

## RXP SERVICES LIMITED

ABN 30 146 959 917

### Appendix 4e Rule 4.3A

#### Details of the reporting period and the previous corresponding period

Reporting period: Year ended 30 June 2018

Previous corresponding period: Year ended 30 June 2017

#### Results for announcement to the market

	June 2018 (\$'000)	June 2017 (\$'000)	Change (\$'000)	Change (%)
Revenue from operating activities	144,946	140,504	4,442	3%
Profit from ordinary activities after tax attributable to members	7,835	11,641	(3,806)	(33%)
Net profit for the period attributable to members of RXP	7,835	11,641	(3,806)	(33%)
Underlying EBITDA	15,161	19,451	(4,290)	(22%)
EBITDA	12,980	18,253	(5,273)	(29%)
Basic EPS	4.9 cents	8.3 cents	(3.4 cents)	(41%)
Net Tangible Asset per Share	(1.3 cents)	9.7 cents	(11.0 cents)	(113%)

#### Dividends distributions

	Record date	Date of payment	Amount per security	Franked amount per security
Interim dividend paid during financial year	22 March 2018	12 Apr 2018	1.50 cents	1.50 cents
Final dividend declared - subsequent to year end	14 Sept 2018	4 Oct 2018	2.00 cents	2.00 cents

#### Explanation of results

A full explanation of the above figures is documented in the attached Audited Annual Financial Report.

Underlying EBITDA has been shown above to provide a greater understanding of the underlying performance of the Group and a more representative comparison of financial performance between periods.

This report should also be read in conjunction with any public announcements made by RXP in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

#### Happier Humans

Level 15  
31 Queen Street, Melbourne  
Victoria Australia

**Phone** (03) 8630 5800  
**Email** [info@rxpservices.com](mailto:info@rxpservices.com)  
**Web** [www.rxpservices.com](http://www.rxpservices.com)

**Details of entities over which control has been gained or lost during the period**

On 1 August 2017, the Company acquired 100% of the share capital of The WorksSydney Pty Ltd and Daresay Pty Ltd (formerly Fifty Patricks Pty Ltd). Details of the acquisition are set out at Note 20 in this Financial report.

All information requiring disclosure to comply with listing rule 4.3A is contained in this report and the RXP Services Ltd Annual Report (attached) for the year ended 30 June 2018, including the signed Auditors Report.

Date: 15 August 2018



David Royale  
Company Secretary

**Happier Humans**

Level 15  
31 Queen Street, Melbourne  
Victoria Australia

**Phone** (03) 8630 5800  
**Email** [info@rxpservices.com](mailto:info@rxpservices.com)  
**Web** [www.rxpservices.com](http://www.rxpservices.com)



Annual Report  
2018

rxp' group



The digital economy continues to revolutionise the way we do business and at the same time it continues to create new opportunities for growth. We believe that if developed appropriately, the combination of expression, experience and enablement will spur innovation in business models, business networking and knowledge transfer and ultimately make happier humans.



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## Our Business



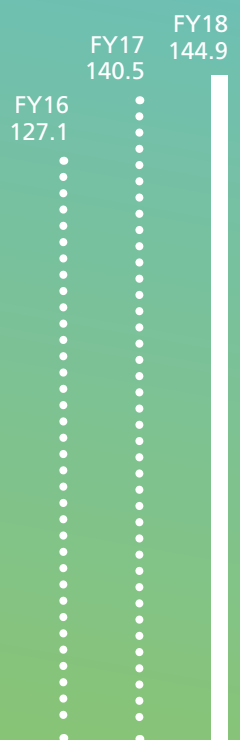
## Deep expertise. One Focus: Making Happier Humans.

Our team provide cohesive, end-to-end capability to design, build and support digital solutions across current and emerging channels.

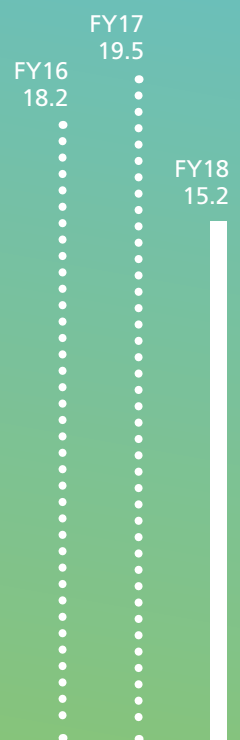
The unique fusion of brand, insight, design and technology help companies innovate and digitally transform – but most importantly we are Making Happier Humans.

## Performance

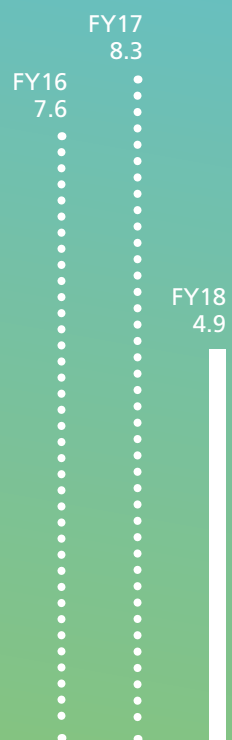
Revenue (\$m)



Underlying EBITDA (\$m)



EPS (\$m)



Dividends (cps)



## Chairman and CEO Report

"We have been able to successfully position the business to take advantage of the promising growth evident in the digital economy."



**John Pittard**  
Chairman



**Ross Fielding**  
Chief Executive Officer

"RXP has successfully delivered a number of significant high-profile digital projects, further enhancing our digital delivery reputation."

**We are now able to offer clients a seamless, end to end set of digital solution capabilities.**

Dear Fellow Shareholders,

We are pleased to present to you the 2018 RXP Services Ltd (RXP) annual report. Throughout this financial year RXP has continued to execute on its strategic roadmap. Our team has driven growth in digital and transformation work, working hard to manage an effective rebalancing of work mix.

The year was impacted by a faster than anticipated decline in traditional consulting work, particularly in the first eight months across two major clients. Pleasingly though, we were able to successfully position the business to take advantage of the promising growth evident in the digital economy.

- Revenue of \$144.9 million driven by growth in digital work (~\$27m, including contribution from The Works) offset by decline in traditional consulting revenue (~\$23m)

- Underlying Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) of \$15.2 million
- Strong cashflow conversion with operating cashflow representing 107% of EBITDA
- Final dividend of 2.0 cps fully franked; payable 4 October 2018
- Strong Q4 with revenue of \$39 million and EBITDA of \$5.5 million, driven by strong headcount and improved utilisation rates; utilisation levels expected to hold going into FY19.

### FY18 at a glance

It has been another busy year for the team at RXP. In terms of delivering to clients, RXP successfully delivered a number of significant high-profile digital projects, further enhancing our digital delivery reputation. Investment in digital expansion continued, with proactive hiring and training of staff to ensure excellence in delivery now and

into the future, resulting in new revenue streams and deeper client relationships.

In terms of maintaining a diverse mix of clients across a range of industries, our team was able to retain all existing client service agreements and, in many cases, expand their scope. At the same time, we also added several new important clients during the year, with these clients expected to be a source of growth in the year ahead.

The acquisition of The Works has provided RXP with the opportunity to build upon our digital expertise. We have been pleased with how The Works have integrated into the broader RXP business and how that has provided us with the ability to offer clients a seamless, end to end set of digital solution capabilities. The Works have delivered as we expected, with the team continuing to win new client work and providing further business development opportunities to the broader RXP group.





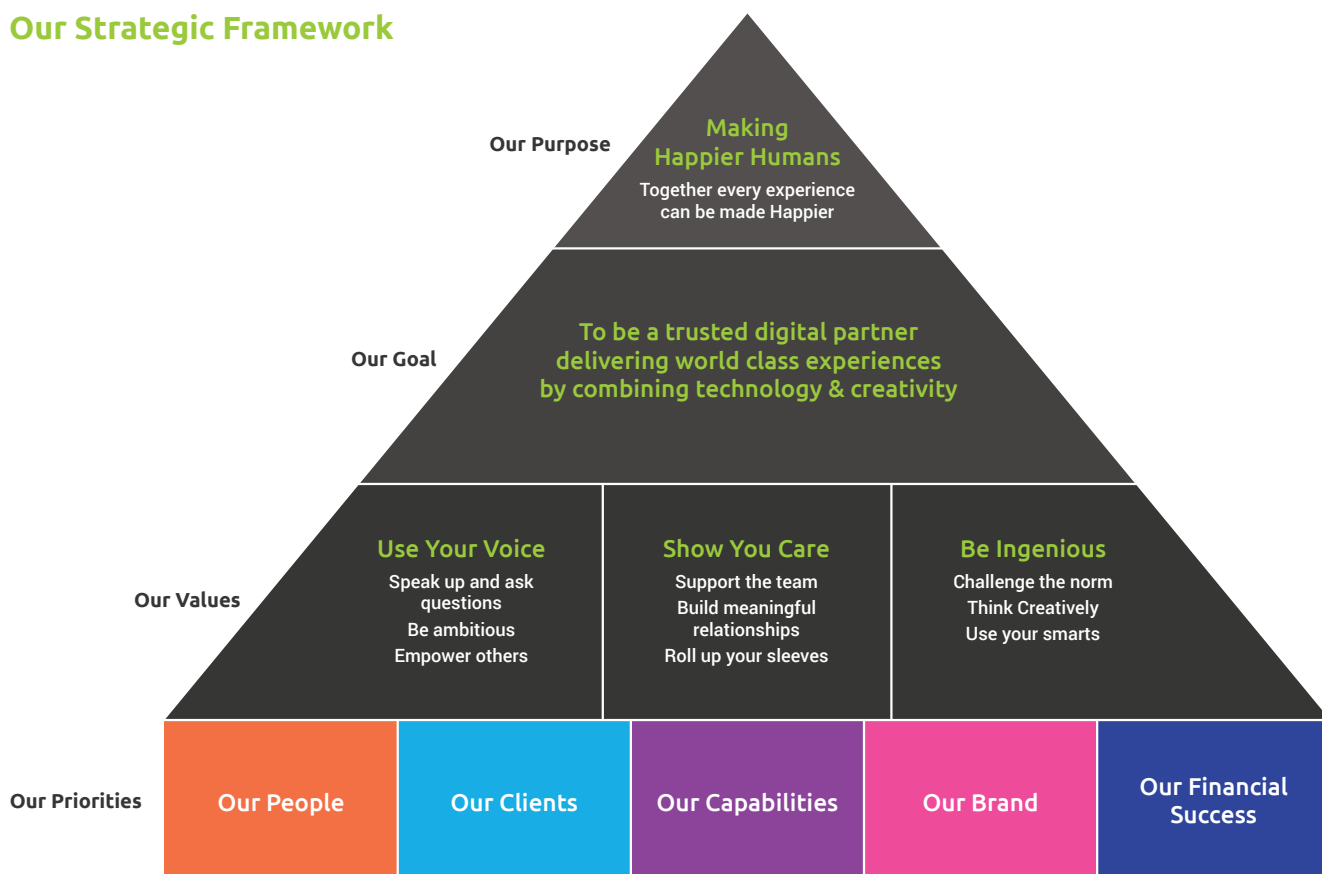






# Chairman and CEO Report continued

## Our Strategic Framework



## Looking ahead

The last quarter of FY18 produced pleasing results. Driven by strong headcount, high utilisation and new project wins, we expect this momentum to hold as we move into FY19.

Digital transformation remains a priority for our clients across all industries and sectors and our digital capabilities are clearly resonating with them. We have built positive momentum from digital work and, with the rebalancing of our work mix now behind us, we expect the year ahead to be strong.

We have the right strategy and have confidence that our digital business will deliver growth in FY19.

In closing, whilst FY18 was impacted by a faster than anticipated decline in traditional consulting work, we did see significant growth in revenue from digital and transformation work, highlighting the importance of our digital strategy and the evolutionary path we have chosen. Our focus and commitment to being the digital partner of choice for clients remains and the platform we have set for FY19 is strong.

We would like to take this opportunity to thank all of the people who work at RXP for the commitment they have shown and the passion they bring to work each and every day in our efforts to deliver outcomes and value to clients. We would also like to thank you, our fellow shareholders, for your continued support of RXP Services Limited.

We look forward to another exciting year ahead and to producing a strong set of results in 2019.

Thank you.

**John Pittard**  
Chairman

**Ross Fielding**  
Chief Executive Officer

# Directors Report

The Directors present their report together with the Financial Report of the consolidated entity consisting of RXP Services Ltd and the entities it controlled, for the financial year ended 30 June 2018 and auditor's report thereon.

## Directors

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

## Non-Executive Directors

Mr John Pittard (Chairperson)  
Mr Kenneth Stout  
Ms Sandra Hook

## Executive Director

Mr Ross Fielding

The directors have been in office throughout the financial year, unless otherwise stated, and remain in office at the date of this report.

## Principal activities

The principal activity of the consolidated entity during the financial year was providing digital consulting services

During the current year, the groups digital capabilities expanded with the acquisition of The WorksSydney Pty Ltd, a leading digital and creative agency. There have been no other significant changes in the nature of these activities during the financial year.

## Review of operations and financial results

The consolidated profit after income tax attributable to the members of RXP Services Ltd was \$7.835 million (2017: \$11.641 million).

Refer to the Chairman and CEO Message at the start of this Annual Report for an overview of the financial year 2018.

## Significant changes in the state of affairs

During the year, the following changes occurred within the Group:

- On 1 August 2017, the Company acquired 100% of the share capital of The WorksSydney Pty Ltd and Daresay Pty Ltd (formerly Fifty Patricks Pty Ltd). Details of the acquisition are set out at Note 20 in this Financial Report.
- On 3 August 2017, the Company issued and placed 21 million new shares raising \$16.9 million (in accordance with Listing rule 7.1).
- On 16 October 2017, the Company renegotiated its debt facility with Westpac Institutional Bank. Details of the facility are set out in Note 16 in this Financial Report.

## After balance date events

No matters or circumstances have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

## Likely developments

The company will continue to pursue its operating strategy to create shareholder value. Further comment regarding the likely developments can be found in the Chairman and CEO Message at the front of this report.

## Environmental regulation

The consolidated entity's operations are not subject to any significant environmental Commonwealth or State regulations or laws.

## Dividend paid, recommended and declared

Since the end of the reporting period the following dividend was declared by the Directors. The financial effect of this dividend has not been brought to account in the consolidated financial statements and will be recognised in subsequent financial reports.

	2018 \$'000	2017 \$'000
Final dividend declared at 2.00 cents (2017: 3.00 cents)		
fully franked at 30%	3,222	4,833
	3,222	4,833

## Share options

No options over unissued shares or interests in the consolidated entity were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

## Information on Directors and Company Secretary

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**John Pittard**  
Chairman

Mr Pittard has over 30 years of experience having held senior business and technology positions within some of Australia's largest companies including News Corporation, Telstra, Pioneer International and Shell Australia. Other recent directorships and offices include Non-Executive Director REA Group Limited, Non-Executive Director CareerOne Pty Ltd and Non-Executive Director RecruitAdvantage Pty Ltd.

**Directorships of other companies:** Non-Executive Director AEMO (Australian Energy Market Operator), Non-Executive Director Barnardos Australia

**Special Responsibilities:** Member of the People & Remuneration Committee, Member of the RXP Audit Committee

**Qualifications:** B.Sc. (Newcastle University), MAICD

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**Kenneth Stout**  
Non-Executive Director

Mr Stout is a highly accredited and experienced senior company Accounting and Finance Executive. He has worked in both public and private companies, is an Associate of the Institute of Chartered Accountants in Australia and New Zealand and has deep board level management experience; recently being Chair of ASX listed Ingena Group Ltd. Mr Stout was a partner at Ernst & Young and is a specialist in financial and corporate advisory services.

**Directorships of other companies:** Nil

**Special Responsibilities:** Chair of the RXP Audit Committee, Member of the People and Remuneration Committee

**Qualifications:** Chartered Accountant, Diploma Business (Accounting), Graduate Diploma of Bus (Accounting), Chartered Secretary

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**Ross Fielding**  
Executive Director

Mr Fielding has over 30 years of experience in the Information Technology and Telecommunications industry and has played a key role in many major 'Business transformation' programmes throughout his career. Before becoming the CEO of RXP Services Ltd, Mr Fielding was the Executive Director for Products and Services in Telstra, driving innovation, development and implementation into the market. Prior to RXP, Ross was CIO for Telstra's Retail business. Mr Fielding has been a Director of the Australian Mobile Telecommunications Association.

**Directorships of other companies:** Nil

**Special Responsibilities:** Member of the People and Remuneration Committee

**Qualifications:** BEng

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**Sandra Hook**  
Non-Executive Director

Ms Hook has a track record in driving customer-centred business transformation and transitioning traditional organisations in rapidly evolving environments. Ms Hook has extensive operational, digital, financial management and strategic experience built over 25 years as a CEO and in Senior Executive roles for some of Australia's largest media companies including News Limited, Foxtel, Federal Publishing Company, Murdoch Magazines and Fairfax.

Since 2000 Ms Hook has also served as a Non-Executive Director on listed, public and private companies and government bodies.

**Directorships of other companies:** IVE Group Limited, MedAdvisor Ltd, .au Domain Administration Ltd, Sydney Fish Market and WYZA Limited. Trustee of the Sydney Harbour Federation Trust and the Royal Botanic Gardens and Domain Trust

**Special Responsibilities:** Chair of the People and Remuneration Committee, Member of the RXP Audit Committee

**Qualifications:** GAICD

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**David Royale**  
CFO and Company Secretary

Mr Royale is an experienced accountant with over 25 year's finance experience in both public and private companies. Mr Royale has held senior accounting roles in a variety of sectors including property development, travel and hospitality, architectural services, financial services and manufacturing. Mr Royale has been a member of the Institute of Chartered Accountants Australia & New Zealand since 1998.

**Directorships of other companies:** Nil

**Special Responsibilities:** Nil

**Qualifications:** BBus(Acc), Chartered Accountant

### Directors' meetings

The number of meetings of the Board of Directors and of each Board Committee held during the financial year and the numbers of meetings attended by each Director were:

	Board of Directors		Audit Committee		People and Remuneration Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
John Pittard	12	12	4	4	4	4
Kenneth Stout	12	12	4	4	4	4
Ross Fielding	12	12	4	4	4	4
Sandra Hook	12	11	4	4	4	4

### Directors' interests in shares or options

Directors' relevant interest in shares of RXP Services Ltd or options over shares in the company are detailed below:

Directors' relevant interests in:	Ordinary Shares of RXP Services Ltd
John Pittard	100,000
Kenneth Stout	250,000
Ross Fielding	8,603,624
Sandra Hook	61,728

### Indemnification and insurance of Directors, officers and auditors

During the financial year, the Group paid a premium to insure the Directors and Officers of the Group. The terms of the insurance contract prevent additional disclosure. The Group is not aware of any liability that arose under these indemnities as at the date of this report.

No indemnities have been given or insurance premiums paid to insure the auditors of the Group.

### Proceedings on behalf of the consolidated entity

No person has applied for leave of court to bring proceedings on behalf of RXP Services Ltd or any of its subsidiaries.

### Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the audit for the financial year is provided with this report.

## Non-audit services

Non-audit services are approved by resolution of the audit committee and approval is provided in writing to the Board of directors. Non-audit services were provided by the auditors of entities in the consolidated group during the year, namely Pitcher Partners Melbourne, network firms of Pitcher Partners, and other non-related audit firms, as detailed below. The Directors are satisfied that the provision of the non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by RXP Services Ltd and have been reviewed and approved by the Audit Committee to ensure they do not impact on the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in *APES 110 Code of Ethics for Professional Accountants*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for RXP Services Ltd or any of its related entities, acting as an advocate for RXP Services Ltd or any of its related entities, or jointly sharing risks and rewards in relation to the operations or activities of RXP Services Ltd or any of its related entities.

	2018 \$	2017 \$
Amounts paid and payable to Pitcher Partners for non-audit services:		
Taxation services	12,500	12,000
	12,500	12,000
Amounts paid and payable to non-related auditors of group entities for non-audit services:		
Taxation services	14,472	8,816
	14,472	8,816
Total auditors' remuneration for non-audit services	26,972	20,816

## Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the Financial Report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

## Remuneration Report – audited

The Directors present the consolidated entity's 2018 audited remuneration report which details the remuneration information for RXP Services Ltd's Executive Directors, Non-Executive Directors and other key management personnel.

### A. Details of key management personnel

Directors	Position
Ross Fielding (Appointed 21 October 2010)	Managing Director
John Pittard (Appointed 25 November 2013)	Chairman
Kenneth Stout (Appointed 21 October 2010)	Non-Executive Director
Sandra Hook (Appointed 14 March 2016)	Non-Executive Director
Key Management Personnel	Position
David Royale (Appointed 1 April 2015)	Chief Financial Officer and Company Secretary
Craig Robertson (Appointed 1 July 2015)	Group Executive Operations
Kevin Brough (Appointed 15 May 2017)	Group Executive National Sales
Maria Dimopoulos (Appointed 1 July 2013)	Group Manager People and Talent
Jared Hill (Appointed 1 July 2017)	Group Executive Digital Services and Delivery

### B. Remuneration policies

The board policy for determining the nature and amount of remuneration of key management personnel is agreed by the Board of Directors as a whole. The Board obtains professional advice where necessary to ensure that the company attracts and retains talented and motivated directors and employees who can enhance company performance through their contributions and leadership. No remuneration consultant provided a recommendation in the current year.

For executives, the company provides a remuneration package that incorporates cash-based remuneration. No share-based remuneration is provided. The contracts for service between the Company and Executives are on a continuing basis, the terms of which are not expected to change in the immediate future.

Non-Executive Directors receive fees and do not receive options or bonus payments.

The company determines the maximum amount for remuneration by Directors by resolution. Further details regarding components of directors' and executive remuneration are provided in the notes in the financial statements.

#### Service Agreement

The company has entered into service agreements with the following key management personnel:

##### Ross Fielding

Chief Executive Officer

- Permanent employment contract commencing 20 December 2010.
- Termination by provision of six months' notice by either party.

##### Craig Roberton

Group Executive Operations

- Permanent employment contract commencing 1 July 2017.
- Termination by provision of three months' notice by either party.

##### David Royale

Chief Financial Officer

- Permanent employment contract commencing 1 July 2017.
- Termination by provision of three months' notice by either party.

##### Maria Dimopoulos

Group Executive People and Talent

- Permanent employment contract commencing 1 July 2017.
- Termination by provision of three months' notice by either party.

##### Kevin Brough

Group Executive National Sales

- Permanent employment contract commencing 1 July 2017.
- Termination by provision of three months' notice by either party.

##### Jared Hill

Group Executive Digital Services and Delivery

- Permanent employment contract commencing 1 July 2017.
- Termination by provision of three months' notice by either party.



## C. Details of key management personnel remuneration

### (a) Directors' remuneration:

	Short-term				Post-employment			Long-term	Share-based	Total	Total Performance Related
	Salary/ Fees	Cash bonus	Non-monetary	Other	Superannuation	Retirement benefits	Termination benefits	Incentive plans	Options		
2018	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Ross Fielding	540,782	144,750	16,008	-	20,169	-	-	-	-	721,709	20
John Pittard	105,023	-	-	-	9,977	-	-	-	-	115,000	0
Kenneth Stout	95,000	-	-	-	-	-	-	-	-	95,000	0
Sandra Hook	86,758	-	-	-	8,242	-	-	-	-	95,000	0
	827,563	144,750	16,008	-	38,388	-	-	-	-	1,026,709	
2017											
Ross Fielding	499,720	-	14,340	-	19,700	-	-	-	-	533,760	0
John Pittard	87,192	-	-	-	24,154	-	-	-	-	111,346	0
Kenneth Stout	81,450	-	-	-	8,550	-	-	-	-	90,000	0
Sandra Hook	83,714	-	-	-	7,953	-	-	-	-	91,667	0
	752,076	-	14,340	-	60,357	-	-	-	-	826,773	

### (b) Executives' remuneration:

2018											
David Royale	189,847	40,095	16,008	-	18,784	-	-	-	-	264,734	15
Craig Robertson	268,734	57,596	14,657	-	20,169	-	-	-	-	361,156	16
Maria Dimopoulos	169,902	26,006	14,657	-	17,318	-	-	-	-	227,883	11
Kevin Brough	369,831	93,800	-	-	20,169	-	-	-	-	483,800	19
Jared Hill <sup>(i)</sup>	247,104	51,217	-	-	20,169	-	-	-	-	318,490	16
	1,245,418	268,714	45,322	-	96,609	-	-	-	-	1,656,063	
2017											
David Royale	167,571	-	14,340	-	17,588	-	-	-	-	199,499	0
Craig Robertson	242,081	-	12,997	-	20,619	-	-	-	-	275,697	0
Ben Meek <sup>(ii)</sup>	59,226	-	-	-	6,897	-	74,512	-	-	140,635	0
Maria Dimopoulos	148,107	-	12,997	-	16,276	-	-	-	-	177,380	0
Kevin Brough <sup>(iii)</sup>	43,892	-	-	-	1,108	-	-	-	-	45,000	0
	660,877	-	40,334	-	62,488	-	74,512	-	-	838,211	

(i) Appointed Group Executive Digital Services and Delivery 1 July 2017.

(ii) Resigned 9 September 2016.

(iii) Appointed Group Executive National Sales 15 May 2017.

## D. Relationship between remuneration and company performance

### (a) Remuneration not dependent on satisfaction of performance condition

The Non-Executive remuneration policy is not directly related to company performance. The Board considers a remuneration policy for Non-Executive Directors based on short-term returns may not be beneficial to the long-term governance of the company.

### (b) Remuneration dependent on satisfaction of performance condition

The Group has structured an executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation. Remuneration packages comprise fixed remuneration and may include bonuses or equity based remuneration entirely at the discretion of the Board based on the performance of the individual.

#### Fixed Remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits), and employer contributions to superannuation funds.

Remuneration levels are reviewed annually by the Board through a process that considers individual, business unit and overall performance of the Group. In addition, the Board considers external data to ensure directors' and executives' remuneration is competitive in the market place. Remuneration is also reviewed on promotion.

#### Performance Linked Remuneration

Performance linked remuneration includes short-term incentives (cash bonus) and is designed to reward the CEO and Executives for meeting or exceeding their financial and personal objectives.

The Board has set the Key Performance Indicators (KPIs) for the CEO and has, in conjunction with the CEO, developed KPIs for key executives. The KPIs generally include measures relating to the Group, the relevant business unit and the individual. They include financial measures (Revenue and EBITDA compared with budgeted amounts) and people, client, strategy, risks and growth measures (these vary with position and include measures such as achieving strategic outcomes and meeting leadership objectives).

At the end of the financial year, the People and Remuneration Committee assesses the actual performance of the Group, the relevant business unit and the individual against the KPIs as set at the beginning of the financial year. A recommendation is put to the Board for approval. As a result, a percentage of the predetermined maximum amount is awarded to the individual.

These KPIs were selected to promote the creation of shareholder wealth during the period and to enable the company's dividend policy to be continued.

### (c) Consequences of Company's performance on shareholder wealth

The following table summarises company performance and key performance indicators:

	2018	2017	2016	2015	2014
Revenue (\$'000)	144,946	140,504	127,058	79,152	56,061
% increase in revenue	3%	11%	61%	41%	86%
Profit before tax (\$'000)	11,269	16,891	15,653	7,682	6,004
% change in profit before tax	(33%)	8%	104%	28%	22%
Change in share price (%)	(36%)	29%	51%	(35%)	(3%)
Dividend paid to shareholders (\$'000)	7,249	4,903	4,203	1,718	-
Total remuneration of KMP (\$'000)	2,683	1,665	2,346	2,157	1,653
Total performance based remuneration	15%	0%	30%	1%	0%

## E. Number of shares held by key management personnel

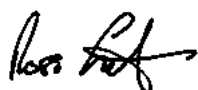
	Balance 1/07/17	Received as Remuneration	Options Exercised	Shares Acquired/ (Disposed)	Balance 30/06/18
<b>Directors</b>					
John Pittard	50,000	-	-	50,000	100,000
Ross Fielding	8,306,000	-	-	297,624	8,603,624
Kenneth Stout	250,000	-	-	-	250,000
Sandra Hook	61,728	-	-	-	61,728
<b>Executives</b>					
David Royale	-	-	-	-	-
Craig Robertson	790,713	-	-	(766,613)	24,100
Kevin Brough	266,667	-	-	(266,667)	-
Maria Dimopoulos	100,000	-	-	-	100,000
Jared Hill	1,166,961	-	-	(305,423)	861,538
	10,992,069	-	-	(991,079)	10,000,990

## F. Voting and comments made at the company's 2017 Annual General Meeting (AGM)

At the company's most recent AGM, a resolution to adopt the prior year remuneration report was put to the vote and at least 75% of 'yes' votes were cast for adoption of that report. No comments were made on the remuneration report that was considered at the AGM.

### End of the Remuneration Report.

Signed in accordance with a resolution of the Directors.



**Ross Fielding**  
Director

Melbourne  
Date 15 August 2018



# Auditor's Independence Declaration



**RXP SERVICES LTD**  
**ABN 30 146 959 917**

## **AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF RXP SERVICES LTD**

In relation to the independent audit for the year ended 30 June 2018, to the best of my knowledge and belief there have been:

- (i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants*.

A handwritten signature in black ink, appearing to read 'F Russo'.

**F V RUSSO**  
Partner  
15 August 2018

A handwritten signature in black ink, appearing to read 'Pitcher Partners'.

**PITCHER PARTNERS**  
Melbourne

An independent Victorian Partnership ABN 27 975 255 196  
Level 19, 15 William Street, Melbourne VIC 3000  
Liability limited by a scheme approved under Professional Standards Legislation

Pitcher Partners is an association of independent firms  
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle  
An independent member of Baker Tilly International

## Corporate Governance Statement

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, RXP Services Ltd and its controlled entities have adopted to third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Group's Corporate Governance Statement for the financial year ending 30 June 2018 is dated as at 30 June 2018 and was approved by the Board on 15 August 2018. The Corporate Governance Statement is available on RXP Services' website at [www.rxp-services.com](http://www.rxp-services.com).

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Revenue and other income</b>			
Revenue	5	144,946	140,504
		<b>144,946</b>	140,504
<b>Less: Expenses</b>			
Cost of sales		(16,834)	(7,848)
Employee benefits		(106,720)	(108,877)
Occupancy expense	6	(2,841)	(1,798)
Redundancy expense		(458)	(269)
Depreciation and amortisation	6	(1,087)	(643)
Rebate expense		(541)	-
Bad and doubtful debt expense		(438)	(986)
Acquisition cost expense		(421)	-
Borrowing costs		(86)	-
Other expenses		(3,627)	(2,473)
		<b>(133,053)</b>	(122,894)
<b>Results from operating activities</b>		<b>11,893</b>	17,610
Finance income		104	132
Finance costs	6	(728)	(851)
<b>Net finance income</b>		<b>(624)</b>	(719)
<b>Profit before income tax</b>		<b>11,269</b>	16,891
Income tax	7	(3,434)	(5,250)
<b>Net profit for the year</b>		<b>7,835</b>	11,641
Profit attributable to Members of the parent		<b>7,835</b>	11,641
<b>Other Comprehensive Income</b>			
Items that may be reclassified			
Subsequently to profit and loss			
Foreign currency translation	18(b)	13	(63)
<b>Total comprehensive income for the year</b>		<b>7,848</b>	11,578
Total Comprehensive income attributable to Members of the parent		<b>7,848</b>	11,578
<b>Earnings per share for profit from continuing operations attributable to equity holders of the parent entity:</b>			
Basic earnings per share (cents)	23	4.9	8.3
Diluted earnings per share (cents)	23	4.9	8.3

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

# Consolidated Statement of Financial Position

As at 30 June 2018

	Note	30 June 2018 \$'000	30 June 2017 \$'000
<b>Current assets</b>			
Cash and cash equivalents	8	14,011	17,603
Receivables	10	31,469	28,508
Current tax receivable		305	-
Other current assets	11	2,359	1,581
<b>Total current assets</b>		<b>48,144</b>	<b>47,692</b>
<b>Non-current assets</b>			
Intangible assets	12	119,694	87,694
Property, plant and equipment	13	2,412	1,533
Deferred tax assets	7	2,386	1,864
<b>Total non-current assets</b>		<b>124,492</b>	<b>91,091</b>
<b>Total assets</b>		<b>172,636</b>	<b>138,783</b>
<b>Current liabilities</b>			
Payables	14	20,342	16,721
Deferred consideration	4	13,500	-
Borrowings	16	-	1,850
Current tax payable		-	486
Provisions	15	3,361	2,591
<b>Total current liabilities</b>		<b>37,203</b>	<b>21,648</b>
<b>Non-current liabilities</b>			
Deferred consideration	4	2,000	-
Borrowings	16	13,000	13,576
Provisions	15	519	459
<b>Total non-current liabilities</b>		<b>15,519</b>	<b>14,035</b>
<b>Total liabilities</b>		<b>52,722</b>	<b>35,683</b>
<b>Net assets</b>		<b>119,914</b>	<b>103,100</b>
<b>Equity</b>			
Contributed capital	17	93,621	77,406
Foreign currency reserve	18	159	146
Retained earnings	18	26,134	25,548
<b>Total equity</b>		<b>119,914</b>	<b>103,100</b>

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



## Consolidated Statement Of Changes in Equity

For the year ended 30 June 2018

	Equity \$'000	Retained Earnings \$'000	Foreign Currency Reserve \$'000	Total Equity \$'000
<b>Consolidated</b>				
<b>Balance as at 1 July 2016</b>	<b>77,406</b>	<b>18,810</b>	<b>209</b>	<b>96,425</b>
Profit for the year	-	11,641	-	11,641
Exchange differences on translation of foreign operations, net of tax	-	-	(63)	(63)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>11,641</b>	<b>(63)</b>	<b>11,578</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends paid	-	(4,903)	-	(4,903)
	-	<b>(4,903)</b>	-	<b>(4,903)</b>
<b>Balance as at 30 June 2017</b>	<b>77,406</b>	<b>25,548</b>	<b>146</b>	<b>103,100</b>
<b>Consolidated</b>				
<b>Balance as at 1 July 2017</b>	<b>77,406</b>	<b>25,548</b>	<b>146</b>	<b>103,100</b>
Profit for the year	-	7,835	-	7,835
Exchange differences on translation of foreign operations, net of tax	-	-	13	13
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>7,835</b>	<b>13</b>	<b>7,848</b>
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during the period	16,905	-	-	<b>16,905</b>
Share issue expenses	(690)	-	-	<b>(690)</b>
Dividends paid	-	(7,249)	-	<b>(7,249)</b>
	<b>16,215</b>	<b>(7,249)</b>	-	<b>8,966</b>
<b>Balance as at 30 June 2018</b>	<b>93,621</b>	<b>26,134</b>	<b>159</b>	<b>119,914</b>

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

## Consolidated Statement of Cash Flows

For the year ended 30 June 2018

	Note	30 June 2018 \$'000	30 June 2017 \$'000
<b>Cash flow from operating activities</b>			
Receipts from customers		160,598	158,646
Payments to suppliers and employees		(146,713)	(140,208)
Payments to vendors		-	(298)
		13,885	18,140
Income tax paid		(4,111)	(5,081)
Interest received		104	132
Finance costs	6	(728)	(851)
Net cash provided by operating activities	19(a)	9,150	12,340
<b>Cash flow from investing activities</b>			
Payment for plant and equipment	13	(1,096)	(1,003)
Payment for intangibles	12	(764)	(561)
Payment for business acquisitions	20	(17,500)	(2,309)
Cash acquired within business acquisition	20	373	-
<b>Net cash used in investing activities</b>		(18,987)	(3,873)
<b>Cash flow from financing activities</b>			
Proceeds from share issue		16,905	-
Repayment of borrowings		(2,426)	(1,793)
Proceeds from borrowing		-	2,250
Payment of dividends	9	(7,249)	(4,903)
Share issue expenses		(985)	-
<b>Net cash provided by/(used in) financing activities</b>		6,245	(4,446)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(3,592)	4,021
Cash and cash equivalents at beginning of year		17,603	13,582
<b>Cash and cash equivalents at end of year</b>	19(b)	14,011	17,603

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

# Notes to the Financial Statements

Year ended 30 June 2018

## Note 1: Statement of significant accounting policies

The following is a summary of significant accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

### (a) Basis of preparation of the Financial Report

This Financial Report is a general purpose financial report that has been prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standards, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board (AASB).

The Financial Report covers RXP Services Ltd and its controlled entities as a consolidated entity. RXP Services Ltd is a company limited by shares, incorporated and domiciled in Australia. The address of RXP Services Ltd's registered office and principal place of business is Level 31, 15 Queen Street, Melbourne, Victoria, 3000. RXP Services Ltd is a for-profit entity for the purpose of preparing the financial statements.

The Financial Report was authorised for issue by the Directors as at the date of the Directors' Report.

### Compliance with IFRS

The consolidated financial statements of RXP Services Ltd also comply with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### Historical cost convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

### Fair value measurement

For financial reporting purposes, 'fair value' is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants (under current market conditions) at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

When estimating the fair value of an asset or liability, the entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Inputs to valuation techniques used to measure fair value are categorised into three levels according to the extent to which the inputs are observable:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

### Significant accounting estimates

The preparation of the financial report requires the use of certain estimates and judgements in applying the entity's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 2.

### (b) Principles of consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and of all entities which the parent controls. The group controls an entity when it is exposed, 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 prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is established and are de-recognised from the date that control ceases.

### (c) Revenue

Revenue from the provision of services to a customer is recognised upon performance of the service. Accrued revenue arising from recognised revenue is transferred to trade receivables when tax invoices are raised.

Certain customers may be invoiced in advance of provision of services and this amount is recognised as a liability until the services are performed. Revenue from fixed price contracts is recognised by reference to the stage of completion.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the economic entity and the revenue can be reliably measured.

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of Goods and Services Tax (GST).

### (d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts.

### (e) Property, plant and equipment

#### Office equipment

Office equipment are stated at cost less depreciation and any accumulated impairment losses.

#### Leasehold improvements

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

#### Depreciation

The depreciable amounts of fixed assets are calculated using the straight-line and diminishing value methods over their estimated useful lives commencing from the time the asset is held ready for use.

The useful lives for each class of assets are:

	2018	2017
Office equipment:	2 to 15 years	2 to 15 years
Leasehold improvements:	1 to 10 years	1 to 10 years

### (f) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

#### Finance leases

Leases of fixed assets, where substantially all of the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the consolidated entity are classified as finance leases. Finance leases are capitalised, recording an asset and liability equal to the fair value or, if lower, the present value of the minimum lease payments, including any guaranteed residual values. The interest expense is calculated using the interest rate implicit in the lease, if this is practicable to determine; if not, the consolidated entity's incremental borrowing rate is used. Interest expense on finance leases is included in finance costs in the statement of profit or loss. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely the consolidated entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period in accordance with the effective interest method.

#### Operating leases

Lease payments for operating leases are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.



## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 1: Statement of significant accounting policies continued

#### (g) Business combinations

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses and results in the consolidation of the assets and liabilities acquired. Business combinations are accounted for by applying the acquisition method.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree. Deferred consideration payable is measured at its acquisition-date fair value. Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. At each reporting date subsequent to the acquisition, contingent consideration payable is measured at its fair value with any changes in the fair value recognised in profit or loss unless the contingent consideration is classified as equity, in which case the contingent consideration is carried at its acquisition-date fair value.

Contingent consideration arrangements which are deemed to be 'separate transactions' for accounting purposes are treated as payments for former owners, to be expensed in accordance with other applicable Australian Accounting Standards.

Goodwill is recognised initially at the excess of: (a) the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest (in case of step acquisition); over (b) the net fair value of the identifiable assets acquired and liabilities assumed.

If the net fair value of the acquirer's interest in the identifiable assets acquired and liabilities assumed is greater than the aggregate of the consideration transferred, the fair value of the non-controlling interest, and the acquisition date fair value of the acquirer's previously held equity interest, the difference is immediately recognised as a gain in profit or loss.

Acquisition related costs are expensed as incurred.

#### (h) Intangibles

##### Goodwill

Goodwill represents the future economic benefits arising from other assets acquired in a business combination that are not individually identifiable or separately recognised. Refer to Note 1(g) for a description of how goodwill arising from a business combination is initially measured.

Goodwill is not amortised but is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less any accumulated impairment losses.

##### Software

Expenditure on research activities is recognised as an expense when incurred.

Expenditure on development activities is capitalised only when technical feasibility studies demonstrate that the project will deliver future economic benefits and these benefits can be measured reliably. Capitalised development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using a straight-line method to allocate the cost of the intangible assets over their estimated useful life of four years. Amortisation commences when the intangible asset is available for use.

#### (i) Impairment of non-financial assets

Goodwill, intangible assets not yet ready for use and intangible assets that have an indefinite useful life are not subject to amortisation and are therefore tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the asset may be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

## **(j) Income tax**

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

### **Deferred tax balances**

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. No deferred tax asset or liability is recognised in relation to temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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.

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

### **Tax consolidation**

The parent entity and its wholly owned Australian subsidiaries have implemented the tax consolidation legislation and have formed a tax-consolidated group from 24 August 2012. RXP Services Ltd and subsidiaries in the tax-consolidated group have entered into a tax funding agreement such that each entity in the tax-consolidated group recognises the assets, liabilities, expenses and revenues in relation to its own transactions, events and balances only. This means that:

- the parent entity recognises all current and deferred tax amounts relating to its own transactions, events and balances only;
- the subsidiaries recognise current or deferred tax amounts arising in respect of their own transactions, events and balances; and
- current tax liabilities and deferred tax assets arising in respect of tax losses, are transferred from the subsidiary to the head entity as inter-company payables or receivables.

The tax-consolidated group also has a tax sharing agreement in place to limit the liability of subsidiaries in the tax-consolidated group arising under the joint and several liability requirements of the tax consolidation system, in the event of default by the parent entity to meet its payment obligations.

## **(k) Provisions**

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

## **(l) Employee benefits**

### **(i) Short-term employee benefit obligations**

Liabilities arising in respect of wages and salaries, annual leave, accumulated sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at the amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave and accumulated sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

### **(ii) Long-term employee benefit obligations**

The provision for employee benefits in respect of long service leave and annual leave which, are not expected to be settled within 12 months of the reporting date, are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

### **(iii) Retirement benefit obligations**

#### **Defined contribution superannuation plan**

The consolidated entity makes contributions to defined contribution superannuation plans in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the employee services are received.

## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 1: Statement of significant accounting policies continued

#### (iv) Share-based payments

The consolidated entity does not operate a share-based payment employee share or option scheme.

#### (v) Bonus plan

The consolidated entity recognises a provision when a bonus is payable in accordance with the employee's contract of employment, and the amount can be reliably measured.

#### (vi) Termination benefits

The group recognises an obligation and expense for termination benefits at the earlier of: (a) the date when the group can no longer withdraw the offer for termination benefits; and (b) when the group recognises costs for restructuring and the costs include termination benefits. In either case, the obligation and expense for termination benefits is measured on the basis of the best estimate of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before twelve months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

#### (m) Borrowing costs

Borrowing costs can include interest expense calculated using the effective interest method, finance charges in respect of finance leases, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset which are capitalised until the asset is ready for its intended use or sale.

#### (n) Financial instruments

##### Classification

The consolidated entity classifies its financial assets 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 nature of the item and the purpose for which the instruments are held.

##### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are subsequently measured at amortised cost using the effective interest rate method.

##### Financial liabilities

Financial liabilities include trade payables, other creditors, loans from third parties and loans or other amounts due to director-related entities.

Non-derivative financial liabilities are subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

## Impairment of financial assets

Financial assets are tested for impairment at each financial year end to establish whether there is any objective evidence for impairment as a result of one or more events ('loss events') having occurred and which have an impact on the estimated future cash flows of the financial assets.

For loans and receivables and held-to-maturity investments carried at amortised cost, impairment losses are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

Individual receivables that are known to be uncollectible are written off to profit or loss by reducing the carrying amount of the asset directly. For other receivables, estimated impairment losses are recognised in a separate provision for impairment. The consolidated entity applies the following criteria as objective evidence that an impairment loss has occurred:

- significant financial difficulties of the debtor;
- payments more than 30 days overdue and failure by the debtor to adequately respond to a follow-up request for payment;
- payment more than 90 days overdue; and
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

When it is concluded that it is probable the consolidated entity will not recover the net carrying amount (gross carrying amount less impairment provisions) of an impaired receivable or held-to-maturity investment, the allowance amount attributable to the asset is written off directly against the gross carrying amount of the asset.

## (o) Foreign currency translations and balances

### Functional and presentation currency

The financial statements of each entity within the consolidated entity are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

### Transactions and balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re statement are recognised as revenues and expenses for the financial year.

### Foreign subsidiaries

Entities that have a functional currency different to the presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate; and
- all resulting exchange differences are recognised as a separate component of equity.

## (p) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## (q) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.



# Notes to the Financial Statements continued

Year ended 30 June 2018

## Note 1: Statement of significant accounting policies continued

### (r) Rounding of amounts

The parent entity and the consolidated entity have applied the relief available under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and accordingly, the amounts in the consolidated financial statements and in the directors' report have been rounded to the nearest thousand dollars, or in certain cases, to the nearest dollar (where indicated).

### (s) Accounting standards issued but not yet effective at 30 June 2018

#### (i) AASB 15: Revenue from contracts with customers

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

- Step 1: Identify the contracts with the customer.
- Step 2: Identify the separate performance obligations.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price.
- Step 5: Recognise revenue when a performance obligation is satisfied.

AASB15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

The effective date is annual reporting periods beginning on or after 1 January 2018.

During the year the Group undertook a project to identify the impact of AASB 15 on the financial statements. This included an analysis of the specific requirements of the standard and the review of material contracts entered into by the Group that gives rise to revenue.

The project to date has reviewed specific contracts driving this revenue. Our project team to date has assessed that the Group currently accounts for these in a manner that is materially consistent with the requirements under AASB 15.

#### (ii) AASB 9: Financial Instruments

Significant revisions to the classification and measurement of financial assets, reducing the number of categories and simplifying the measurement choices, including the removal of impairment testing of assets measured at fair value. The amortised cost model is available for debt assets meeting both business model and cash flow characteristics tests. All investments in equity instruments using AASB 9 are to be measured at fair value.

Amends measurement rules for financial liabilities that the entity elects to measure at fair value through profit and loss. Changes in fair value attributable to changes in the entity's own credit risk are presented in other comprehensive income.

Chapter 6 Hedge Accounting supersedes the general hedge accounting requirements in AASB 139 Financial Instruments: Recognition and Measurement, which many consider to be too rules-based and arbitrary. Chapter 6 requirements include a new approach to hedge accounting that is intended to more closely align hedge accounting with risk management activities undertaken by entities when hedging financial and non-financial risks. Some of the key changes from AASB 139 are as follows

- to allow hedge accounting of risk components of non-financial items that are identifiable and measurable (many of which were prohibited from being designated as hedged items under AASB 139);
- changes in the accounting for the time value of options, the forward element of a forward contract and foreign-currency basis spreads designated as hedging instruments; and
- modification of the requirements for effectiveness testing (including removal of the 'brightline' effectiveness test that offset for hedging must be in the range 80–125%).

Revised disclosures about an entity's hedge accounting have also been added to AASB 7 Financial Instruments: Disclosures.

Impairment of assets is now based on expected losses in AASB 9 which requires entities to measure:

- the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The effective date is annual reporting periods beginning on or after 1 January 2018.

The impact of AASB 9, based on the entity's preliminary assessment, is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted in the year ending 30 June 2019.

### (iii) AASB 16: Leases

AASB 16 replaces AASB 117 Leases and some related interpretations. The revised Standard requires all leases to be accounted for 'on balance sheet' by lessees, other than short-term and low value asset leases.

Also provides new guidance on the application of the definition of lease and on sale and lease back accounting and requires new and difference disclosures about leases. The effective date is annual reporting periods beginning on or after 1 January 2019.

The entity has disclosed its committed expenditure at Note 21 which comprises the operating leases currently committed to. Under AASB 16 these lease commitments would become 'on balance sheet' liabilities. In connection with this treatment a future right of use asset would also need to be recognised.

## Note 2: Significant accounting estimates and judgements

Certain accounting estimates include assumptions concerning the future, which, by definition, will seldom represent actual results. Estimates and assumptions based on future events have a significant inherent risk, and where future events are not as anticipated there could be a material impact on the carrying amounts of the assets and liabilities discussed below:

### (a) Impairment of goodwill

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a period of one year. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using an average growth rate of 2.5% (2017: 2.5%) for cash flows in years two to five, a terminal rate growth rate of 2.5% (2017: 2.5%) and a discount rate of 12% (2017: 12%) to determine value in use.

### (b) Impairment of non-financial assets other than goodwill

All assets are assessed for impairment at each reporting date by evaluating whether indicators of impairment exist in relation to the continued use of the asset by the consolidated entity. Impairment triggers include declining product or manufacturing performance, technology changes, adverse changes in the economic or political environment or future product expectations. If an indicator of impairment exists the recoverable amount of the asset is determined.

### (c) Income tax

Income tax benefits are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 3: Financial risk management

The consolidated entity is exposed to a variety of financial risks comprising:

- Interest rate risk
- Credit risk
- Liquidity risk
- Currency risk

The board of Directors has overall responsibility for identifying and managing operational and financial risks.

The consolidated entity holds the following financial instruments:

	2018 \$'000	2017 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	14,011	17,603
Receivables	31,774	28,508
	<b>45,785</b>	46,111
<b>Financial liabilities</b>		
Payables	20,342	17,207
Deferred consideration	15,500	-
Borrowings	13,000	15,426
	<b>48,842</b>	32,633

#### (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The Group only has a minor exposure to interest rate risk.

Financial instruments	Interest Bearing \$'000	Non-interest Bearing \$'000	Total Carrying Amount \$'000	Weighted Average Effective Interest Rate %	Fixed/ Variable rate
<b>2018</b>					
<i>(i) Financial assets</i>					
Cash	14,008	3	14,011	1.5	Variable
Receivables	-	31,774	31,774	-	-
Total financial assets	14,008	31,777	45,785	1.5	
<i>(ii) Financial liabilities</i>					
Secured bank loan	13,000	-	13,000	3.1	Variable
Payables	-	20,342	20,342	-	-
Deferred consideration	-	15,500	15,500	-	-
Total financial liabilities	13,000	35,842	48,842	3.1	
<b>2017</b>					
<i>(i) Financial assets</i>					
Cash	17,595	8	17,603	1.4	Variable
Receivables	-	28,508	28,508	-	-
Total financial assets	17,595	28,516	46,111	1.4	

**(ii) Financial liabilities**

Payables	-	17,207	17,207	-	-
Secured bank loan	15,426	-	15,426	3.0	Variable
Total financial liabilities	15,426	17,207	32,633	3.0	

If interest rates were to increase/decrease by 100 basis points from rates used to determine fair values as at the reporting date, assuming all other variables that might impact on fair value remain constant, then the impact on profit for the year and equity is as follows:

	2018		2017	
	100 bp Increase \$'000	100 bp Decrease \$'000	100 bp Increase \$'000	100 bp Decrease \$'000
Impact on profit after tax	16	(16)	(10)	10
Impact on equity	16	(16)	(10)	10

No other financial assets or financial liabilities are expected to be exposed to interest rate risk.

**(b) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in consolidated statement of financial position and notes to the consolidated financial statements.

Credit risk for derivative financial instruments arises from the potential failure by counterparties to the contract to meet their obligations.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the consolidated entity.

The consolidated entity minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

**(i) Cash deposits**

Credit risk for cash deposits is managed by holding all cash deposits with major Australian banks.

**(ii) Trade receivables**

Credit risk for trade receivables is managed by setting credit limits and completing credit checks for new customers. Outstanding receivables are regularly monitored for payment in accordance with credit terms.

The ageing analysis of trade and other receivables is provided in Note 10(b). As the consolidated entity undertakes transactions with a large number of customers and regularly monitors payment in accordance with credit terms, the financial assets that are neither past due nor impaired, are expected to be received in accordance with the credit terms.

The consolidated entity does not have any material credit risk exposure for other receivables or other financial instruments.

**(c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. 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, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

**Maturity analysis**

The tables below represents the undiscounted contractual settlement terms for financial instruments and managements expectation for settlement of undiscounted maturities.



## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 3: Financial risk management continued

Year ended 30 June 2018	< 6 Months \$'000	6–12 Months \$'000	1–5 Years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Cash and cash equivalents	14,011	-	-	14,011	14,011
Receivables	31,774	-	-	31,774	31,774
Payables	(20,342)	-	-	(20,342)	(20,342)
Deferred cash consideration	(13,500)	-	(2,000)	(15,500)	(15,500)
Borrowings	-	-	(13,000)	(13,000)	(13,000)
<b>Net maturities</b>	<b>11,943</b>	<b>-</b>	<b>(15,000)</b>	<b>(3,057)</b>	<b>(3,057)</b>

Year ended 30 June 2017	< 6 Months \$'000	6–12 Months \$'000	1–5 Years \$'000	Total Contractual Cash Flows \$'000	Carrying Amount \$'000
Cash and cash equivalents	17,603	-	-	17,603	17,603
Receivables	28,508	-	-	28,508	28,508
Payables	(17,207)	-	-	(17,207)	(17,207)
Borrowings	(925)	(925)	(13,576)	(15,426)	(15,426)
Net maturities	27,979	(925)	(13,576)	13,478	13,478

#### (d) Currency risk

As at the date of this report, the Group has minimal currency risk. The Board of Directors will continue to monitor currency risk and take appropriate measures to mitigate as required.

### Note 4: Fair value measurements

#### (a) Fair value hierarchy

Asset and liabilities measured and recognised at fair value have been determined by the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Input other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the asset or liability that are not based on observable market data.

Deferred consideration liabilities measured and recognised at fair value have been determined to be recurring Level 3 financial liability.

Year ended 30 June 2018	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial liabilities				
Deferred cash consideration	-	-	15,500	15,500
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>15,500</b>	<b>15,500</b>

Year ended 30 June 2017	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial liabilities				
Deferred cash consideration	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## (b) Valuation techniques and significant unobservable inputs

The deferred consideration is based on management's best and most probable estimate of the business's performance earning targets.

## (c) Reconciliation of recurring Level 3 fair value movements

	30 June 2018 \$'000	30 June 2017 \$'000
<i>Deferred consideration</i>		
Opening balance	-	2,309
Additional deferred consideration from business acquisitions	15,500	-
Payments	-	(2,309)
Closing balance	15,500	-

Current deferred consideration is \$13,500,000 (2017: \$nil) and non-current consideration is \$2,000,000 (2017: \$nil).

Deferred consideration includes amounts which are contingent on performance of \$8,000,000. The range of potential outcomes in relation to the contingent component is dependent on the earnings targets for the business.

## (d) Valuation processes and sensitivity

In determining the fair value of the deferred consideration, management prepared budgets which consider actual current client arrangements, along with an assessment of the future pipeline in order to determine the most probable estimate of business performance at the end of each reporting period.

## Note 5: Revenue and other income

### Notes

#### Revenue from operating activities

Service revenue	144,946	140,504
	144,946	140,504

## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 6: Profit from continuing operations

Profit from continuing operations before income tax has been determined after the following specific expenses:

	Notes	2018 \$'000	2017 \$'000
<b>Depreciation of non current assets</b>			
Office equipment	13	251	141
Leasehold improvements	13	280	226
		531	367
<b>Amortisation of non-current assets</b>			
Software	12	556	276
		556	276
Total depreciation and amortisation		1,087	643
<b>Operating lease costs</b>			
Rental expense on operating leases		2,841	1,798
		2,841	1,798
<b>Finance costs</b>			
Finance expense		728	851
		728	851

### Note 7: Income tax

#### (a) Components of tax expense:

Current tax	3,620	4,911
Deferred tax	2	339
Over provision in prior years	(188)	-
	3,434	5,250

#### (b) Prima facie tax payable

The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:

Profit before tax from continuing operations	11,269	16,891
Prima facie income tax payable on profit before income tax at 30% (2017: 30%)	3,381	5,067
Add tax effect of:		
– other non-allowable items	248	86
– difference in foreign tax rates	(7)	97
– over provision for income tax in prior year	(188)	-
	3,434	5,250

	2018 \$'000	2017 \$'000
<b>(c) Deferred tax</b>		
Deferred tax relates to the following:		
<i>Deferred tax assets</i>		
The balance comprises:		
Tax losses carried forward	-	233
Employee benefits	1,131	921
Accruals	889	504
Unearned revenue	334	240
Capital raising costs	236	51
Borrowing costs	58	51
Doubtful debts	103	30
	<b>2,751</b>	2,030

*Deferred tax liabilities*

The balance comprises:

Prepayments	(365)	(166)
	<b>(365)</b>	(166)

Net deferred tax assets	<b>2,386</b>	1,864
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**(d) Deferred income tax (revenue) included in income tax expense comprises**

Decrease in deferred tax assets	201	281
(Increase)/decrease in deferred tax liabilities	(199)	58
	<b>2</b>	339

**(e) Deferred income movements not included in tax expense**

Decrease in deferred tax assets resulting from overprovision*	-	746
Increase in deferred tax assets recognised through equity	295	-
Increase in deferred tax assets acquired through business combination	225	-
	<b>520</b>	746

\* Not included in tax expense due to an offsetting overprovision of current tax liability.

**Note 8: Cash and cash equivalents**

Cash at bank and on hand	<b>14,011</b>	17,603
	<b>14,011</b>	17,603

## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 9: Dividends

#### (a) Dividends paid or declared

The following dividends were declared and paid by the Group during the year ended 30 June:

	Cents Per Share	Total Amount \$'000	Franked/ Unfranked	Date of Payment
2018				
Final 2017 ordinary	3.00	4,833	Franked	5 Oct 2017
Interim 2018 ordinary	1.50	2,416	Franked	12 Apr 2018
	4.50	7,249		
			2018 \$'000	2017 \$'000

#### (b) Dividends declared after year end

Proposed dividend not recognised at year end  
at 2.00 cents per share (2017: 3.00 cents) 100%  
franked (2017: 100% franked) at the Australian  
tax rate of 30%

3,222 4,833

#### (c) Franking account

Balance of franking account on a tax paid basis  
at financial year-end adjusted for franking credits  
arising from payment of provision for income tax and  
dividends recognised as receivables, franking debits  
arising from payment of proposed dividends and any  
credits that may be prevented from distribution in  
subsequent years:

15,623 15,326

### Note 10: Receivables

#### Current

Accrued income	11,137	8,737
Trade receivables	20,675	19,990
Impairment loss	(343)	(219)
	31,469	28,508

#### (a) Provision for impairment

##### (i) Trade receivables

Trade receivables are non-interest bearing ranging from 30 to 90 day terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. All trade receivables that are not impaired, are expected to be received within trading terms.

Movements in the provision for impairment were:

Opening balance at 1 July	219	237
Impairment loss	232	58
Impairment loss acquired through acquisition	56	-
Amounts written off	(164)	(76)
Closing balance at 30 June	343	219



## (b) Ageing analysis

Trade and other receivables ageing analysis at 30 June is:

Ageing category	Gross 2018 \$'000	Impairment 2018 \$'000	Gross 2017 \$'000	Impairment 2017 \$'000
0 – 30 days	26,337	-	25,638	-
31 – 60 days	2,301	-	1,787	-
61 – 90 days	1,729	-	639	-
Past 91 days or more	1,445	343	663	219
	31,812	343	28,727	219

Receivables that are past due are considered recoverable on the following basis:

1. Receipt of receivable has occurred post 30 June 2018.
2. The consolidated entity has received correspondence that provides the level of surety required that the receivable will be received.

## Note 11: Other Assets

	2018 \$'000	2017 \$'000
Current assets		
Prepayments	1,837	1,228
Deposits	77	145
Other assets	445	208
	2,359	1,581

## Note 12: Intangible assets

### Goodwill

At cost	118,175	86,637
Total goodwill	118,175	86,637

### Software

At cost	2,690	1,626
Accumulated amortisation	(1,171)	(569)
Total software	1,519	1,057

<b>Total intangible assets</b>	<b>119,694</b>	<b>87,694</b>
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## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 12: Intangible assets continued

	2018 \$'000	2017 \$'000
<b>(a) Reconciliations</b>		
Reconciliations of the carrying amounts of intangibles at the beginning and end of the current financial year		
<i>Goodwill</i>		
Carrying amount at beginning of year	86,637	86,637
Additions through business combinations	31,538	-
Carrying amount end of year	118,175	86,637
<i>Software</i>		
Carrying amount at beginning of year	1,057	772
Additions	764	561
Additions through business combinations	254	
Amortisation expense	(556)	(276)
Carrying amount end of year	1,519	1,057
<b>Total intangibles</b>		
Carrying amount at beginning of year	87,694	87,409
Additions	764	561
Additions through business combinations	31,792	-
Amortisation expense	(556)	(276)
Carrying amount at end of year	119,694	87,694

### Impairment tests for goodwill and intangible assets with indefinite useful lives

Under AASB 136, the consolidated entity will undertake impairment testing of the relevant cash generating units as required. Impairment testing was performed at 30 June 2018 to support the carrying value of goodwill.

Goodwill is allocated to cash generating units (CGU's) according to applicable business operations. The recoverable amount of a CGU is based on value in use calculations. These calculations are based on projected cash flows approved by management covering a period of one year. Management's determination of cash flow projections and gross margins are based on past performance and its expectation for the future. The present value of future cash flows has been calculated using an average growth rate of 2.5% (2017: 2.5%) for cash flows in years two to five, a terminal rate growth rate of 2.5% (2017: 2.5%) and a discount rate of 12% (2017: 12%) to determine value in use.

Goodwill is allocated to the following cash generating units (CGU):

RXP Serviced Ltd and controlled entities	118,175	86,637
	118,175	86,637

No reasonable change in the key assumptions of the value in use calculations would result in impairment.

## Note 13: Property, plant and equipment

	2018 \$'000	2017 \$'000
Office equipment		
At cost	2,554	1,915
Accumulated depreciation	(1,717)	(1,320)
Total office equipment	837	595
<i>Leasehold improvements</i>		
At cost	2,156	1,229
Accumulated depreciation	(581)	(291)
Total leasehold improvements	1,575	938
Total plant and equipment	2,412	1,533

### (a) Reconciliations

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current financial year

<i>Office equipment</i>		
Carrying amount at beginning of year	595	476
Additions	343	260
Additions through business combination	150	-
Depreciation expense	(251)	(141)
Disposals	-	-
Carrying amount end of year	837	595
<i>Leasehold improvements</i>		
Carrying amount at beginning of year	938	421
Additions	753	743
Additions through business acquisitions	164	-
Depreciation expense	(280)	(226)
Disposals	-	-
Carrying amount end of year	1,575	938
<i>Total plant and equipment</i>		
Carrying amount at beginning of year	1,533	897
Additions	1,096	1,003
Additions through business acquisitions	314	-
Depreciation and amortisation expense	(531)	(367)
Disposals	-	-
Carrying amount end of year	2,412	1,533

## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 14: Payables

	2018 \$'000	2017 \$'000
<b>Current</b>		
Trade and other payables	7,619	10,221
Unearned revenue	3,582	2,139
Rental incentive	1,198	809
Accruals	7,943	3,552
	<b>20,342</b>	<b>16,721</b>

### Note 15: Provisions

<b>Current</b>		
Employee benefits	3,361	2,591
	<b>3,361</b>	<b>2,591</b>
<b>Non-current</b>		
Employee benefits	519	459
	<b>519</b>	<b>459</b>
Aggregate employee benefits liability	<b>3,880</b>	<b>3,050</b>

### Note 16: Borrowings

<b>Current</b>		
<i>Secured</i>		
Bank loans	-	1,850
	<b>-</b>	<b>1,850</b>
<b>Non-current</b>		
<i>Secured</i>		
Bank loans	13,000	13,576
	<b>13,000</b>	<b>13,576</b>
Total borrowings	<b>13,000</b>	<b>15,426</b>

In October 2017 the loan facility was successfully renegotiated with Westpac Institutional Bank. The main terms of the amended facility are indicated below:

- \$26.5 million total facility comprising a \$25.0 million loan facility and \$1.5 million bank guarantee facility;
- loan facility able to be used for any purpose (previously restricted just for acquisitions);
- no fixed repayments required (previously quarterly repayments required); and
- facility term for the loan facility extended to October 2020.

During the year, the Group made total repayments of \$2.43 million (2017: \$1.79 million) with respect to the secured bank loan facility. Borrowings are secured over the assets of the consolidated entity and its subsidiaries.

	2018 \$'000	2017 \$'000
<b>Total facilities available</b>		
Secured bank loan facility	25,000	25,000
Secured bank guarantee facility	1,500	1,000
	<b>26,500</b>	26,000
<b>Facilities used at balance date</b>		
Secured bank loan facility	13,000	18,500
Secured bank guarantee facility	1,213	999
	<b>14,213</b>	19,499
<b>Facilities not utilised at balance date</b>		
Secured bank loan facility	12,000	6,500
Secured bank guarantee facility	287	1
	<b>12,287</b>	6,501

## Note 17: Contributed capital

### (a) Issued and paid up capital

Ordinary shares fully paid	93,621	77,406
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Fully paid ordinary shares carry one vote per share and carry the right to dividends.

### (b) Movements in shares on issue

	No of Shares	\$'000
At 1 July 2017	140,097,185	77,406
Issued during the year		
shares issue	21,000,000	16,905
share issue expenses – net of tax		(690)
End of the financial year – 30 June 2018	161,097,185	93,621

### (c) Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share gives entitlement to one vote when a poll is called.

### (d) Share Options

The Company has no options over ordinary shares outstanding.

### (e) Capital Management

When managing capital, management's objective is to ensure the consolidated entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cashflows.

## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 18: Reserves and retained earnings

	Notes	2018 \$'000	2017 \$'000
Retained earnings	18(a)	26,134	25,548
Foreign currency reserves	18(b)	159	146

#### (a) Retained earnings

Balance at the beginning of year	25,548	18,810
Net profit attributable to members of RXP Services Ltd	7,835	11,641
Total available for appropriation	33,383	30,451
Dividends paid	(7,249)	(4,903)
Balance at end of year	26,134	25,548

#### (b) Foreign currency reserve

Balance at the beginning of year	146	209
Exchange differences on translation of foreign operations	13	(63)
Balance at end of year	159	146

This reserve is used to record the unrealised exchange differences arising on translation of a foreign entity.



## Note 19: Cash flow information

	2018 \$'000	2017 \$'000
<b>(a) Reconciliation of cash flow from operations with profit after income tax</b>		
Profit from ordinary activities after income tax	7,835	11,641
<b>Non-cash items</b>		
Depreciation and amortisation	1,087	643
Foreign currency translation differences	13	(63)
Impairment of receivables	438	987
Income tax accounted for through equity	295	-
<b>Changes in assets and liabilities</b>		
Decrease in receivables	2,353	3,828
Decrease/(increase) in accrued income	(1,799)	1,554
Increase in other assets	(167)	(91)
(Increase)/decrease prepayments	(584)	223
(Increase)/decrease tax balances	(972)	169
Decrease in trade and other creditors	(218)	(5,037)
Increase/(decrease) unearned income	392	(1,574)
Increase in employee entitlements	477	60
Net cash flow from operating activities	9,150	12,340
<b>(b) Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position is as follows:		
Cash at bank	14,011	17,603
Closing cash balance	14,011	17,603

## (c) Loan facilities

Refer to Note 16 for details of the loan facility.

## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 20: Business combinations

#### Acquisition of controlled entities

##### (a) The WorksSydney Pty Ltd and Daresay Pty Ltd (formerly Fifty Patricks Pty Ltd)

On 1 August 2017, the consolidated entity acquired 100% of the share capital of The WorksSydney Pty Ltd and Daresay Pty Ltd (formerly Fifty Patricks Pty Ltd). The combined entities, referred to as 'The Works', are one of Australia's leading digital and creative agencies.

The acquisition extends RXP's digital customer experience delivery capability and increases the Company's presence in NSW.

The details of the acquisition are as follows:

	Notes	\$'000
Consideration and costs paid		17,500
Deferred consideration – completion payment	(i)	7,500
Deferred consideration – earn out	(ii)	8,000
<b>Total cost of consideration</b>		<b>33,000</b>

(i) Deferred consideration has been recognised under the Sale and Purchase Agreement. \$7,500,000 is payable on 31 July 2018 in cash.

(ii) Amount is contingent upon achieving a set earnings target for the 2018 and 2019 financial years and is payable by cash. The maximum payment relating to the 2018 financial year is \$6 million and the maximum payable in the 2019 financial year is \$2 million. The maximum total consideration of the acquisition is \$33 million.

#### Assets and liabilities acquired

The combined assets and liabilities acquired as a result of the business combination were:

	<b>Fair Value at Acquisition \$'000</b>
<b>Assets and Liabilities Acquired</b>	
Cash	373
Trade receivables	2,803
Accrued income	601
Current tax receivable	116
Deferred tax asset	225
Intangible assets	254
Other assets	27
Property, plant and equipment	314
Trade creditors	(1,795)
Unearned income	(1,051)
Provisions	(352)
Other liabilities	(53)
<b>Net assets acquired</b>	<b>1,462</b>
<b>Goodwill</b>	<b>31,538</b>

The goodwill on acquisition arises as a result of a premium being paid in excess of the fair value of the net assets acquired. The value of goodwill represents the future benefit arising from the expected future earnings, synergies and personnel assumed via the acquisition.

Goodwill is not deductible for tax purposes.

#### Purchase Consideration – cash outflow

	<b>\$'000</b>
Consideration paid	(17,500)
Less: Cash balances acquired	
Cash	373
Bank Overdraft	-
Net cash balance acquired	373
Outflow of cash – investing activities	(17,127)

#### Initial accounting complete

The accounting for the acquisition of The WorksSydney Pty Ltd and Daresay Pty Ltd (formerly Fifty Patricks Pty Ltd) is complete in relation to the determination of the fair value of identifiable intangible assets acquired.

#### Contribution since acquisition

Since the acquisition date, the operations of The Works have been integrated into that of RXP Services Ltd and, as such, it is not possible to provide the contribution for the year ended 30 June 2018.

#### Transaction costs

Transaction costs of \$420,779 related to the acquisition have been expensed through the profit or loss.

## Note 21: Commitments

	<b>2018 \$'000</b>	2017 \$'000
<b>Lease expenditure commitments</b>		
(i) Commitments for minimum lease payments in relation to non-cancellable operating leases		
(ii) Minimum lease payments		
– Not later than one year	<b>2,627</b>	1,469
– Later than one year and not later than five years	<b>4,327</b>	2,923
– Later than five years	-	-
Aggregate lease expenditure contracted for at reporting date	<b>6,954</b>	4,392

Operating lease commitments primarily relate to office leasing arrangements.

## Note 22: Contingencies

### Contingent liabilities

As at the date of this report there are no contingent liabilities.

## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 23: Earnings per share

	2018 \$'000	2017 \$'000
Reconciliation of earnings used in calculating earnings per share:		
Profit from continuing operations	7,835	11,641
Profit used in calculating basic earnings per share	7,835	11,641
Earnings used in calculating earnings per share	7,835	11,641
	No of Shares	No of Shares
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	159,141,021	140,097,185

### Note 24: Directors' and Executives' compensations

#### (a) Details of key management personnel

	Period of Responsibility	Position
<b>(i) Directors</b>		
John Pittard	Appointed 25 November 2013	Chairman – Non-Executive
Ross Fielding	Appointed 21 October 2010	Director and Chief Executive Officer
Kenneth Stout	Appointed 21 October 2010	Director – Non-Executive
Sandra Hook	Appointed 14 March 2016	Director – Non-Executive
<b>(ii) Executives</b>		
David Royale	Appointed 1 April 2015	Company Secretary and Chief Financial Officer
Craig Robertson	Appointed 1 July 2015	Group Manager Operations
Maria Dimopoulos	Appointed 1 July 2013	Group Manager People and Talent
Kevin Brough	Appointed 15 May 2017	Group Executive National Sales
Jared Hill	Appointed 1 July 2017	Group Executive Digital Services and Delivery

Compensation of key management personnel and principles applied can be found in the Director's Report.

	2018 \$	2017 \$
<b>(iii) Compensation by category – Directors</b>		
Short-term employment benefits	988,321	766,416
Post-employment benefits	38,388	60,357
	1,026,709	826,773
<b>(iii) Compensation by category – Executives</b>		
Short-term employment benefits	1,559,454	701,211
Post-employment benefits	96,609	137,000
	1,656,063	838,211

## Note 25: Auditor's remuneration

### (a) Amounts paid and payable to Pitcher Partners for:

#### (i) Audit and other assurance services

	2018 \$	2017 \$
An audit or review of the Financial Report of the entity and any other entity in the consolidated entity	203,123	155,500

#### (ii) Other non-audit services

Taxation services	12,500	12,000
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Total Remuneration of Pitcher Partners	215,623	167,500
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### (b) Amounts paid and payable to Moore Stephens (Hong Kong) for:

#### (iii) Audit and other assurance services

An audit or review of the financial report of the entity and any other entity in the consolidated entity	10,172	11,667
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#### (iv) Other non-audit services

Taxation services	14,472	8,816
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Total remuneration of Moore Stephens (Hong Kong):	24,644	20,483
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## Notes to the Financial Statements continued

Year ended 30 June 2018

### Note 26: Related party disclosures

(a) The consolidated financial statements include the financial statements of RXP Services Ltd and its controlled entities listed below:

	Country of Incorporation	Percentage Owned	
		2018	2017
Parent Entity:			
RXP Services Ltd	Australia		
Subsidiaries of RXP Services Ltd			
Vanguard Integration Pty Ltd	Australia	100%	100%
Fluid Thinking Pty Ltd	Australia	100%	100%
Infuse IT Pty Ltd	Australia	100%	100%
RXP Services Pty Ltd	Hong Kong	100%	100%
NSI Technology Pty Ltd	Australia	100%	100%
Zenith Solutions (Aust.) Pty Ltd	Australia	100%	100%
Transpire Pty Ltd	Australia	100%	100%
MethodGroup Consulting Pty Ltd	Australia	100%	100%
Nobel Consulting Pty Ltd	Australia	100%	100%
Integrated Value Pty Ltd	Australia	100%	100%
Insight4 Pty Ltd	Australia	100%	100%
Aptus International Pty Ltd	Australia	100%	100%
Centrum Systems Pty Ltd	Australia	100%	100%
Engage Viidacom Pty Ltd	Australia	100%	100%
The WorksSydney Pty Ltd	Australia	100%	-
Daresay Pty Ltd (formerly Fifty Patricks Pty Ltd)	Australia	100%	-

### Note 27: Segment information

#### Operating segments

The consolidated entity has one reportable segment as described below:

RXP Services Ltd and its controlled entities, develop, manage and implement information and communication technology solutions. There is only one reportable segment based on the aggregation criteria in AASB 8.

RXP Services Pty Ltd (Hong Kong) is not a material entity within the Group.

### Note 28: Subsequent events

There has been no matter or circumstance, which has arisen since 30 June 2018 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 30 June 2018, of the consolidated entity, or
- the results of those operations, or
- the state of affairs, in financial years subsequent to 30 June 2018, of the consolidated entity.



## Note 29: Parent entity information

Summarised presentation of the parent entity, RXP Services Ltd, financial statements:

	2018 \$'000	2017 \$'000
<b>(a) Summarised statement of financial position</b>		
<b>Assets</b>		
Current assets	39,054	45,594
Non-current assets	128,820	90,918
Total assets	167,874	136,512
<b>Liabilities</b>		
Current liabilities	34,096	22,562
Non-current liabilities	19,598	14,035
Total liabilities	53,694	36,597
<b>Net assets</b>	114,180	99,915
<b>Equity</b>		
Contributed capital	93,621	77,406
Retained earnings	20,559	22,509
Total equity	114,180	99,915
<b>(b) Summarised statement of comprehensive income</b>		
Profit for the year	5,299	12,924
Other comprehensive income for the year	-	-
Total comprehensive income for the year	5,299	12,924

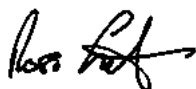
## Directors Declaration

The directors declare that:

1. In the Directors' opinion, the financial statements and notes there to, as set out on pages 16 to 47, are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Australian Accounting Standards and the Corporations Regulations 2001, and other mandatory professional reporting requirements;
  - (b) as stated in Note 1(a) the consolidated financial statements also comply with International Financial Reporting Standards; and
  - (c) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2018 and of its performance for the year ended on that date.
2. In the Directors' opinion there are reasonable grounds to believe that RXP Services Ltd will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer to the Directors in accordance with Section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2018.

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



**Ross Fielding**  
Managing Director

Melbourne  
Date 15 August 2018

RXP SERVICES LIMITED  
AND CONTROLLED ENTITIES  
ABN: 30 146 959 917



INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
RXP SERVICES LTD

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of RXP Services Ltd. "the Company" and its controlled entities (RXP) "the Group", which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is 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 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 in accordance with the auditor independence requirements of 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 also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

RXP SERVICES LIMITED  
AND CONTROLLED ENTITIES  
ABN: 30 146 959 917



INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
RXP SERVICES LTD

Key Audit Matter	How our audit addressed the key audit matter
<p><i>Revenue Recognition</i></p> <p>Refer to Note 1(c) and Note 5</p> <p>RXP's revenue is primarily derived from the provision of services and development in relation to information and communications technology, and the maintenance and support for this technology.</p> <p>Some of the contracts that account for revenue are based on the stage of completion of individual contracts, calculated on the proportion of total costs incurred at the reporting date compared to management's estimation of total costs of the contract. The accurate recording of the revenue related to these contracts is dependent on management estimates of the stage of completion of the contract activity.</p> <p>We believe revenue is a key audit matter because of its significance to profit, the high volume of transactions associated with revenue and for some contracts the judgement that is required in recognising revenue based on stage of completion.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the controls and systems relevant to revenue recognition.</li> <li>• Reviewing of journals impacting revenue.</li> <li>• For a sample of revenue transactions which were recognised on a percentage of completion basis testing that the calculations of stage of completion were based on supportable assumptions by: <ul style="list-style-type: none"> <li>- comparing to the underlying customer contract to determine the current project milestone</li> <li>- assessing RXP's ability to deliver contracts within budgeted margins with reference to historical accuracy of forecasting margins and the relationship of cost versus billing status on contracts; and,</li> <li>- assessing management's estimates of total contract revenue and contract costs and recalculating the stage of completion.</li> </ul> </li> <li>• For a sample of revenue transactions recognised based on time and material agreeing transactions to employee time sheets and contracted hourly revenue.</li> <li>• For a sample of revenue transactions recognised based on service agreements agreeing amounts to underlying customer contracts to ensure revenue has been recognised in line with the service period stated in the contract.</li> <li>• For a sample of product sales, agreeing the delivery to customer to supporting documentation.</li> </ul>

INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
RXP SERVICES LTD

Key Audit Matter	How our audit addressed the key audit matter
<i>Carrying value of Goodwill</i>	
Refer to Note 12	
<p>At 30 June 2018 RXP's balance sheet includes goodwill relating to one cash generating unit (CGU).</p> <p>The appropriate identification of the CGU is considered a key audit matter because of the management judgement required to make this assessment.</p> <p>A key audit matter for us was whether RXP's value in use model for impairment included appropriate consideration and support for significant estimates and judgements and the selection of key external and internal inputs.</p> <p>Management's assessment of impairment of RXP's goodwill balances incorporated significant estimates and judgements in respect of factors such as forecast:</p> <ul style="list-style-type: none"> <li>• revenues</li> <li>• expenses</li> <li>• capital expenditure ; and,</li> <li>• economic assumptions in the cash flow model such as, discount rates and terminal growth rate.</li> </ul>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Assessing management's determination of RXP's CGU based on our understanding of the nature of RXP's business and the economic environment in which it operates.</li> <li>• Understanding and evaluating management's process and controls regarding valuation of RXP's goodwill assets to determine any asset impairment including the procedures around the preparation and review of forecasts.</li> <li>• Challenging RXP's significant estimates and judgements used to determine the recoverable value of its assets, including those relating to forecast revenue, expenses and capital expenditure.</li> <li>• Engaging an auditor's expert to corroborate the key economic assumptions to external data.</li> <li>• Checking the mathematical accuracy of the cash flow model and agreeing relevant data to the latest forecasts.</li> <li>• Assessing the historical accuracy of forecasting of RXP.</li> <li>• We performed sensitivity analysis in relation to the discount rate and terminal growth rate assumptions.</li> </ul>

**RXP SERVICES LIMITED  
AND CONTROLLED ENTITIES  
ABN: 30 146 959 917**



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
RXP SERVICES LTD**

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Responsibilities of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

*Auditor's Responsibilities for the Audit of the Financial Report*

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

An independent Newcastle Partnership ABN 30 771 674 745  
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RXP SERVICES LIMITED  
AND CONTROLLED ENTITIES  
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INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
RXP SERVICES LTD

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on the Remuneration Report**

*Opinion on the Remuneration Report*

We have audited the Remuneration Report included in pages 9 to 13 of the directors' report for the year ended 30 June 2018. In our opinion, the Remuneration Report of RXP Services Ltd., for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

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

A handwritten signature in black ink, appearing to read 'F Russo'.

F V RUSSO

Partner

15 August 2018

A handwritten signature in black ink, appearing to read 'Pitcher Partners'.

PITCHER PARTNERS

Melbourne

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## Shareholder Information

The shareholder information set out below was applicable as at 25th July 2018.

### Ordinary Shares:

- Fully paid ordinary shares.
- All ordinary shares carry one vote per share.

### Options:

No options over unissued shares or interests in the consolidated entity were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

## Distribution of holders in each class of equity securities

Shareholders	Total Holders	Fully Paid Ordinary Shares
1 – 1,000	188	110,218
1,001 – 5,000	600	1,788,164
5,001 – 10,000	379	3,061,985
10,001 – 100,000	794	27,418,037
100,001 – 999,999,999	127	128,718,781
<b>Total</b>	<b>2,088</b>	<b>161,097,185</b>

## Unmarketable parcels

Shareholders	Total Holders	Fully Paid Ordinary Shares
Minimum \$500 parcel at \$0.50	146	68,218

## Equity Securities Holders

The names of the 20 largest holders of quoted equity securities are listed below:

Rank	Name	Units	% of Units
1.	J P Morgan Nominees Australia Limited	24,919,170	15.47
2.	National Nominees Limited.	13,198,730	8.19
3.	Oaktel Investments Pty Ltd	10,277,090	6.38
4.	Citicorp Nominees Pty Limited	9,285,592	5.76
5.	Ross Fielding Investments Pty Ltd	7,725,000	4.80
6.	Oaktel Investments Pty Ltd <SAT Superannuation Fund A/C>	7,586,264	4.71
7.	UBS Nominees Pty Ltd	6,042,742	3.75
8.	BNP Paribas Noms Pty Ltd <DRP>	4,192,027	2.60
9.	HSBC Custody Nominees (Australia) Limited	3,124,072	1.94
10.	CS Fourth Nominees Pty Limited <HSBC Cust Nom Au Ltd 11 A/C>	2,605,354	1.62
11.	Brispot Nominees Pty Ltd <House Head Nominee A/C>	2,351,308	1.46
12.	CVC Limited	1,526,257	0.95
13.	Neweconomy Com Au Nominees Pty Limited <900 Account>	1,526,214	0.95
14.	Bond Street Custodians Limited <RSALTE – D64848 A/C>	1,428,474	0.89
15.	Morgan Stanley Australia Securities (Nominee) Pty Limited <No 1 Account>	1,243,561	0.77
16.	Kingston Properties Pty Limited <The Byron A/C>	1,197,710	0.74
17.	MLB Holdings Pty Ltd <MLb Family A/C>	1,170,000	0.73
18.	Westor Asset Management Pty Ltd <Value Partnership A/C>	1,089,452	0.68
19.	B F A Pty Ltd	1,000,000	0.62
20.	Mr Mark Horsfield + Mrs Louise Fiona Horsfield	886,114	0.55
<b>Totals: Top 20 Holders of Fully Paid Ordinary Shares (Total)</b>		<b>102,375,131</b>	<b>63.55</b>
<b>Total Remaining Holders Balance</b>		<b>58,722,054</b>	<b>36.45</b>

## Shareholder Enquiries

Shareholders with enquiries about their shareholding should contact the share registry:

Computershare Investor Services Pty Ltd  
Yarra Falls, 452 Johnston Street  
Abbotsford, Victoria 3067

Phone +61 3 1300 137 328  
Facsimile +61 3 1300 137 341

# Corporate Directory

## Directors

Mr John Pittard – Chairman  
Mr Ross Fielding – Chief Executive Officer  
Mr Kenneth Stout – Non-Executive Director  
Ms Sandra Hook – Non-Executive Director

## Company Secretary

Mr David Royale

## Corporate Governance Statement

Refer to [rxpservices.com/about/investor-centre/corporate-governance](http://rxpservices.com/about/investor-centre/corporate-governance)

## Registered Office

RXP Services Ltd  
Level 31  
15 Queen Street  
Melbourne Victoria 3000

[www.rxpservices.com](http://www.rxpservices.com)

## Auditors

Pitcher Partners  
Level 13, 664 Collins Street  
Melbourne, Victoria 3000

## Share Registry

Computershare Investor Services Pty Ltd  
Yarra Falls, 452 Johnston Street  
Abbotsford Victoria 3067

Phone +61 3 1300 137 328  
Facsimile +61 3 1300 137 341



