

# Appendix 4D

## Half-year information

Name of entity

Ross Human Directions Limited

ABN or equivalent company  
reference

ABN 25 003 758 709

Half-year ended

31 December 2008

### Results for announcement to the market

		\$'000	
Revenues from ordinary activities	up	0.3%	to 203,745
Profit (loss) from ordinary activities after tax attributable to members	down	8.4%	to 2,303
Net profit (loss) for the period attributable to members	down	8.4%	to 2,303
<b>Dividends</b>		Amount per security	Franked amount per security
Final dividend Interim dividend		0.75 ¢	0.75 ¢
Previous corresponding period			
Final dividend Interim dividend		2.0 ¢	2.0 ¢
Record date for determining entitlements to the dividend	6 March 2009		
Brief explanation of any of the figures reported above to enable the figures to be understood.			

### NTA backing

	Half-year	
	2008 Cents	2007 Cents
Net tangible asset backing per ordinary security	20.6 c	16.8 c

## Ross Human Directions Limited Interim report - 31 December 2008

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Ross Human Directions Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## Directors' Report

Your directors present their report on the consolidated entity consisting of Ross Human Directions Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

### Directors

The following persons were directors of Ross Human Directions Limited during the whole of the half-year and up to the date of this report:

F A McDonald (Non-executive Chairman)  
J M Ross (Managing Director and Deputy Chairman)  
Dr E J Doyle (Non-executive)  
H Henderson (Non-executive)

K L Wilson was a director from the beginning of the financial year until her resignation on 12 December 2008.

### Review of Operations

The net profit after tax of the consolidated entity for the half-year decreased by 8.4% to \$2,303,000 (2007: \$2,514,000) due essentially to an increase in depreciation and amortisation expense, associated with amortisation of the new IT infrastructure upgrade, that became operational in the previous period.

Revenue increased by 0.3% to \$203.7 million (2007: \$203.2 million).

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the half year increased by 2.1% to \$6,385,000 (2007: \$6,255,000).

There has been a concerted effort and focus on working capital management during the half-year. The cash generated from this debtor management has been used to reduce borrowings by \$8,538,000.

Basic earnings per share for the half-year was 2.8 cents compared to 3.0 cents for the previous corresponding period. An interim dividend of three-quarters (0.75) of one cent (2007: 2.0 cents) per share is payable on 27 March 2009.

### Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

### Rounding of amounts

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

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



Fergus Allan McDonald  
Director



Julia Mary Ross  
Director

Sydney  
13 February 2009



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### **Auditor's Independence Declaration**

As lead auditor for the review of Ross Human Directions Limited for the half year ended 31 December 2008, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ross Human Directions Limited and the entities it controlled during the period.

Marc Upcroft  
Partner  
PricewaterhouseCoopers

Sydney  
13 February 2009

Liability limited by a scheme approved under Professional Standards Legislation.

## Consolidated income statement

For the half-year ended 31 December 2008

		Half-year	
	Notes	2008 \$'000	2007 \$'000
<b>Revenues from continuing operations</b>		<b>203,745</b>	203,203
Costs of temporary staff		(167,698)	(166,523)
Employee benefits expense		(21,400)	(21,521)
Other expenses		(8,262)	(8,904)
<b>Earnings before interest, tax, depreciation &amp; amortisation (EBITDA)</b>		<b>6,385</b>	6,255
Depreciation and amortisation expense		(1,779)	(1,159)
Finance costs		(1,580)	(1,533)
<b>Profit before income tax</b>		<b>3,026</b>	3,563
Income tax expense		(723)	(1,049)
<b>Profit for the half-year</b>	3	<b>2,303</b>	2,514
		<b>Cents</b>	Cents
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share		<b>2.8</b>	3.0
Diluted earnings per share		<b>2.7</b>	3.0

*The above consolidated income statement should be read in conjunction with the accompanying notes.*

## Consolidated balance sheet

As at 31 December 2008

	31 December 2008 \$'000	30 June 2008 \$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	4,356	3,652
Trade and other receivables	54,170	69,408
<b>Total Current Assets</b>	<b>58,526</b>	<b>73,060</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	3,249	3,567
Deferred tax assets	2,452	2,534
Intangible assets	19,835	20,787
<b>Total Non-Current Assets</b>	<b>25,536</b>	<b>26,888</b>
<b>Total Assets</b>	<b>84,062</b>	<b>99,948</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	18,834	29,906
Borrowings	17,390	21,297
Current tax liabilities	524	475
Provisions	1,039	874
<b>Total Current Liabilities</b>	<b>37,787</b>	<b>52,552</b>
<b>Non-Current Liabilities</b>		
Payables	92	92
Borrowings	6,273	10,904
Deferred tax liabilities	829	767
Provisions	459	665
<b>Total Non-Current Liabilities</b>	<b>7,653</b>	<b>12,428</b>
<b>Total Liabilities</b>	<b>45,440</b>	<b>64,980</b>
<b>Net Assets</b>	<b>38,622</b>	<b>34,968</b>
<b>EQUITY</b>		
Contributed equity	23,004	23,004
Reserves	1,086	(1,062)
Retained profits	14,532	13,026
<b>Total Equity</b>	<b>38,622</b>	<b>34,968</b>

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

## Consolidated statement of changes in equity

For the half-year ended 31 December 2008

	Notes	Half-year	
		2008 \$'000	2007 \$'000
<b>Total equity at the beginning of the half-year</b>		<b>34,968</b>	34,372
Exchange differences on translation of foreign operations		<u>2,487</u>	(71)
<b>Net income recognised directly in equity</b>		<b>2,487</b>	(71)
<b>Profit for the half-year</b>		<u>2,303</u>	2,514
<b>Total recognised income and expense for the half-year</b>		<u>4,790</u>	2,443
Transactions with equity holders in their capacity as equity holders:			
Employee share plan and share options		69	48
Contributions of equity, net of transaction costs	5	-	350
Dividends paid	4	<u>(1,205)</u>	(1,596)
		<u>(1,136)</u>	(1,198)
<b>Total equity at the end of the half-year</b>		<u>38,622</u>	35,617

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

## Consolidated cash flow statement

For the half-year ended 31 December 2008

	Half-year	
	2008 \$'000	2007 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	241,080	218,698
Payments to suppliers and employees (inclusive of goods and services tax)	(228,908)	(225,397)
	12,172	(6,699)
Interest paid	(1,528)	(1,364)
Income taxes paid	(332)	(548)
<b>Net cash inflow (outflow) from operating activities</b>	<b>10,312</b>	<b>(8,611)</b>
<b>Cash flows from investing activities</b>		
Payment for purchase of Aurion Corporation Pty Limited, a controlled entity, net of cash acquired	-	(6,833)
Payments for property, plant and equipment	(348)	(1,348)
Payments for intangible assets	(87)	(3,255)
Receipts for held-to-maturity investments	-	794
Loans to employees	-	(4)
Loan repaid by employees	2	-
Proceeds from sale of plant and equipment	5	-
Interest received	51	91
<b>Net cash (outflow) from investing activities</b>	<b>(377)</b>	<b>(10,555)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	13,388	43,377
Repayment of borrowings	(22,075)	(26,200)
Dividends paid to company's shareholders	(1,205)	(1,596)
<b>Net cash (outflow) inflow from financing activities</b>	<b>(9,892)</b>	<b>15,581</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>43</b>	<b>(3,585)</b>
Cash and cash equivalents at beginning of the half-year	3,652	9,618
Effect of exchange rate changes on cash and cash equivalents	661	(43)
<b>Cash and cash equivalents at the end of the half-year</b>	<b>4,356</b>	<b>5,990</b>

*The above consolidated cash flow statement should be read in conjunction with the accompanying notes.*

## Notes to the consolidated financial statements

### Note 1 - Basis of preparation of half-year report

This general purpose financial report for the interim half year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Ross Human Directions Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current period.

### Note 2 – Segment information

The consolidated entity's operations are carried out in one industry sector, human resources. This is the primary format of segment reporting for the group.

### Note 3 – Profit for the half-year

	<b>Half-year</b>	
	<b>2008</b>	2007
	<b>\$'000</b>	\$'000

Profit for the half-year includes the following items that are unusual because of their nature, size or incidence:

#### **Expenses**

Reduction in the carrying amount of goodwill due to realisation of acquired tax losses

Less: Applicable income tax revenue

	<b>249</b>	175
	-	-
	<b>249</b>	175

## Note 4 – Dividends

	Half-year	
	2008 \$'000	2007 \$'000
<b>Ordinary shares</b>		
Dividends paid during the half-year	<u>1,252</u>	<u>1,658</u>
<b>Dividends not recognised at the end of the half-year</b>		
In addition to the above dividends, since the end of the half-year the directors have recommended the payment of an interim dividend of three-quarters (0.75) of one cent (2007 – 2.0 cents) per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 27 March 2009 (28 March 2008) out of retained profits at 31 December 2008, but not recognised as a liability at the end of the half-year, is	<u>626</u>	<u>1,607</u>

## Note 5 – Equity securities issued

	2008 Shares	2007 Shares	2008 \$'000	2007 \$'000
<b>Issues of ordinary shares during the half-year</b>				
Share issue	-	583,333	-	<u>350</u>

## Note 6 – Business combination

### Current period

There were no business combinations in the half-year ended 31 December 2008.

### Previous financial year

On 2 October 2007, Ross Human Directions Limited acquired all of the issued shares in Aurion Corporation Pty Limited, a vendor and developer of software, for a consideration of \$9.0 million, comprising cash of \$8.65 million and the issuance of Ross Human Directions Limited shares (\$350,000). The share component comprised 583,333 shares with a fair value of \$0.60.

The acquired business contributed revenues of \$7,916,000 and net profit of \$617,000 to the Group for the period from 2 October 2007 to 30 June 2008. If the acquisition had occurred on 1 July 2007, consolidated revenue and consolidated profit for the year ended 30 June 2008 would have been \$10,115,000 and \$791,000 respectively.

Details of net assets and goodwill are as follows:

	<b>\$'000</b>
Purchase consideration	
Cash paid	8,650
Fair value of share issue	350
Direct costs relating to the acquisition	106
	9,106
Fair value of net identifiable assets acquired (refer below)	(24)
Goodwill	9,082

The assets and liabilities arising from the acquisition are as follows:

	<b>Acquiree's carrying amount \$'000</b>	<b>Fair value \$'000</b>
Cash and cash equivalents	1,898	1,898
Receivables	1,456	1,456
Property, plant and equipment	92	92
Intangibles	73	73
Payables	(3,438)	(3,438)
Current tax liabilities	(48)	(48)
Employee benefit liabilities, including superannuation	(273)	(273)
Net deferred tax assets	264	264
Net identifiable assets (liabilities) acquired	24	24

### **Note 7 - Contingent liabilities**

At 31 December 2008, bank guarantees amounted to \$981,000 (30 June 2008: \$1,687,000).

Further, claims for unspecified damages were lodged during the previous financial year. The company has disclaimed liability and is defending the actions. It is not practical to estimate the potential effect of these claims but legal advice indicates that any liability that may arise in the unlikely event the claims are successful will not be significant.

### **Note 8 – Events occurring after balance sheet date**

Since half-year end, the directors have recommended the payment of an interim dividend of three-quarters (0.75) of one cent per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 27 March 2009 is \$626,000. Apart from this, there are no other material post balance date events.

## Directors' Declaration


In the directors' opinion:

- (a) the financial statements and notes set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Ross Human Directions Limited will be able to pay its debts as and when they become due and payable.

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



Fergus Allan McDonald  
Director



Julia Mary Ross  
Director

Sydney  
13 February 2009



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## INDEPENDENT AUDITOR'S REVIEW REPORT to the members of Ross Human Directions Limited

### Report on the half-year Financial Report

We have reviewed the accompanying half-year financial report of Ross Human Directions Limited (the company), which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for Ross Human Directions Limited Group (the consolidated entity). The consolidated entity comprises both Ross Human Directions Limited and the entities it controlled during that half-year.

#### *Directors' Responsibility for the half-year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ross Human Directions Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

#### *Independence*

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

#### *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

PricewaterhouseCoopers

Marc Upcroft  
Partner

Sydney  
13 February 2009