

Appendix 4E

Preliminary final report

Name of entity

Ross Human Directions Limited

ABN or equivalent company reference

ABN 25 003 758 709

Financial year ended

30 June 2007

Results for announcement to the market

\$A000

Revenues from ordinary activities	up	6.1 %	to	354,200
Profit (loss) from ordinary activities after tax attributable to members	down	0.8 %	to	5,005
Net profit (loss) for the period attributable to members	down	0.8 %	to	5,005
Dividends		Amount per security		Franked amount per security
Final dividend		2.0 ¢		2.0 ¢
Interim dividend		2.0 ¢		2.0 ¢
Previous corresponding period				
Final dividend		2.0 ¢		2.0 ¢
Interim dividend		2.0 ¢		2.0 ¢
Record date for determining entitlements to the dividend	21 September 2007			
Brief explanation of any of the figures reported above to enable the figures to be understood.				

Consolidated income statement

For the year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Revenue from continuing operations	3	354,200	333,797
Other income	4	-	4
Costs of temporary staff		(288,152)	(273,674)
Employee benefits expense		(38,015)	(35,689)
Depreciation and amortisation expenses	5	(1,718)	(1,470)
Reduction in the carrying amount of goodwill due to the realisation of acquired tax losses	5	(424)	(1,288)
Finance costs	5	(1,650)	(1,427)
Other expenses		(17,528)	(15,534)
		<hr/>	<hr/>
Profit before income tax		6,713	4,719
Income tax (expense) benefit		(1,708)	326
		<hr/>	<hr/>
Profit for the year		5,005	5,045
		<hr/>	<hr/>
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic EPS	15	6.1	6.2
Diluted EPS	15	6.0	6.1

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

Consolidated balance sheet

As at 30 June 2007

	Notes	2007 \$'000	2006 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6	9,725	5,736
Trade and other receivables	7	58,427	48,675
Total Current Assets		68,152	54,411
Non-Current Assets			
Held-to-maturity investments		813	954
Property, plant and equipment	8	3,188	1,555
Deferred tax assets		2,334	2,825
Intangible assets	9	8,358	8,992
Total Non-Current Assets		14,693	14,326
Total Assets		82,845	68,737
LIABILITIES			
Current Liabilities			
Trade and other payables	10	25,213	20,996
Borrowings	11	20,991	10,440
Current tax liabilities		782	500
Provisions		532	531
Total Current Liabilities		47,518	32,467
Non-Current Liabilities			
Payables		92	92
Deferred tax liabilities		733	675
Provisions		130	250
Total Non-Current Liabilities		955	1,017
Total Liabilities		48,473	33,484
Net Assets		34,372	35,253
EQUITY			
Contributed equity		22,654	24,398
Reserves	12(a)	(505)	383
Retained profits	12(b)	12,223	10,472
Total Equity		34,372	35,253

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

Consolidated statement of changes in equity

For the year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Total equity at the beginning of the financial year		35,253	32,732
Exchange differences on translation of foreign operations	12(a)	<u>(1,094)</u>	<u>320</u>
Net income recognised directly in equity		(1,094)	320
Profit for the year		5,005	<u>5,045</u>
Total recognised income and expense for the year		3,911	<u>5,365</u>
Transactions with equity holders in their capacity as equity holders:			
Employee share plan and share options	12(a)	206	97
Treasury shares		(2,114)	-
Contributions of equity, net of transaction costs		370	330
Dividends paid, net of dividends received on treasury shares		(3,254)	<u>(3,271)</u>
		(4,792)	<u>(2,844)</u>
Total equity at the end of the financial year		34,372	<u>35,253</u>

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

Consolidated cash flow statement

For the year ended 30 June 2007

	Notes	2007 \$'000	2006 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		379,472	380,813
Payments to suppliers and employees (inclusive of goods and services tax)		(377,383)	(361,957)
		2,089	18,856
Interest paid		(1,568)	(1,349)
Income taxes refunded (paid)		1,284	(2,731)
Net cash inflow from operating activities	13	1,805	14,776
Cash flows from investing activities			
Payment for purchase of Spherion (ACT) Pty Limited and controlled entities, net of cash acquired		-	(4,367)
Payments for property, plant and equipment		(2,913)	(1,117)
Payments for intangible assets		(197)	(102)
Payments for held-to-maturity investments		-	(954)
Proceeds from sale of property, plant and equipment		-	4
Loans to employees		(4)	-
Repayment of loans by employees		-	12
Interest received		217	81
Net cash outflow from investing activities		(2,897)	(6,443)
Cash flows from financing activities			
Proceeds from borrowings		22,000	13,200
Repayment of borrowings		(22,000)	(8,963)
Payments for shares acquired by the Ross Human Directions Limited Long Term Senior Executive Share Plan		(2,113)	-
Dividends paid to company's shareholders		(2,885)	(2,942)
Net cash (outflow) inflow from financing activities		(4,998)	1,295
Net (decrease) increase in cash and cash equivalents		(6,090)	9,628
Cash and cash equivalents at beginning of the financial year		570	(9,402)
Effect of exchange rate changes on cash and cash equivalents		(519)	344
Cash and cash equivalents at the end of the financial year	6	(6,039)	570

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

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

This 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 any public announcements made by Ross Human Directions Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(a) Basis of preparation

This financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRSs ensures that the consolidated financial statements and notes of Ross Human Directions Limited comply with International Financial Reporting Standards (IFRSs).

Early adoption of standards

The Group has elected to apply the following pronouncement to the annual reporting period beginning 1 July 2006:

- Revised AASB 101 *Presentation of Financial Statements* (issued October 2006)

This includes applying the pronouncement to the comparatives in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. No adjustments to any of the financial statements were required for the above pronouncement, but certain disclosures are no longer required and have therefore been omitted.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property, as applicable.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed.

Note 1 Summary of significant accounting policies (continued)

(b) Principles of consolidation

(i) *Subsidiaries*

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Ross Human Directions Limited ("company" or "parent entity") as at 30 June 2007 and the results of all subsidiaries for the year then ended. Ross Human Directions Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(h)).

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

Investments in subsidiaries are accounted for at cost in the individual financial statements of Ross Human Directions Limited

(ii) *Long Term Senior Executive Share Trust*

The Group has formed a trust to administer the Group's long term senior executive share plan. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group.

Shares held by the Ross Human Directions Limited Long Term Senior Executive Share Trust are disclosed as treasury shares and deducted from contributed equity.

(c) Segment reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Ross Human Directions Limited's functional and presentation currency.

(ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Note 1 Summary of significant accounting policies (continued)

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold or borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the income statement as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the major business activities as follows:

(i) Human resources

Income from contracting is brought to account when the services are provided. Contracting services provided but not yet billed are taken up as accrued revenue. All other fee income is recognised when services are performed.

(ii) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(iii) Dividend revenue

Dividend revenue is recognised as revenue when the right to receive payment is established.

(f) Income tax

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

Note 1 Summary of significant accounting policies (continued)

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

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

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

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation

Ross Human Directions Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Ross Human Directions Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

Any differences between the amounts assumed and amount receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

(g) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term or long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is lessor is recognised in income on a straight-line basis over the lease term.

Note 1 Summary of significant accounting policies (continued)

(h) Business combinations

The purchase method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price as at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to note 1(p)). If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

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

(i) Impairment of assets

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

(j) Cash and cash equivalents

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

Note 1 Summary of significant accounting policies (continued)

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement in other expenses.

(l) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

An impairment loss is recognised for any initial or subsequent write down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographic area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the income statement.

(m) Investments and other financial assets

Classification

The Group classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Note 1 Summary of significant accounting policies (continued)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Group's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Note 1 Summary of significant accounting policies (continued)

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(n) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

(o) Plant and equipment

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

- Office equipment	2-8 years
- Furniture and fittings	3-7 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is Group policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Note 1 Summary of significant accounting policies (continued)

(p) Intangible assets

(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/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill acquired in business combinations 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 the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units represents the Group's investment in each country of operation by each primary reporting segment.

(ii) Software

Software has a finite useful life and is carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of software over their estimated useful lives, which vary from 3 to 8 years.

(iii) Preferred supplier agreement

The preferred supplier agreement has a finite useful life and is carried at cost less accumulated amortisation and impaired losses. Amortisation is calculated using the straight line method to allocate the cost of the preferred supplier agreement over its estimated useful life of 4 years.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(s) Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year, in this case 7.08% (2006 – 6.58%).

Note 1 Summary of significant accounting policies (continued)

(t) Provisions

Provisions for legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

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

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

(u) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Retirement benefit obligations

All employees of the Group are entitled to benefits on retirement, disability or death from the Group's superannuation plans. The Group contributes to defined contribution plans. The plans receive fixed contributions from Group companies and the Group's legal or constructive obligation is limited to these contributions.

Contributions to the defined contribution funds are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Share-based payments

Share-based compensation benefits are provided to employees via the Ross Human Directions Limited Employee Share Option and Performance Share Rights Plans.

The fair value of options granted under the Ross Human Directions Limited Employee Share Option and Performance Share Rights Plans is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

Note 1 Summary of significant accounting policies (continued)

The fair value at grant date is independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the options and performance share rights granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

Upon the exercise of options or performance share rights, the proceeds received, net of any directly attributable transactions costs, are credited to share capital.

Under the long term senior executive share plan, shares issued by the Ross Human Directions Limited Long Term Senior Executive Share Trust to senior executives for no cash consideration vest over a vesting period, a determined by the directors. The market value of the shares issued is recognised as an employee benefits expense with a corresponding increase in equity over the vesting period.

(v) *Profit-sharing and bonus plans*

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

(vi) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(v) **Contributed equity**

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

If the entity reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income tax) is recognised directly in equity.

(w) **Dividends**

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

Note 1 Summary of significant accounting policies (continued)

(x) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(y) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

Change in accounting policy

The policy of recognising financial guarantee contracts as financial liabilities was adopted for the first time in the current financial year. In previous reporting periods, a liability for financial guarantee contracts was only recognised if it was probable that the debtor would default and a payment would be required under the contract.

The change in policy was necessary following the change to AASB 139 *Financial Instruments: Recognition and Measurement* made by AASB 2005-9 *Amendments to Australian Accounting Standards* in September 2005.

There was no impact on the consolidated financial statements of the Group or the earnings per share as a result of adopting this policy.

(z) Goods and Services Tax (GST)

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

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

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

Note 1 Summary of significant accounting policies (continued)

(aa) Rounding of amounts

The company is of a kind referred to in Class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(ab) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The Group's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

(i) *AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]*

AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. The Group has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the Group's and the parent entity's financial instruments.

(ii) *AASB-I 10 Interim Financial Reporting and Impairment*

AASB-I 10 is applicable to reporting periods commencing on or after 1 November 2006. The Group has not recognised an impairment loss in relation to goodwill, investments in equity instruments or financial assets carried at cost in an interim reporting period but subsequently reversed the impairment loss in the annual report. Application of the interpretation will therefore have no impact on the Group's or the parent entity's financial statements.

Note 2 – Segment information

Business segments

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.

Geographical segments

Although the consolidated entity is managed on a global basis it is operated in three main geographical areas:

Australia / New Zealand

Comprises operations in Australia and New Zealand. The parent entity is domiciled in Australia.

East Asia

Comprises operations carried on in Singapore, Hong Kong and Malaysia.

Europe

Comprises operations carried on in The United Kingdom and Ireland.

Secondary reporting – geographical segments

	Segment revenues from sales to external customers		Segment assets		Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Australia / New Zealand	308,108	292,296	69,109	55,530	2,847	1,179
East Asia	31,466	32,543	9,541	10,036	56	10
Europe	14,409	8,877	4,195	3,171	207	30
	353,983	333,716	82,845	68,737	3,110	1,219

Segment revenues are allocated based on the country in which the customer is located. Segment assets and capital expenditure are allocated based on where the assets are located.

Note 3 – Revenue

	2007 \$'000	2006 \$'000
From continuing operations		
<i>Sales revenue</i>		
Services	353,983	333,716
<i>Other revenue</i>		
Interest	217	81
	354,200	333,797

Note 4 – Other income

	2007 \$'000	2006 \$'000
Net gain on disposal of property, plant and equipment	-	4
	-	4

Note 5 – Expenses

Profit before income tax includes the following specific expenses:

Depreciation		
Plant and equipment	519	409
Furniture and fittings	67	75
Leasehold improvements	493	303
Plant and equipment under finance lease	-	1
Total depreciation	1,079	788
Amortisation		
Software	627	670
Preferred supplier agreement	12	12
Total amortisation	639	682
Reduction in the carrying amount of goodwill due to the realisation of acquired tax losses	424	1,288
Finance costs		
Interest and finance charges paid/payable	1,488	1,414
Exchange losses on foreign currency borrowing	162	13
Finance costs expensed	1,650	1,427
Net loss on disposal of plant and equipment	45	249
Rental expense relating to operating leases		
Minimum lease payments	4,008	3,743

Note 6 Current assets - cash and cash equivalents

	2007 \$'000	2006 \$'000
Cash at bank and on hand	9,725	5,736

Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balance as above	9,725	5,736
Less: Bank overdrafts	(15,764)	(5,166)
Balances per statement of cash flows	(6,039)	570

Note 7 Current assets – Trade and other receivables

	2007 \$'000	2006 \$'000
Trade receivables	56,076	44,495
Less: Provision for doubtful debts	(833)	(946)
	55,243	43,549
Other receivables	2,760	4,955
Less: Provision for doubtful receivables	(556)	(777)
	2,204	4,178
Prepayments	980	948
	58,427	48,675

Note 8 Non-current assets – Property, plant and equipment

	Construction in progress \$'000	Furniture & fittings \$'000	Leasehold improve- ments \$'000	Plant & equipment \$'000	Leased plant & equipment \$'000	Total \$'000
Consolidated						
At 30 June 2005						
Cost	-	656	3,330	6,690	7	10,683
Accumulated depreciation	-	(462)	(2,865)	(5,884)	(6)	(9,217)
Net book amount	-	194	465	806	1	1,466
Year ended 30 June 2006						
Opening net book value	-	194	465	806	1	1,466
Exchange differences	-	2	3	4	-	9
Additions	170	20	469	458	-	1,117
Assets classified as held for sale and other disposals	-	-	(249)	-	-	(249)
Depreciation charge	-	(75)	(303)	(409)	(1)	(788)
Reclassification	-	-	5	(5)	-	-
Closing net book amount	170	141	390	854	-	1,555
At 30 June 2006						
Cost	170	680	2,721	7,091	7	10,669
Accumulated depreciation	-	(539)	(2,331)	(6,237)	(7)	(9,114)
Net book amount	170	141	390	854	-	1,555
Year ended 30 June 2007						
Opening net book value	170	141	390	854	-	1,555
Exchange differences	-	13	4	(3)	-	14
Additions	-	87	1,642	1,184	-	2,913
Assets classified as held for sale and other disposals	-	(45)	-	-	-	(45)
Depreciation charge	-	(67)	(493)	(519)	-	(1,079)
Reclassification	(170)	-	(6)	6	-	(170)
Closing net book amount	-	129	1,537	1,522	-	3,188
At 30 June 2007						
Cost	-	655	4,311	8,078	7	13,051
Accumulated depreciation	-	(526)	(2,774)	(6,556)	(7)	(9,863)
Net book amount	-	129	1,537	1,522	-	3,188

Note 9 Non-current assets – Intangible assets

Consolidated	Software \$'000	Goodwill \$'000	Preferred supplier agreement \$'000	Total \$'000
At 30 June 2005				
Cost	5,035	9,003	50	14,088
Accumulated amortisation and impairment	(2,454)	(759)	(15)	(3,228)
Net book amount	<u>2,581</u>	<u>8,244</u>	<u>35</u>	<u>10,860</u>
Year ended 30 June 2006				
Opening net book value	2,581	8,244	35	10,860
Additions	102	-	-	102
Impairment charge	-	(1,288)	-	(1,288)
Amortisation charge	(670)	-	(12)	(682)
Closing net book amount	<u>2,013</u>	<u>6,956</u>	<u>23</u>	<u>8,992</u>
At 30 June 2006				
Cost	5,137	9,003	50	14,190
Accumulated amortisation and impairment	(3,124)	(2,047)	(27)	(5,198)
Net book amount	<u>2,013</u>	<u>6,956</u>	<u>23</u>	<u>8,992</u>
Year ended 30 June 2007				
Opening net book value	2,013	6,956	23	8,992
Additions	197	62	-	259
Impairment charge	-	(424)	-	(424)
Amortisation charge	(627)	-	(12)	(639)
Reclassification	170	-	-	170
Closing net book amount	<u>1,753</u>	<u>6,594</u>	<u>11</u>	<u>8,358</u>
At 30 June 2007				
Cost	5,521	9,065	50	14,636
Accumulated amortisation and impairment	(3,768)	(2,471)	(39)	(6,278)
Net book amount	<u>1,753</u>	<u>6,594</u>	<u>11</u>	<u>8,358</u>

Note 10 Current liabilities – Trade and other payables

	2007 \$'000	2006 \$'000
Trade payables	8,160	5,895
Other payables	17,053	15,101
	<u>25,213</u>	<u>20,996</u>

Note 11 Current Liabilities – Borrowings

	2007 \$'000	2006 \$'000
Secured		
Bank overdrafts	15,764	5,166
Bank loan	827	873
Commercial bill payable	4,400	4,400
	20,991	10,439
Unsecured		
Other loans	-	1
	20,991	10,440

Note 12 Reserves and retained profits

	2007 \$'000	2006 \$'000
(a) Reserves		
Share-based payments reserve	541	335
Foreign currency translation reserve	(1,046)	48
	(505)	383
Movements:		
<i>Share-based payments reserve</i>		
Balance 1 July 2006	335	238
Option expense	57	97
Long Term Senior Executive Share Plan expense	149	-
Balance 30 June 2007	541	335
<i>Foreign currency translation reserve</i>		
Balance 1 July 2006	48	(272)
Currency translation differences arising during the year	(1,094)	320
Balance 30 June 2007	(1,046)	48
(b) Retained profits		
Movements in retained profits were as follows:		
Balance at 1 July 2006	10,472	8,698
Net profit for the year	5,005	5,045
Dividends	(3,254)	(3,271)
Balance at 30 June 2007	12,223	10,472

Note 13 Reconciliation of profit after income tax to net cash inflow from operating activities

	2007 \$'000	2006 \$'000
Profit for the year	5,005	5,045
Depreciation and amortisation	1,718	1,470
Impairment of goodwill	424	1,288
Non-cash employee benefits expense – share based payments	206	97
Interest income	(217)	(81)
Net loss on sale of non-current assets	45	245
(Increase) decrease in trade debtors	(11,694)	10,000
Decrease (increase) in deferred tax assets	491	(288)
Decrease (increase) in other operating assets	1,874	(3,055)
Increase in trade creditors	2,265	125
Increase in other operating liabilities	1,960	1,211
Increase (decrease) in provision for income taxes payable	282	(1,176)
Increase (decrease) in deferred tax liabilities	58	(246)
(Decrease) increase in other provisions	(119)	141
Effect of exchange rates on non-cash assets and liabilities	(493)	-
Net cash inflow from operating activities	1,805	14,776

Note 14 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (*If an amount is quantified, show comparative amount.*)

N/A

Note 15 Earnings per share

	2007 Cents	2006 Cents
(a) Basic earnings per share		
Profit attributable to the ordinary equity holders of the company	6.1	6.2
(b) Diluted earnings per share		
Profit attributable to the ordinary equity holders of the company	6.0	6.1
(c) Reconciliations of earnings used in calculating earnings per share	2007	2006
	\$'000	\$'000
<i>Basic earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	5,005	5,045
<i>Diluted earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	5,005	5,045
(d) Weighted average number of shares used as a denominator		
	Number	Number
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	82,586,220	81,918,408
Adjustments for calculation of diluted earnings per share:		
Options / performance share rights	704,147	1,327,558
Weighted average number of ordinary shares and potential ordinary shares used as a denominator in calculating diluted earnings per share	83,290,367	83,245,966
(e) Information concerning the classification of securities		
<i>Options</i>		
Options granted to employees under the Ross Human Directions Limited Employee Share Option and Performance Share Rights Plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options and performance share rights have not been included in the determination of basic earnings per share.		

Note 16 Contingent liabilities

Changes in contingent liabilities or assets.

At 30 June 2007, bank guarantees amounted to \$ 2,007,000 (2006: \$ 2,391,000).

Further, during a prior period claims were lodged with the company in respect of activities that relate to Spherion prior to its acquisition. Based on professional advice the Directors believe that the claims fall within the warranties given by the vendor, Spherion Corporation USA, at acquisition. Based on the latest published information of Spherion Corporation USA, the Directors' believe that Spherion Corporation USA is able to meet any or all liabilities that may arise under these claims.

Note 17 Events occurring after reporting date

There are no material post balance date events.

Supplementary Appendix 4E information and other relevant disclosures

Note 18 NTA backing

	2007 Cents	2006 Cents
Net tangible asset backing per ordinary security	28.6 c	28.5 c

Note 19 (a) Control gained over entities having material effect

Name of entity (or group of entities)	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	\$ N/A
Date from which such profit has been calculated	N/A
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$ N/A

Note 19 (b) Loss of control of entities having material effect

Name of entity (or group of entities)	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$ N/A
Date to which the profit (loss) has been calculated	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$ N/A
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$ N/A

Note 20 Dividends

Date the dividend is payable	12 October 2007
Record date to determine entitlements to the dividend (ie, on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)	21 September 2007
If it is a final dividend, has it been declared?	Yes

Amount per security

	Amount per security	Franked amount per security at %	Amount per security of foreign source dividend
Final dividend: Current year	2.0 ¢	2.0 ¢	Nil ¢
Previous year	2.0 ¢	2.0 ¢	Nil ¢
Interim dividend: Current year	2.0 ¢	2.0 ¢	Nil ¢
Previous year	2.0 ¢	2.0 ¢	Nil ¢

Total dividend per security (interim plus final)

	Current year	Previous year
Ordinary securities	4.0 ¢	4.0 ¢

Final dividend on all securities

	2007 \$'000	2006 \$'000
Ordinary securities (each class separately)	1,658	1,645

The dividend or distribution plans shown below are in operation.

No dividend reinvestment plan is currently in operation. The dividend reinvestment plan was suspended effective from 25 June 2007.

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Any other disclosures in relation to dividends

None.

Note 21 Details of aggregate share of profits (losses) of associates and joint venture entities

Group's share of associates' and joint venture entities':	2007 \$'000	2006 \$'000
Profit (loss) from ordinary activities before tax	N/A	N/A
Income tax on ordinary activities	N/A	N/A
Profit (loss) from ordinary activities after tax	N/A	N/A
Extraordinary items net of tax	N/A	N/A
Net profit (loss)	N/A	N/A
Adjustments	N/A	N/A
Share of net profit (loss) of associates and joint venture entities	N/A	N/A

Note 22 Material interests in entities which are not controlled entities

The economic entity has an interest (that is material to it) in the following entities.

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	2007	2006	2007 \$'000	2006 \$'000
Equity accounted associates and joint venture entities				
	N/A	N/A	N/A	N/A
Total				
Other material interests	N/A	N/A	N/A	N/A
Total				

Note 23 Issued and quoted securities at end of current period

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
Ordinary securities	82,915,050	82,915,050		
Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks	658,882 -	658,882 -	56 c -	56 c -
Options (<i>description and conversion factor</i>)			<i>Exercise price</i>	<i>Expiry date (if any)</i>
Options	302,000		68 c	15/04/08
Performance Share Rights	534,558		0 c	19/11/09
Options	<u>114,000</u>		68 c	08/09/08
	<u>950,558</u>			
Issued during current period	-		-	-
Exercised during current period	-		-	-
Expired during current period				
Options	140,000		135 c	
Options	181,000		68 c	
Performance Share Rights	50,000		0 c	
Options	20,000		68 c	
Performance Share Rights	<u>225,000</u>		0 c	
	<u>616,000</u>			

Note 24 Franking Credits

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year.

Franking credits of \$2,020,185 were available at 30 June 2007. The balance of the franking credits is based on a tax rate of 30%.

Commentary on results for the period

Ross Human Directions Limited has returned an operating profit after tax of \$5.005 million, which is in line with the prior year result of \$5.045 million.

The commentary on Significant Features of Operating Performance below explains substantial movements in revenue and expense items contributing to the result.

Earnings per share (EPS)

Earnings per share for the full year amounted to 6.1 cents consistent with the EPS for the previous corresponding period.

Returns to shareholders

A fully franked final dividend of 2.0 cents per share (2006: 2.0 cents) has been declared by the directors. The dividend will be fully franked at the 30% tax rate, and has been declared to be paid on 12 October 2007. A fully franked interim dividend of 2.0 cents per share (2006: 2.0 cents) was previously paid on 30 March 2007.

Significant features of operating performance

Revenue of \$354.2 million was up 6.1% on the prior year result of \$333.8 million. Temporary revenues were better than the prior year by 4% and this, coupled with a 22% improvement in revenues from permanent placements, translated to an increase of \$5.9 million or 10% in gross margin.

Other expenses were up \$2.0 million or 13% on the prior year. This was due mainly to an increase of \$1.3 million in marketing expenses associated with a re-branding advertising campaign. Furthermore, other expenses were impacted by provision releases in the prior year.

EBIT of \$8.2 million was better by \$2.1 million or 34% on the previous year, predominantly as a result of the stronger gross margin result.

The tax expense of \$1.7 million was \$2.0 million higher than the \$0.3 million tax benefit in the previous year. This was impacted mainly by the recoupment of tax losses, delivering a tax benefit of 0.4 million in the current year compared to \$1.3 million last year, where tax losses were recouped for both the 2004/5 and 2005/06 years.

Trade and Other Receivables increased by \$9.8 million to \$58.4 million. This increase was due essentially to increased trading activity, as highlighted by the improved revenue result. The heightened activity has also resulted in a \$4.2 million increase in Trade and Other Payables.

Net borrowings (borrowings less cash and cash equivalents) increased by \$6.6 million during the year to \$11.2m. The increase in net borrowings was due predominantly to payments for property, plant and equipment (\$2.9 million) and the transfer of funds into the Long term Senior Executive Share Plan (\$2.1 million) that was established during the year.

Compliance statement

- 1 This report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations or other standards acceptable to ASX.

Identify other standards used

N/A

- 2 This report, and the accounts upon which the report is based (if separate), use the same accounting policies.

- 3 This report does give a true and fair view of the matters disclosed.

- 4 This report is based on accounts to which one of the following applies.

(Tick one)

The accounts have been audited.

The accounts have been subject to review.



The accounts are in the process of being audited or subject to review.

The accounts have not yet been audited or reviewed.

- 5 The entity has a formally constituted audit committee.

Sign here:

Company Secretary

Date: 17 August 2007

Print name:

Glenn J Meekin