)
Depreciation	(18)	(1,719)	(813)	(2,550)
Carrying amount at 30 June 2017	56	5,571	2,421	8,048

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the comparative financial year are set out above.
The carrying value of finance leased assets at 30 June 2017 is $5.0 million (2016: $3.4 million).

Impairment Loss
The Group assesses whether there are indicators that assets, or groups of assets, may be impaired at each reporting date (goodwill is assessed annually regardless of indicators, refer Note 14). No impairment indicators were identified during the year ended 30 June 2017.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made. Veris has made an assessment of the recoverable amount of its assets as at 30 June 2017. No impairment loss was recognised in the year ended 30 June 2017 (2016: $nil).

14. INTANGIBLE ASSETS

	Goodwill $000	**Customer Relationships $000**	**Total $000**
Carrying amount at 1 July 2015	21,922	8,436	30,358
Additions	3,546	980	4,526
Amortisation	-	(3,040)	(3,040)
Impairment	-	-	-
Carrying value 1 July 2016	25,468	6,376	31,844
Additions	6,193	6,656	12,849
Amortisation	-	(4,168)	(4,168)
Impairment	-	-	-
Carrying amount at 30 June 2017	31,661	8,864	40,525

14. INTANGIBLE ASSETS – (CONTINUED)

Goodwill has arisen on businesses purchased during the course of the year and an impairment review will be carried out annually. At present there are no indicators to suggest an impairment is necessary.

Impairment Review
The Group tests annually whether the above intangible assets are impaired, in accordance with the accounting policy stated in note 29 d(i). An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of goodwill and other intangible assets, including those with indefinite useful lives are determined based on value in use of the company's CGU's which management have assessed to be its business operations. The discounted cash flow method (value in use) estimates the value of the CGU as being equal to the present value of the future cash flows which are expected to be derived from the CGU.

Goodwin Midson forms part of the Queensland Surveying CGU whilst WKC forms part of the Whelans CGU.

Goodwill has been allocated to these CGUs as follows:

	2017 $000	2016 $000
Geo-metric	7,022	7,022
Bosco Jonson	11,693	11,693
Queensland Surveying	3,543	3,219
Linker Surveying	3,315	3,315
Whelans	890	219
Lawrence	3,833	-
Lester Franks	1,365	-
Carrying value of consolidated goodwill	31,661	25,468

The recoverable amount of goodwill is tested at the CGU level. Value in use calculations are performed to assess the recoverable amount of the CGU. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Recoverable amount testing – Key assumptions
In determining value in use, it is necessary to make a series of assumptions to estimate future cash flows. The key assumptions requiring judgement include projected cash flows, growth rate estimates, discount rates, working capital and capital expenditure. The key assumptions utilised in the "value in use" calculations across all CGUs are budgeted EBITDA, long term growth rate (2.9%) and discount rate (ranging from 8.2% to 9.5%) due to the similar nature of the businesses.

(i) Projected cash flows
The Group determines the recoverable amount based on a "value in use" calculation, using five years cash flow projections based on the budget for the year ending 30 June 2018 and the management forecast for the subsequent financial years ending 30 June 2022.
Budgeted EBITDA has been based on past experience and the Group's assessment of economic and regulatory factors affecting the industry within which the Group operates.
(ii) Long term growth rate
The future annual growth rates for FY 2023 onwards to perpetuity are based on a growth rate of 2.9%
(ii) Discount rate (ranging from 8.2% to 9.5%)
Post tax nominal discount rates ranging from 8.2% to 9.5% reflect the Group's estimate of the time value of money and risks specific to each CGU.

14. INTANGIBLE ASSETS – (CONTINUED)

Sensitivities

The directors and management have performed an assessment of reasonably possible changes in the key assumptions and have not identified any instances which could cause the carrying amount of the Group's sole CGU to exceed its recoverable amount.

Following impairment testing for the current reporting period, no impairment of intangible assets has been recognised as the recoverable amount of the Group's CGU which all of its assets are assigned exceeds the carrying amount of the CGU.

15. INCOME TAX BENEFIT

	2017 $000	2016 $000
Current tax - Australia	-	-
Current tax – Foreign Jurisdiction	717	-
Deferred tax	(2,405)	(2,009)
Adjustment for prior periods	(446)	(7,741)
Income tax benefit reported in income statement	(2,134)	(9,750)

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

Reconciliation of effective tax rate	**2017 $000**	**2016 $000**
(Loss)/ Profit before income tax	(2,086)	9,948
Income tax at 30% (2016: 30%)	(626)	2,984
Foreign Jurisdiction tax at 10%	717	-
Add (less) tax effect of:		
Other non-allowable/ assessable items	(1,561)	(4,493)
Research and development offset	(218)	(500)
Adjustment for prior periods	(111)	(7,558)
Adjustment - other	(335)	(183)
Income tax benefit attributable to the Group	(2,134)	(9,750)

16. DEFERRED TAX ASSETS/ LIABILITIES

Deferred tax liability	Assets		Liabilities		Net	
	2017 $000	2016 $000	2017 $000	2016 $000	2017 $000	2016 $000
Work in progress	-	-	(1,349)	(573)	(1,349)	(573)
Plant & Equipment	307	607	(30)	(70)	277	537
Employee Benefits	1,838	1,329	-	-	1,838	1,329
Provisions	226	259	-	-	226	259
Intangibles	-	-	(3,477)	(1,932)	(3,477)	(1,932)
Carried forward R&D offset available	7,875	6,942	-	-	7,875	6,942
Carried forward tax losses available	1,924	-	-	-	1,924	-
Other	330	134	(8)	20	322	154
Tax assets/ (liabilities)	12,500	9,271	(4,864)	(2,555)	7,636	6,716

Movement in deferred tax balances	2017 $000	2016 $000
Opening balance	6,716	(926)
Raising deferred tax liability on intangibles – Business Combinations	(2,193)	(294)
Subsidiaries acquired opening balances	401	90
Prior year adjustments	306	5,837
Charge to profit or loss	2,405	2,009
Closing deferred tax asset	7,636	6,716

The Company has provided construction and installation services external to Australia through a permanent establishment in another country. The earnings from this permanent establishment are subject to the taxation regime within that country and are considered exempt from Australian income tax.

The current year impact of this tax treatment is a $0.7 million (2016:$4.2 million) income tax credit being recognised in the statement of comprehensive income and a deferred tax asset of $0.7 million (2016:$4.2 million) being reflected in the balance sheet as at 30 June 2017.

NET DEBT

17. CASH AND CASH EQUIVALENTS

	2017 $000	2016 $000
Cash at bank and in hand	14,574	12,968
Cash and cash equivalents in the statement of cash flows	14,574	12,968

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

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

	2017 $000	2016 $000
Cash flows from operating activities		
Profit/(loss) after income tax	48	19,698
Non-cash flows in profit:		
Depreciation (Note 13)	4,087	2,550
Amortisation of intangible assets (Note 14)	4,168	3,040
Deferred vendor payment adjustment	-	(2,500)
Other	(257)	(328)
Share based payment	298	1,050
Income tax expense/ (benefit)	(2,134)	(9,750)
	6,210	13,760
Change in trade and other debtors	598	1,461
Change in other assets	804	361
Change in work in progress	2,759	(3,911)
Change in trade creditors	(4,313)	3,755
Change in provisions and employee benefits	337	351
Net cash provided by operating activities	6,395	15,777

Significant non-cash investing and financing transactions
Property, plant and equipment of $3.0 million (2016: $1.2 million) was acquired under finance leases.

19. LOANS AND BORROWINGS

	2017 $000	2016 $000
Current liabilities		
Hire purchase liabilities (HP)	1,843	3,217
Cash advance facility	750	-
Commercial Bill	-	4,582
	2,593	7,799
Non-current liabilities		
Hire purchase liabilities	6,310	3,593
Cash advance facility	2,625	-
	8,935	3,593

19. LOANS AND BORROWINGS – CONTINUED

Terms and debt repayment schedule
Terms and conditions of outstanding loans were as follows:

	Nominal interest rate%	Year of maturity	2017 $000 Face Value	2017 $000 Carrying Amount	2016 $000 Face Value	2016 $000 Carrying Amount
Hire purchase liabilities (HP)	4.7 – 7.68	2016 – 2019	8,153	8,153	6,810	6,810
Cash advance facility	4.59	2017 – 2019	3,375	3,375	-	-
Commercial bill	4.64	2017	-	-	4,582	4,582
			11,528	11,528	11,392	11,392

All loans and borrowings are denominated in Australian Dollars.

	Facility Available 2017 $000	Used 2017 $000	Unused 2017 $000	Facility Available 2016 $000	Used 2016 $000	Unused 2016 $000
Cash advance facility (a)	25,000	(3,375)	21,625	-	-	-
Commercial bills (b)	-	-	-	4,582	(4,582)	-
Insurance Bonds	15,000	(1,753)	13,247	20,000	(1,783)	18,217
Other (c)	10,300	(1,345)	8,955	10,700	-	10,700
Total financing facilities	50,300	(6,473)	43,827	35,282	(6,365)	28,917

a) The Group secured a Cash advance facility during 2017. This facility refinanced the existing Commercial bill facility which was due to mature in 2017. The carrying amount of this facility was $3.4 million as at 30 June 2017 (2016: $0.0 million). The funds are available for purchasing acquisitions. The facility is repayable in tranches over the next three years. The loan contains covenants stating that at the end of each quarter the Group is to maintain, the Group's Leverage Ratio (defined in the covenant as the Group's Total Debt plus 50% of drawn Bank Guarantees and Insurance Bonds) is to be less than 2.5 times EBITDA and the Group will maintain a Cashflow available for Debt Service (CFADS) of 1.25. The Group is in compliance with the covenants at 30 June 2017.

b) In 2016 The Group had a secured bank loan with carrying amount of $4.6 million. This loan matured in 2017 and CBA agreed to pay this facility out from the new Cash advance facility negotiated by the Group. At 30 June 2017 the balance outstanding was $0.0 million. In 2016 this loan was repayable in tranches over the next year. The loan contained covenants stating that at the end of each quarter the Group is to maintain cash and debtors (less than 90 days excluding related party transactions) of no less than $15 million, the Group's Leverage Ratio (defined in the covenant as the Group's Total Debt plus 50% of drawn Bank Guarantees and Insurance Bonds) is to be less than 2.5 times EBITDA and the Group will maintain an Interest Coverage Ratio of not less than 4 times. The Group is in compliance with the covenants at 30 June 2016.

c) Other facilities include a $5 million bank overdraft, $5 million multi option facility, bank guarantees and credit card facility.
Lease liabilities are effectively secured as the rights to leased assets revert to the lessor in the event of default.

19. LOANS AND BORROWINGS – CONTINUED

Hire Purchase Liabilities
Hire purchase liabilities of the Group are payable as follows:

	Future minimum HP payments 2017 $000	Interest 2017 $000	Present value of minimum HP payments 2017 $000	Future minimum HP payments 2016 $000	Interest 2016 $000	Present value of minimum HP payments 2016 $000
Less than 1 year	2,029	(186)	1,843	3,458	(307)	3,151
Between 1 & 5 years	6,512	(202)	6,310	3,881	(222)	3,659
	8,541	(388)	8,153	7,339	(529)	6,810

EQUITY

20. CAPITAL AND RESERVES

Share capital

	2017 $000	2016 $000	2017 No. of Shares	2016 No. of Shares
Balance at the beginning of the year	22,622	22,155	266,470,630	264,248,408
Issued for cash (net of costs)	12,626	-	49,000,865	-
Conversion of Performance Rights			3,431,522	
Issued as consideration for business combinations	2,035	467	6,802,347	2,222,222
Balance at the end of the year	37,283	22,622	325,705,364	266,470,630

Issues of ordinary shares

- On 29 July 2016, 4,950,495 ordinary shares were issued at a fair value price of $0.31 per share as part consideration for the acquisition of Lawrence Group Pty Ltd (see note 3).
- On 12 September 2016, 4,666,420 shares were issued at a price of $0.3002 in accordance with the DRP.
- On 5 October 2016, $12,000,000 was raised by issuing 44,444,445 new ordinary shares at $0.27 per share.
- On 2 December 2016, 1,851,852 ordinary shares were issued at a fair price of $0.27 per share as part consideration for the acquisition of Lester Franks Survey & Geographic Pty Ltd (see note 3).

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

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

21. DIVIDENDS

On 16 August 2016 the Company declared a fully franked dividend for 2016 of 0.5 cents per share, totalling $1,368,000 (2015: nil). The Dividend paid in cash to shareholders was $1,060,000 and 1,024,415 shares issued under the Dividend Reinvestment Plan (DRP). The Dividend Reinvestment Plan's shortfall shares were underwritten by Veritas Securities Limited and 3,532,005 shares were issued to Veritas on the same date at 30.02 cents per share raising $1,060,307 (net of underwriting fees). The 30.02 cents price per share was based on 5% discount to the VWAP 5 days following the recording date.

21. DIVIDENDS – CONTINUED

Franking Credit Balance

	2017 $	2016 $
The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the end of financial year at 30% (2016:30%)	5,191,567	5,599,788

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.
The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

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

22. SHARE-BASED PAYMENTS

As at 30 June 2017, the Group had the following share-based payment arrangements.

(i) 2015 Performance Rights
On 12 November 2014, the Group granted Performance Rights to eligible employees under the Group's Long Term Incentive Plan to motivate and reward their performance in achieving specified performance milestones in respect of the financial years ended 30 June 2015 to 30 June 2017. The Performance Rights are subject to continued employment and achievement of (relative total shareholder return and compounded earnings per share growth), and vesting times as follows:

Number of Performance Rights granted	Vesting Date (A)	Lapsed (B)	Vested (C)
2,149,490	30 June 2015	2,149,490	-
2,149,491	30 June 2016	-	2,149,491
4,298,981	30 June 2017	2,842,565	1,456,416
8,597,962		**4,992,055**	**3,605,907**

Vesting Hurdles			
50% rTSR		50% EPS CAGR	
<50th percentile	Nil	<6%	Nil
>50th percentile, <75th percentile	50%, plus 2% for every one percentile increase above 50th percentile	>6%-<24%	pro rata vesting between 25%-100%
75th percentile or more	100%	24%>	100%

22. SHARE-BASED PAYMENTS – CONTINUED

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

i. failure to satisfy applicable vesting conditions;
ii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;
iii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;
iv. in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;
v. the expiry date; or
vi. the seven year anniversary of the date of grant of Performance Rights

[B] During the period 2,842,565 Performance Rights lapsed due to the following: 1,792,968 on cessation of employment; 954,178 as 100% of the 2015 EPSCAGR financial performance hurdle was not achieved (EPSCAGR = (8%)); and 95,419 as only 90% of the 2015 rTSR financial performance hurdle was achieved (rTSR = 70th percentile)

[C] During the period 1,456,416 Performance Rights vested due to the following; 597,656 on cessation of employment under the good leaver provisions of the Plan; and 858,760 due to the achievement of 90% of the 2015 rTSR financial performance hurdle (rTSR = 70th percentile)

(ii) 2016 Performance Rights

On 20 January 2016, the Group granted Performance Rights to eligible employees under the Group's Long Term Incentive Plan in respect of the financial years ended 30 June 2016 to 30 June 2018. Subject to continued employment and achievement of financial performance hurdles (relative total shareholder return and compounded earnings per share growth), the Performance Rights will vest as follows:

Number of Performance Rights granted	Vesting Date [A]	Lapsed [B]	Vested [C]
2,239,415	30 June 2017	684,375	1,555,039
15,698,638	30 June 2018	6,772,917	-
17,938,053		**7,457,292**	**1,555,039**

Vesting Hurdles			
50% rTSR		50% EPS CAGR	
<50th percentile	Nil	5%	Nil
>50th percentile , <75th percentile	50%, plus 2% for every one percentile increase above 50th percentile	>5%-<25%	pro rata vesting between 25%-100%
75th percentile or more	100%	25%>	100%

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

i. failure to satisfy the applicable vesting conditions;
ii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;
iii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;
iv. in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;
v. the expiry date; or
vi. the seven year anniversary of the date of grant of the Performance Rights.

[B] During the year ended 30 June 2017, 7,457,292 Performance Rights lapsed on cessation of employment of executives

[C] During the year ended 30 June 2017, 1,555,039 Performance Rights vested due to the following: 684,374 on cessation of employment under the good leaver provisions of the Plan; and 870,665 due to the acheivment of 100% of the 2016 rTSR financial performance hurdle and the 2016 EPSCAGR hurdle (rTSR = 92nd percentile; EPSCAGR = 33%).

22. SHARE-BASED PAYMENTS – CONTINUED

(iii) 2017 Performance Rights

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

Number of Performance Rights granted	Vesting Date (A)	Lapsed during the period	Vested during the Period	Vesting Hurdles			
				50% TSR (B)		50% 3 Year Absolute EPS Pooling (C)	
3,002,848	30 June 2019	-	-	<100%	Nil	< 6	Nil
				100% < 180%	Pre-rata vesting between 25% and 100%	>6-<6.5	pro rata vesting between 25%-100%
3,002,848		**-**	**-**	180%	100%	6.5>	100%

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

i. failure to satisfy the applicable vesting conditions;
ii. the holder purporting to transfer the Performance Right otherwise than with the consent of the Board or by force of law;
iii. the employment of the holder ceasing, where such a condition was imposed on the grant of the Performance Right;
iv. in the opinion of the Board, the holder commits any fraudulent or dishonest act or is in breach of his or her obligations to the Company or subsidiary;
v. the expiry date; or
vi. the seven year anniversary of the date of grant of the Performance Rights.

(B) Performance of management measured against the absolute shareholder return target

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

22. SHARE-BASED PAYMENTS – CONTINUED

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

The fair value of the 2017 Performance Rights issued under the Group's Long Term Incentives during the period (22(iii)) has been measured using the Monte Carlo simulation model incorporating the probability of the relative TSR vesting condition being met. The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payments plans were as follows:

	Tranche A (A)		Tranche B(B)
Performance Measure	**Absolute TSR**	**3 Year EPS Pool**	**Absolute TSR**
Weighting of Performance Measure	50%	50%	100%
Exercise price	N/A	N/A	N/A
Volatility	70%	70%	70%
Performance Period	3 Years: 1 Jul 2016 – 30 Jun 2019		
Risk Free Rate	1.57%	1.57%	1.57%
Remaining Life (years)	2.07	2.07	2.07
Fair value at grant date	$0.016	$0.016	$0.110

(A) Issued to Key Management Personnel and Executives
(B) Issued to other Senior Executives
(C) The measure of expected volatility used is the annualised standard deviation of the continuously compounded rates of return on the share over a period of time.

Unvested Unlisted Performance Rights
All of the 3,002,848 Performance Rights issued during 2017 remain unvested at 30 June 2017. 8,925,722 of the Performance Rights issued during 2016, remain unvested at 30 June 2017.

OTHER INFORMATION

23. RELATED PARTIES

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

	2017 $	2016 $
Short-term employee benefits	1,315,265	1,558,578
Post-employment benefits	84,477	81,430
Share-based payment	419,627	712,489
Termination benefit - Cash	251,981	-
Termination benefit – Share-based	(239,324)	-
	1,832,026	2,352,497

23. RELATED PARTIES (CONTINUED)

During the year, the Company did not have or repay any loans from related parties (2016: $nil).

Individual directors and executives compensation disclosures

Information regarding individual directors and executive's compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 is provided in the remuneration report section of the directors' report on pages 9 to 23.

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

24. AUDITOR'S REMUNERATION

Audit and review services

KPMG	2017 $	2016 $
Audit and review of financial reports	222,320	195,500
Due Diligence	141,861	75,950
Integration	405,029	-
Earn Out Audit	-	25,000
	769,210	296,450

GROUP STRUCTURE

25. SUBSIDIARIES

The following entities are consolidated:

Name of Entity	Country of Incorporation	Ownership Interest 2017 %	Ownership Interest 2016 %
Parent Entity			
Veris Limited	Australia		
Controlled Entity			
OTOC Australia Pty Ltd	Australia	100	100
Emerson Stewart Pty Ltd	Australia	100	100
Whelans Australia Pty Ltd	Australia	100	100
Whelans International Pty Ltd	Australia	100	100
Bosco Jonson Pty Ltd	Australia	100	100
Geo-metric Surveying Pty Ltd	Australia	100	100
Linker Surveying Pty Ltd	Australia	100	100
Queensland Surveying Pty Ltd	Australia	100	100
Southern Hemisphere Investments Pty Ltd	Australia	100	100
A Perfect Day Elise Pty Ltd	Australia	100	100
TBBK Pty Ltd	Australia	100	100
Lawrence Group Pty Ltd	Australia	100	-
Lester Franks Pty Ltd	Australia	100	-
Veris Australia Pty Ltd	Australia	100	-

26. DEED OF CROSS GUARANTEE

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, all the wholly-owned subsidiaries of Veris Limited are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' report.

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

The consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed as at 30 June 2017, after eliminating all transactions between parties to the Deed of Cross Guarantee, as of and for the year ended 30 June 2017 is the same as the consolidated statement of comprehensive income and consolidated statement of financial position of the Group as of and for the year ended 30 June 2017.

27. PARENT ENTITY DISCLOSURES

As at, and throughout, the financial year ended 30 June 2017 the parent company of the Group was Veris Limited.

Results for the Year	**2017 $000**	**2016 $000**
Profit/(loss) for the year	2,629	2,201
Other comprehensive income	-	-
Total comprehensive profit/ (loss) for the year	2,629	2,201

Financial position of parent entity at year end	**2017 $000**	**2016 $000**
Current assets	19,027	4,707
Total assets	69,756	46,923
Current liabilities	1,490	4,388
Total liabilities	20,885	13,676
Total equity of the parent entity comprising of:		
Share capital	37,283	22,622
Reserves	39,844	40,143
Accumulated loss	(28,256)	(29,518)
Total equity	48,871	33,247

28. BASIS OF PREPARATION

(a) Presentation Currency

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

(b) Basis of measurement

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

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

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

(a) Basis of consolidation

(i) Business combinations

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

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

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

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

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(iii) Transactions eliminated on consolidation

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

(b) Financial instruments

(i) Non-derivative financial assets

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

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

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

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

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

Loans and receivables comprise trade and other receivables.

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

(i) Non-derivative financial liabilities

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

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

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

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Share capital

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

(c) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent costs

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

(c) Property, plant and equipment (continued)

(iii) Depreciation

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

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

- Plant and equipment 25%
- Motor vehicles 20%
- Leasehold Improvements 20%

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

(d) Intangible assets and goodwill

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill acquired in a business combination is not amortised. Instead goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on disposal of an entity include the carrying amount of goodwill relating

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

to the entity sold. Goodwill is allocated to individual cash generating units for the purpose of impairment testing.

(ii) Other intangible assets

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

(iii) Subsequent expenditure

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

(iv) Amortisation

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

- Customer relationships 3-5 years

(e) Impairment

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

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

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

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

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

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

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

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Non-financial assets

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

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

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

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

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

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

(f) Employee benefits

(i) Other long-term employee benefits

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

(ii) Short-term benefits

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

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(iii) Share-based payment transactions

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

(g) Provisions

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

(h) Revenue

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

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

(i) Work in progress

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

(j) Leased assets

(i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(ii) Lease classification

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and the leased assets are not recognised in the Group's statement of financial position. Investment property held under an operating lease is recognised on the Group's statement of financial position at its fair value.

(k) Finance income and expense

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

(l) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

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

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

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

(i) Tax consolidation

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

The Group recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

(iii) Goods and services tax

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

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

(m) Earnings per share

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

Following the reverse acquisition, earnings per share have been calculated in accordance with the specific guidance provided in AASB 3 *Business Combination*.

(n) Segment reporting

The Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group's chief operating decision maker. Comparative segment information has been re-presented in conformity with the transitional requirements of such standard. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

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

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

29. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

(o) Prior year comparatives

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

(p) Changes in accounting policies

Veris has adopted all of the new and revised Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of Veris and effective for reporting periods beginning on or after 1 July 2015.

30. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new accounting standards and amendments have been issued but are not yet effective, none of which have been early adopted by the Group in this financial report. These new standards and amendments, when applied in future periods are not expected to have a material impact on the financial position or performance of the Group, other than as set out below.

AASB15 Revenue from Contracts with Customers
AASB 15 Revenue from Contracts with Customers (AASB 15) is effective for periods beginning on 1 January 2018. AASB 15 defines principles for recognising revenue and introduces new disclosure requirements. From a Group perspective, AASB15 revenue will be recognised at an amount that reflects the consideration which an entity expects to be entitled to in exchange for transferring goods or services to a customer. The Group is currently undertaking an assessment of the potential impact of this standard, and is not considering early adopting AASB15.

AASB16 Leases
AASSB16 Leases (AASB 16) I s effective for periods beginning on 1 January 2019. AASB 16 requires lessees to recognise most leases on balance sheets as lease liabilities, with the corresponding right-of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short-term' leases and leases of 'low-value' assets.

The Group is currently undertaking an assessment of the potential impact of this standard. The likely impact is that operating leases disclosed at Note 8, will be recognised on balance sheet as a right to use asset and a corresponding lease liability. The Group is not currently considering early adopting AASB 16.

31. DETERMINATION OF FAIR VALUES

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

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

31. DETERMINATION OF FAIR VALUES (CONTINUED)

(ii) Intangible assets

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

(iii) Trade and other receivables

The fair value of trade and other receivables, excluding construction work in progress, but including service concession receivables, is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

(iv) Share-based payment transactions

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

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

1. In the opinion of the directors of Veris Limited ("the Company"):

   (a) the consolidated financial statements and notes set out on pages 26 to 69 and the Remuneration report on pages 9 to 23 in the Directors' report, are in accordance with the Corporations Act 2001 including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

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

2. There are reasonable grounds to believe that the Company and the group entities identified in note 25 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Class Order 98/1418.

3. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and the chief financial officer for the financial year ended 30 June 2017.

4. The directors draw attention to page 30 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Derek La Ferla
Chairman

Dated at Perth 16 August 2017

Independent Auditor's Report

To the shareholders of Veris Limited

Report on the audit of the Financial Report

Opinion

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

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

- giving a true and fair view of the Group's financial position as at 30 June 2017 and of their financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2017
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

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

Basis for opinion

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

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

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

Key Audit Matters

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

- Goodwill and intangible assets value
- Acquisitions (including deferred vendor payments)

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KPMG

<table>
<tr><th colspan="2">Goodwill and intangible assets value ($40.5m)</th></tr>
<tr><td colspan="2">Refer to Note 14 to the Financial Report</td></tr>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
<tr><td>A key audit matter for us was the Group's annual testing of goodwill and intangible assets, given the size of the balance (being 42.4% of total assets). We focused on the significant forward looking assumptions of the Group applied in their value in use model, including:
• Forecast cash flows – the Group has a number of surveying businesses in different geographies and service different industries which operate in varying economic conditions. These conditions lead to greater audit effort to gather evidence across those businesses, industries and geographies.
• Forecast growth rates and terminal growth rates –the Group's models are sensitive to small changes in these assumptions, reducing available headroom. This drives additional audit effort specific to their feasibility and consistency of application to the Group's strategy.
• Discount rate – these are complicated in nature and vary according to the conditions and environment the specific Cash Generating Unit (CGU) is subject to from time to time.
In addition to the above, the carrying amount of the net assets of the Group exceeded the Group's market capitalisation at year end, increasing the possibility of goodwill and intangibles being impaired. This further increased our audit effort in this key audit area.
The Group has a number of operating businesses and has begun an integration strategy following the 8 acquisitions in recent years. This has necessitated our consideration of the Group's determination of CGUs, based on the status of the integration and the smallest group of assets to generate largely independent cash flows.
In assessing this key audit matter, we involved senior audit team members, including valuation specialists, who understand the Group's business, industry and the economic environments it operates in.</td><td>Our procedures included:
• We assessed the Group's determination of the CGUs against the requirements of accounting standards, based on our understanding of the Group's business and the progression of the integration of the acquired subsidiaries. We analysed the Group's internal reporting to assess how earnings are monitored and reported, the independency of cash flow generation and the implications to CGU identification
• We considered the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards
• We assessed the accuracy of previous forecast cash flows by comparing to actuals to challenge the ability of the Group to estimate future cash flows
• Working with our valuation specialists, we used our knowledge of the Group and their industry, to challenge the value in use model and key assumptions, including:
- Comparing forecast cash flows to the Group's board approved budget and challenging significant growth by analysing the forecast pipeline of work and understanding the industry and geographical drivers of this growth
- Comparing the Group's growth assumptions to historical averages and relevant published studies of industry trends
- Analysing the discount rate against publicly available data of a group of comparable companies.
- We assessed the Group's underlying methodology and documentation for the allocation of corporate costs before full integration takes place, to the forecast cash flows contained in the value in use model, for consistency with our understanding of the business and the criteria in the accounting standards
• We considered the sensitivity of the models by varying key assumptions, such as forecast growth rates, terminal growth rates and discount rates, within a reasonably possible range, to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures.
• We assessed the Group's analysis of the market capitalisation shortfall versus the total recoverable amount of all CGUs. This included consideration of the market capitalisation range implied by recent share price trading ranges and broker target valuation ranges.</td></tr>
</table>

KPMG

Acquisitions (including deferred vendor payments $2.7m)	
Refer to Note 3 and Note 7 to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
Acquisitions are a Key Audit Matter due to • Their number and size; • The level of judgement required by us in evaluating the Group's purchase price allocation including identifiable intangible assets acquired • The level of judgement required by us in evaluating the Group's determination of the liability in relation to potential deferred vendor payments for earn-out arrangements During the current financial year, the Group has made 4 acquisitions being Lawrence Group Pty Ltd, WKC Spatial, Goodwin Midson and Lester Franks Survey and Geographic Pty Ltd. The significant judgements we focussed on included: • Estimation of the fair value of the customer relationships intangible asset - involves judgements of future revenues, gross margins, customer retention rates and discount rates. Given the Group have no history with the acquired businesses, there is judgement involved in determining the accuracy of forecast information, thereby increasing audit risk. Determination of the liability in relation to potential deferred vendor payments for earn-out arrangements - the earn-out arrangements vary in each contract and are dependent on future revenue, future EBIT or future EBITDA of the acquired businesses. As described above, the risk surrounding the Group's forecasts means that there are a wider range of possible outcomes, and therefore a focus of our audit.	For each acquisition during the current financial year, our procedures included: • Reading the sale and purchase agreement to understand the nature and fair value of consideration, the identification of assets and liabilities acquired and the key terms and conditions • Critically evaluating the model developed by the Group to determine the fair value of the customer relationship intangible asset. This included: - Comparing the forecast future revenue, gross margins and customer retention rates to pre-acquisition documentation available regarding the prior performance of the acquired business - Comparing forecast gross margins and customer retention rates to the estimates made for other acquisitions made by the Group, adjusted for our knowledge of the acquired customer base and Group's strategy - Assessing the discount rate applied, using our knowledge of the Group and its industry, as well as comparing it against the discount rate used for impairment testing purposes For each business acquired that remains in the earn-out period as at 30 June 2017 our procedures for assessing the liability for earn out arrangements included: - Comparing forecast revenue, EBIT or EBITDA to recent results and our understanding of the Group's initial strategy on acquisition to challenge the Group's assessment of the likelihood of a future deferred vendor payment - Re-calculating the liability recognised and assessing the components of the liability recognised for earn out arrangements against the criteria contained in the contract for consistency

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Other Information

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

The Other Information we obtained prior to the date of this Auditor's Report was the Directors' Report, Remuneration Report, Corporate Governance Statement and Shareholder Information. The Chairman's Report, Managing Director's Report and Overview of operations are expected to be made available to us after the date of the Auditor's Report.

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

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

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

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

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

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

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

A further description of our responsibilities for the audit of the Financial Report is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_files/ar2.pdf. This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Veris Limited for the year ended 30 June 2017, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

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

Our responsibilities

We have audited the Remuneration Report included in Directors' report for the year ended 30 June 2017.

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

KPMG

KPMG

R Gambitta
Partner

Perth

16 August 2017

KPMG

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

To the Directors of Veris Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Veris Limited for the financial year ended 30 June 2017 there have been:

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

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

KPMG.

KPMG

R Gambitta
Partner

Perth

16 August 2017

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

Corporate Governance Statement
The Group's Corporate Governance Statement can be found at:
http://www.veris.com.au/media/1228/veris_corporate_governance_statement.pdf

Shareholder Information as at 11 August 2017

Top 20 Shareholders of Quoted Securities

Rank	Name	Shares	% of Issued Capital
1	OCEAN TO OUTBACK ELECTRICAL PTY LTD <AP & TL LAMOND FAMILY A/C>	45,204,315	13.88
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	28,779,540	8.84
3	NATIONAL NOMINEES LIMITED	27,623,536	8.48
4	J P MORGAN NOMINEES AUSTRALIA LIMITED	25,338,769	7.78
5	CITICORP NOMINEES PTY LIMITED	13,672,502	4.20
6	REINDEER INVESTMENTS PTY LIMITED <BRUEGGEMANN FAMILY A/C>	11,710,105	3.60
7	CONCEPT WEST COMMUNICATIONS PTY LTD <T YOUNG FAMILY A/C>	11,508,540	3.53
8	RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LTD <VFA A/C>	7,644,942	2.35
9	INSIDE-OUT CARPENTRY SERVICES PTY LTD <THE MCNEILL FAMILY A/C>	7,320,000	2.25
10	CITICORP NOMINEES PTY LIMITED <COLONIAL FIRST STATE INV A/C>	7,145,016	2.19
11	BERTOLI CONTRACTING PTY LTD <THE BERTOLI FAMILY A/C>	6,303,597	1.94
12	SILCHESTER INVESTMENTS PTY LTD	4,066,622	1.25
13	BNP PARIBAS NOMS PTY LTD <DRP>	4,007,977	1.23
14	MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	4,000,000	1.23
15	MRS JASMINE KRKLJES	3,470,000	1.07
16	MR DARIO ANGELO AMARA <AMARA FAMILY A/C>	2,758,049	0.85
17	TELDAR CORPORATION PTY LIMITED <TELDAR INVESTMENT A/C>	2,500,000	0.77
18	S & C LAWRENCE PTY LTD <THE S&C LAWTENCE FAMILY A/C>	2,475,248	0.76
19	MR SHANE LAWRENCE	2,475,247	0.76
20	MR THOMAS BRIAN LAWRENCE + MS FRANCINE MAREE HUGHES <LAWRENCE FAMILY SUPER A/C>	2,220,940	0.68
Total		**220,224,945**	**67.61**

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

Shareholder	Number	Shares	Voting Power
OCEAN TO OUTBACK ELECTRICAL <AP & TL LAMOND FM>	45,841,815	45,841,815	14.07%
PARADICE INVESTMENT MGT	21,281,655	21,281,655	6.53%
COMMONWEALTH BANK OF AUSTRALIA	18,194,451	18,194,451	5.59%
PERPETUAL LIMITED	22,428,430	22,428,430	6.89%

Distribution of Shareholders

Spread of Holdings	Ordinary Shares	Performance Rights
1 – 1,000	30	-
1,001 – 5,000	124	-
5,001 – 10,000	117	-
10,001 – 100,000	547	12
100,001 –	235	13
Total on Register	**1,053**	**25**

Non-Marketable Parcels
Number of shareholders holding less than a marketable parcel is 99.

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

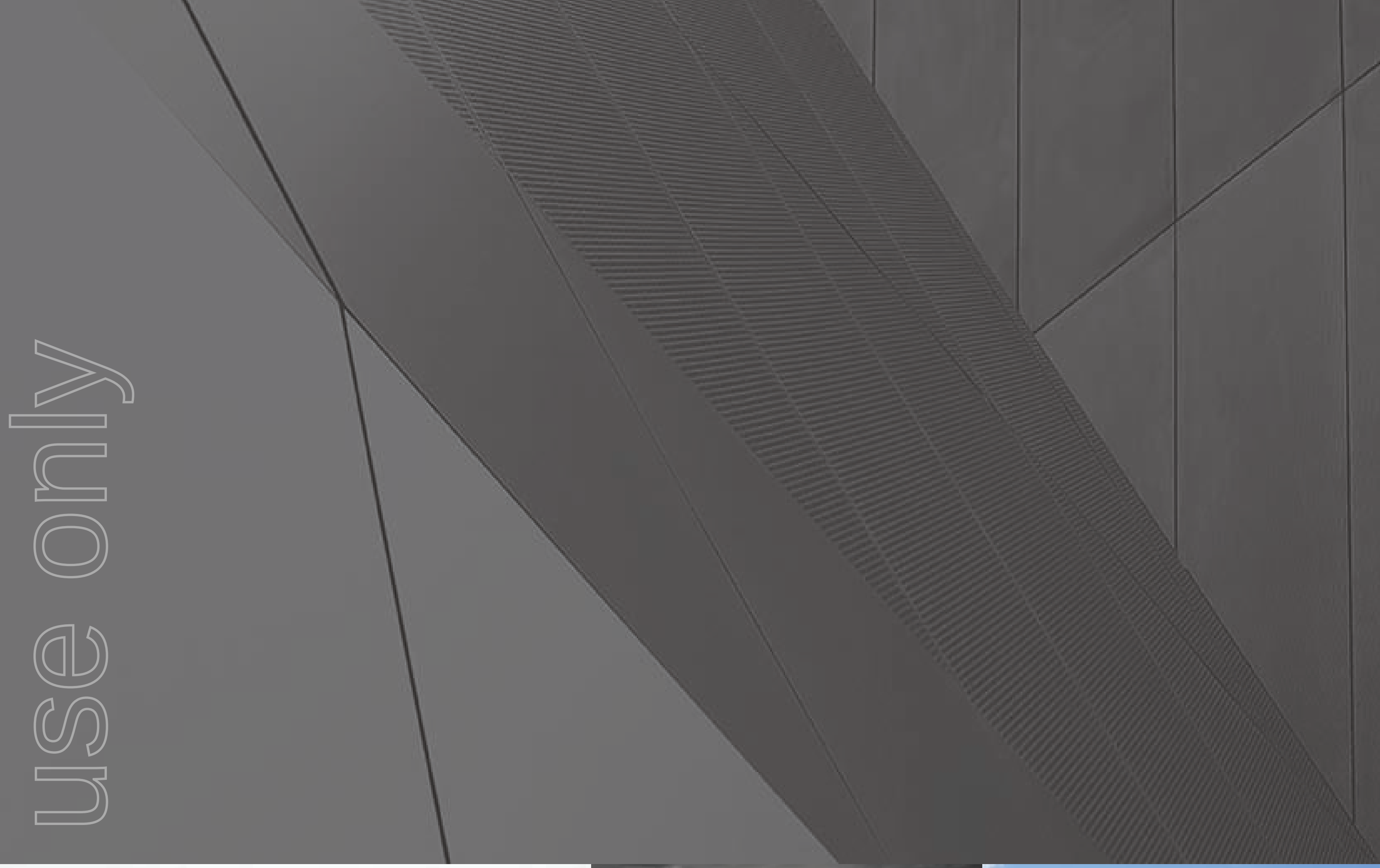
Performance Rights
There are no voting rights attached to Performance Rights

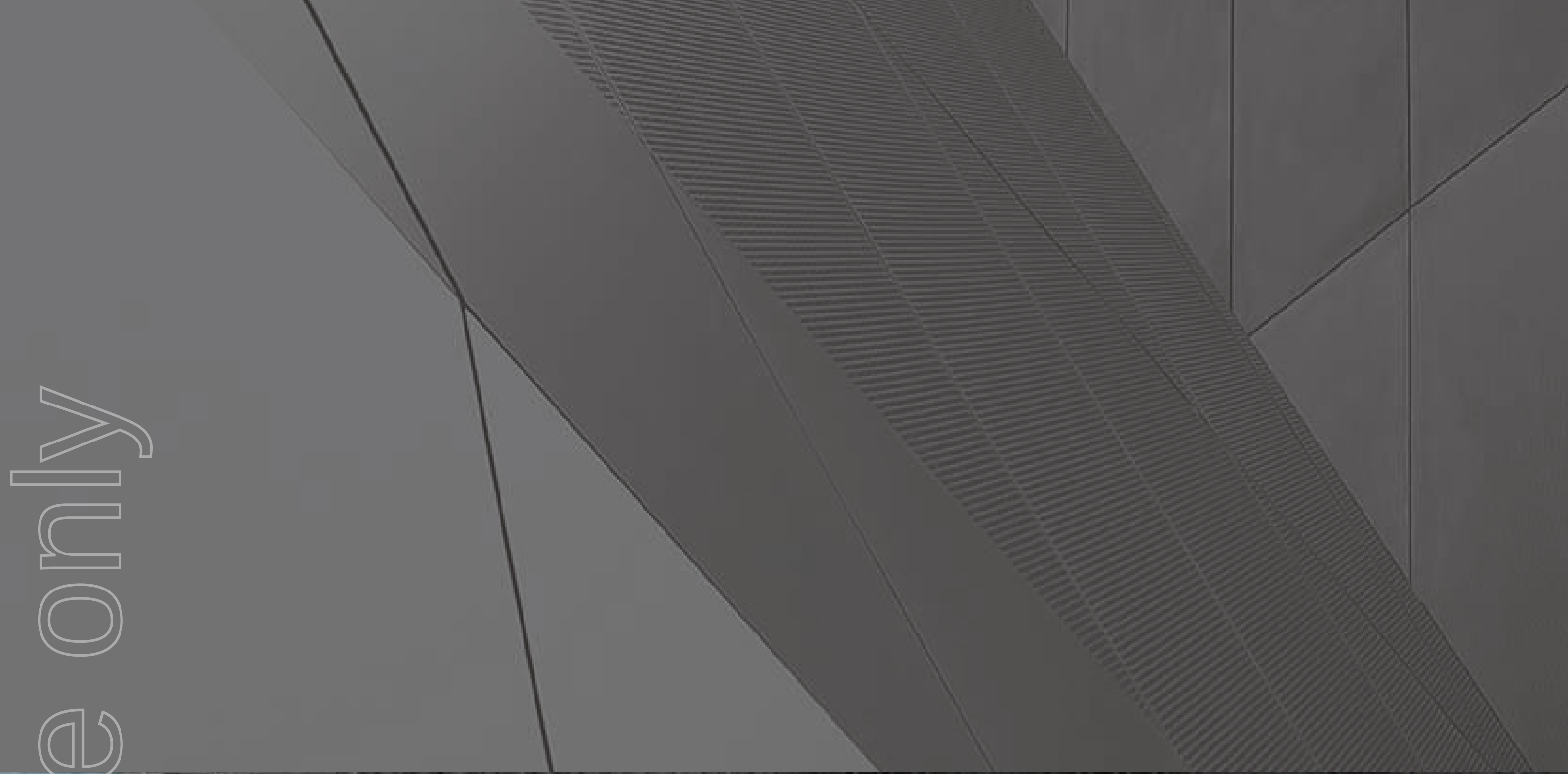
Restricted Securities

Number of Securities	Type of Securities	Escrow Type	Date Escrow Ends
2,222,222	Ordinary Shares	Voluntary	1-May-18
925,926	Ordinary Shares	Voluntary	1-Dec-17
925,926	Ordinary Shares	Voluntary	1-Dec-18

Unquoted Equity Securities
There are 11,928,570 unquoted Performance Rights on issue with 25 holders.

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





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