



RXP SERVICES LIMITED AND CONTROLLED ENTITIES

APPENDIX 4E

ASX PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED
30 JUNE 2014
ABN: 30 146 959 917
ASX CODE: RXP

TABLE OF CONTENTS

	Page
<hr/>	
ASX Appendix 4E	
Details of the reporting period and the previous corresponding period	
Results for Announcement to the Market	
Other Information	
 Consolidated Interim Financial Report	
Condensed Consolidated Statement of Comprehensive Income	5
Condensed Consolidated Statement of Financial Position	6
Condensed Consolidated Statement of Changes in Equity	7
Condensed Consolidated Statement of Cash Flows	8
Notes to the Financial Statements	9
Compliance Statement	22

Details of the reporting period and the previous corresponding period

Reporting period: Year ended 30 June 2014

Previous corresponding period: Year ended 30 June 2013

Results for announcement to the market

	June 2014 (\$'000)	June 2013 (\$'000)	Change (\$'000)	Change (%)
Revenue and other income	56,061	30,203	25,858	86
Profit after tax	6,498	3,485	3,013	86
Profit after tax attributable to members of RXP	6,498	3,485	3,013	86
Profit before tax	9,291	4,904	4,387	89
Basic EPS	5.6 cents	5.5 cents		
Net Tangible Asset per Share	4.8 cents	7.7 cents		

Dividends

No dividend has been declared by the Board at this time

Significant dates

Annual General Meeting – 16 October 2014

Annual Report and Notice of Proxy Mailed – 19 September 2014

Explanation of results

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.

The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

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

- On 1 July 2013, the Company acquired 100% of the share capital of Transpire Pty Ltd. Details of the acquisition are set out at Note 5 in this financial report.
- On 2 September 2013, the Company acquired 100% of the share capital of MethodGroup Pty Ltd. Details of the acquisition are set out at Note 5 in this financial report.
- On 1 October 2013, the Company acquired 100% of the share capital of Integrated Value Pty Ltd. Details of the acquisition are set out at Note 5 in this financial report.
- On 1 October 2013, the Company acquired 100% of the share capital of Nobel Consulting Pty Ltd. Details of the acquisition are set out at Note 5 in this financial report.
- On 3 March 2014, the Company acquired 100% of the share capital of Insight 4 Pty Ltd. Details of the acquisition are set out at Note 5 in this financial report.
- On 23 May 2014, the Company acquired 100% of the share capital of Aptus International Services Pty Ltd. Details of the acquisition are set out at Note 5 in this financial report.

Date: 25 August 2014



Chris Shearer
Company Secretary

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$'000	2013 \$'000
Revenue		
Sales revenue	55,729	30,159
Other income	332	44
	56,061	30,203
Less: Expenses		
Cost of sales	(40,318)	(18,563)
Employee benefits	(3,678)	(5,205)
Other expenses	(2,774)	(1,531)
	(46,770)	(25,299)
Profit before income tax benefit	9,291	4,904
Income tax	(2,793)	(1,419)
Net profit for the year	6,498	3,485
Other Comprehensive Income		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation	(69)	53
Total comprehensive income for the period	6,429	3,538
Profit attributable to:		
Members of the parent	6,498	3,485
Total comprehensive income attributable to:		
Members of the parent	6,429	3,538
Earnings per share for profit from continuing operations attributable to equity holders of the parent entity:		
Basic earnings per share (cents)	5.6	5.5
Diluted earnings per share (cents)	5.6	5.5

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

	30 June 2014 \$'000	30 June 2013 \$'000
CURRENT ASSETS		
Cash and cash equivalents	18,427	11,209
Receivables	14,103	5,771
Other current assets	2,382	503
TOTAL CURRENT ASSETS	34,912	17,483
NON-CURRENT ASSETS		
Intangible assets	74,279	37,057
Property, plant and equipment	372	138
Deferred tax assets	1,785	1,191
TOTAL NON-CURRENT ASSETS	76,436	38,386
TOTAL ASSETS	111,348	55,869
CURRENT LIABILITIES		
Trade and other payables	9,874	3,940
Deferred consideration	13,595	5,521
Provisions	1,764	1,004
TOTAL CURRENT LIABILITIES	25,233	10,465
NON-CURRENT LIABILITIES		
Deferred consideration	3,441	-
Provisions	274	148
TOTAL NON-CURRENT LIABILITIES	3,715	148
TOTAL LIABILITIES	28,948	10,613
NET ASSETS	82,400	45,256
EQUITY		
Contributed capital	72,410	41,695
Foreign currency reserve	(16)	53
Retained earnings	10,006	3,508
TOTAL EQUITY	82,400	45,256

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Contributed Equity \$'000	Retained Earnings \$'000	Foreign Currency Reserve	Total Equity \$'000
Consolidated				
Balance as at 1 July 2012	15,186	23	-	15,209
Profit for the year	-	3,485	-	3,485
Exchange differences on translation of foreign operations, net of tax	-	-	53	53
Total comprehensive income for the year	-	3,485	53	3,538
Transactions with owners in their capacity as owners:				
Shares Issued During Period	27,349	-	-	27,349
Share Issue Expenses	(840)	-	-	(840)
	26,509	-	-	26,509
Balance as at 30 June 2013	41,695	3,508	53	45,256
Consolidated				
Balance as at 1 July 2013	41,695	3,508	53	45,256
Profit for the year	-	6,498	-	6,498
Exchange differences on translation of foreign operations, net of tax	-	-	(69)	(69)
Total comprehensive income for the year	-	6,498	(69)	6,429
Transactions with owners in their capacity as owners:				
Shares Issued During Period	31,384	-	-	31,384
Share Issue Expenses	(669)	-	-	(669)
	26,509	-	-	26,509
Balance as at 30 June 2014	72,410	10,006	(16)	82,400

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

	Note	30 June 2014 \$'000	30 June 2013 \$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		54,186	32,492
Payments to suppliers and employees		(51,256)	(29,402)
Income tax paid		(1,468)	(182)
Interest received		332	44
Finance costs		(4)	(56)
Net cash provided by operating activities		1,790	2,896
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(136)	(27)
Payment for intangibles		(384)	-
Payment for business acquisitions	5	(13,028)	(7,142)
Payment of declared dividends of acquired entities		(10)	(1,750)
Net cash used in investing activities		(13,558)	(8,918)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue	4	20,000	18,200
Proceeds from borrowings		-	(549)
Capital raising expenses		(1,014)	(1,200)
Net cash provided by financing activities		18,986	16,451
NET INCREASE IN CASH AND CASH EQUIVALENTS		7,218	10,428
Cash and cash equivalents at beginning of year		11,209	781
CASH AND CASH EQUIVALENTS AT END OF YEAR		18,427	11,209

NOTES TO FINANCIAL INFORMATION

RXP SERVICES AND ITS CONTROLLED ENTITIES

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: BASIS OF PREPARATION

This preliminary financial report has been prepared in accordance with ASX Listing Rule 4.3A and has been derived from the unaudited financial report.

The preliminary financial report does not include all the notes of the type normally included in an annual report.

This report is based on the Financial Report which is in the process of being audited.

The current reporting period in the Preliminary financial report is the year ended 30 June 2014 while the previous corresponding period is 30 June 2013.

NOTE 2: DIVIDENDS

There were no dividends paid during the period.

NOTE 3: SEGMENT INFORMATION

Operating segments

RXP Services Limited 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 Hong Kong is not a material entity within the group.

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014

NOTE 4: SHARE CAPITAL

Movements in ordinary share capital

	\$'000	Number of Shares
Balance as at 30 June 2013	41,695	91,615,246
1. Share Issue	1,128	1,645,906
2. Share Issue	1,045	1,558,276
3. Share Issue	2,000	2,963,341
4. Share Issue	800	1,103,448
5. Share Issue	1,760	2,346,668
6. Share Issue	31	37,998
7. Share Issue	284	391,434
8. Share Issue	936	1,800,000
9. Share Issue	20,000	25,000,000
10. Share Issue	2,700	3,600,000
11. Share Issue	700	966,050
Capital raising expenses	(669)	
	30,715	41,413,121
Balance as at 30 June 2014	72,410	133,028,367
1. 2 July 2013: Part consideration for the acquisition of Transpire Pty Ltd		
2. 12 July 2013: Final share consideration for the acquisition of Stonewell Consulting Pty Ltd		
3. 3 September 2013: Part consideration for the acquisition of Method Group Pty Ltd		
4. 2 October 2013: Part consideration for the acquisition of Nobel Consulting Pty Ltd		
5. 2 October 2013: Part consideration for the acquisition of Integrated Value Pty Ltd		
6. 12 November 2013: Staff share issue		
7. 12 November 2013: Part consideration for the acquisition of Nobel Consulting Pty Ltd		
8. 17 November 2013: Final share consideration for the acquisition of NSI Pty Ltd		
9. 17 December 2013: Share placement to sophisticated investors		
10. 3 March 2014: Part consideration for the acquisition of Insight4 Pty Ltd		
11. 3 March 2014: Final share consideration for the acquisition of Zenith Solutions Pty Ltd		

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014

NOTE 5: BUSINESS COMBINATIONS

Acquisition of Controlled Entities

a) Transpire Pty Ltd

On 1 July 2013, the consolidated entity acquired 100% of the share capital of Transpire Pty Ltd. The acquisition brought with it considerable value around the strategic capability that Transpire had demonstrated over a number of years with various clients. All outstanding shares in Transpire Pty Ltd were acquired on signing.

Details of the transaction were:

		\$'000
Consideration paid		1,823
Shares issued as consideration	(i)	1,127
Deferred consideration	(ii)	1,200
Total cost of consideration		4,150

(i) 1,645,906 shares were issued as part of the consideration. The issue price of \$0.685 represents fair value in the view of the Directors based on the weighted average share price for the period preceding signing.

(ii) Deferred consideration of \$1,200,000 is payable under the Sale and Purchase Agreement. This payment is not contingent upon performance.

The deferred consideration is payable by way of both cash and shares twelve months from acquisition date.

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business combination were:

	Fair Value at acquisition \$'000
Assets and Liabilities Acquired	
Cash	186
Trade receivables	235
Accrued income	11
Fixed assets	51
Deferred tax asset	18
Other assets	18
Trade creditors	(344)
Accrued expenses	(266)
Provisions	(99)
Other liabilities	(70)
Net liabilities acquired	(260)
Goodwill	4,410

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014

NOTE 5: BUSINESS COMBINATIONS (CONTINUED)

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 and specialist personnel assumed via the acquisition.

Goodwill is not deductible for tax purposes.

Purchase consideration – cash outflow	30 June 2014 \$'000
Consideration paid	(1,823)
Less: Cash balances acquired	
Cash	186
<i>Bank Overdraft</i>	-
Net cash balance acquired	186
Outflow of cash – investing activities	(1,637)

Contribution since acquisition

Since the acquisition date the operations of Transpire Pty Ltd have contributed revenue of \$5,060,000 and a profit of \$968,000 before providing for income tax.

Transaction costs

No transaction costs specific to this acquisition is included in expenses in the statement of comprehensive income.

b) MethodGroup Pty Ltd

On 2 September 2013, the consolidated entity acquired 100% of the share capital of MethodGroup Pty Ltd.

The acquisition brought with it considerable value around the business analysis capability that MethodGroup had demonstrated over a number of years with various clients. All outstanding shares in MethodGroup Pty Ltd were acquired on signing.

Details of the transaction were:

	\$'000
Consideration paid	3,123
Shares issued as consideration (i)	2,000
Deferred consideration (ii)	1,430
Total cost of consideration	6,553

(i) 2,963,341 shares were issued as part of the consideration. The issue price of \$0.675 represents fair value in the view of the Directors based on the weighted average share price for the period preceding signing.

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014

NOTE 5: BUSINESS COMBINATIONS (CONTINUED)

- (ii) Deferred consideration \$1,430,000 recognised under the Sale and Purchase Agreement. This payment is contingent upon certain earnings performance criteria being achieved. The range of contingent consideration payable based on the earnings performance criteria is between nil and \$1,430,000.

The deferred consideration is payable by way of both cash and shares twelve months from acquisition date.

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business combination were:

	Fair Value at acquisition \$'000
Assets and Liabilities Acquired	
Cash	538
Trade receivables	193
Fixed assets	221
Deferred tax asset	28
Other assets	63
Trade creditors	(61)
Accrued expenses	(156)
Borrowings	(204)
Loans payable	(16)
Provisions	(59)
Other liabilities	(138)
Net assets acquired	409
Goodwill	6,144

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.

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014**NOTE 5: BUSINESS COMBINATIONS (CONTINUED)**

Purchase consideration – cash outflow	30 June 2014 \$'000
Consideration paid	(3,123)
Less: Cash balances acquired	
Cash	538
Bank Overdraft	-
Net cash balance acquired	538
Outflow of cash – investing activities	(2,585)

Contribution since acquisition

Since the acquisition date the operations of Method Group Pty Ltd have been fully incorporated that of RXP Services Ltd and as such it is not possible to provide the contribution.

Transaction costs

No transaction costs specific to this acquisition is included in expenses in the statement of comprehensive income.

c) Nobel Consulting Pty Ltd

On 1 October 2013, the consolidated entity acquired 100% of the share capital Nobel Consulting Group Pty Ltd.

The acquisition brought with it considerable value around Service Now capability that Nobel had invested in. All outstanding shares in Nobel were acquired on signing.

The details of the acquisition are as follows:

		\$'000
Consideration paid		-
Shares issued as consideration	(i)	1,084
Deferred consideration	(ii)	2,160
Total cost of consideration		3,244

- (i) 1,494,882 shares were issued as part of the consideration. The issue price of \$0.725 represents fair value in the view of the Directors based on the weighted average share price for the period preceding signing.

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014**NOTE 5: BUSINESS COMBINATIONS (CONTINUED)**

- (ii) Deferred consideration of \$2,160,000 has been recognised under the Sale and Purchase Agreement. This payment is contingent upon certain earnings performance criteria being achieved. The range of contingent consideration payable based on the earnings performance criteria is between \$400,000 and \$1,500,000. The deferred consideration is payable by way of both cash and shares twelve months from acquisition date.

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business combination were:

	Fair Value at acquisition \$'000
Assets and Liabilities Acquired	
Cash	171
Trade receivables	88
Accrued income	21
Fixed assets	12
Deferred tax asset	134
Trade creditors	(119)
Accrued expenses	(109)
Financial liabilities	(428)
Provisions	(137)
Other liabilities	(153)
Net liabilities acquired	(520)
Goodwill	3,764

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	30 June 2014 \$'000
Consideration paid	-
Less: Cash balances acquired	
Cash	171
Bank Overdraft	-
Net cash balance acquired	171
Inflow of cash – investing activities	171

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014

NOTE 5: BUSINESS COMBINATIONS (CONTINUED)

Contribution since acquisition

Since the acquisition date the operations of Nobel Consulting Pty Ltd have contributed revenue of \$4,082,000 and a profit of \$725,000 before providing for tax. As the entity was not audited prior to acquisition, it is not practical to determine the contribution to revenue and profit should the acquisition have occurred on 1 July 2013.

Transaction costs

No transaction costs specific to this acquisition is included in expenses in the statement of comprehensive income.

d) Integrated Value Pty Ltd

On 1 October 2013, the consolidated entity acquired 100% of the share capital Integrated Value Pty Ltd.

The acquisition brought with it considerable value around service capability and expanded the Company's presence in Canberra. All outstanding shares in Integrated Value were acquired on signing.

The details of the acquisition are as follows:

		\$'000
Consideration		1,320
Shares issued as consideration	(i)	1,760
Deferred consideration	(ii)	6,673
Total cost of consideration		9,753

(i) 2,346,668 shares were issued as part of the consideration. The issue price of \$0.75 represents fair value in the view of the Directors based on the weighted average share price for the period preceding signing.

(ii) Deferred consideration of \$6,673,000 is payable under the Sale and Purchase Agreement. This payment is not contingent upon certain performance criteria being achieved and has been recognised in the cost of the acquisition.

The deferred consideration is payable by way of both cash and shares over a three year period.

Assets and liabilities acquired

The assets and liabilities of the company at the date of acquisition were assumed by the vendors and accordingly no assets and liabilities were acquired as result of the business combination.

	Fair Value at acquisition \$'000
Net assets acquired	-
Goodwill	9,753

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014**NOTE 5: BUSINESS COMBINATIONS (CONTINUED)**

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	30 June 2014 \$'000
Consideration paid	(1,320)
Less: Cash balances acquired	
Cash	-
Bank Overdraft	-
Net cash balance acquired	-
Outflow of cash – investing activities	(1,320)

Contribution since acquisition

Integrated Value was fully integrated into the operations of RXP Services Ltd on the day of acquisition and hence a dedicated revenue and profit cannot be provided.

Transaction costs

No transaction costs specific to this acquisition is included in expenses in the statement of comprehensive income.

e) Insight4 Pty Ltd

On 3 March 2014, the consolidated entity acquired 100% of the share capital of Insight4 Pty Ltd.

The acquisition brought with its considerable value around applications development and expanded the Company's presence in Hobart. All outstanding shares in Insight4 Pty Ltd were acquired on signing.

The details of the acquisition are as follows:

		\$'000
Consideration and costs paid		2,700
Shares issued as consideration	(i)	2,700
Deferred consideration	(ii)	3,272
Total cost of consideration		8,672

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014

NOTE 5: BUSINESS COMBINATIONS (CONTINUED)

- (i) 3,600,000 shares were issued as part of the consideration. The issue price of \$0.75 represents fair value in the view of the Directors based on the weighted average share price for the period preceding signing.
- (ii) Deferred consideration of \$3,272,000 has been recognised under the Sale and Purchase Agreement. This payment is contingent upon certain earnings performance criteria being achieved. The range of contingent consideration payable based on the earnings performance criteria is between nil and \$3,000,000.

The deferred consideration is payable by way of both cash and shares twelve months from acquisition date.

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business combination were:

	Fair Value at acquisition \$'000
Assets and Liabilities Acquired	
Cash	272
Trade receivables	615
Fixed assets	97
Deferred tax asset	76
Other assets	7
Trade creditors	(80)
Provisions	(341)
Other liabilities	(393)
Net assets acquired	253
Goodwill	8,419

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.

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014**NOTE 5: BUSINESS COMBINATIONS (CONTINUED)****30 June 2014****Purchase consideration – cash outflow****\$'000**

Consideration paid	(2,700)
Less: Cash balances acquired	
Cash	272
Bank Overdraft	-
Net cash balance acquired	272
Outflow of cash – investing activities	(2,428)

Contribution since acquisition

Since the acquisition date the operations of Insight4 Pty Ltd have contributed revenue of \$1,099,278 and a profit of \$239,969 before providing for tax. As the entity was not audited prior to acquisition, it is not practical to determine the contribution to revenue and profit should the acquisition have occurred on 1 July 2013.

Transaction costs

No transaction costs specific to this acquisition is included in expenses in the statement of comprehensive income.

f) Aptus International Pty Ltd

On 22 May 2014, the consolidated entity acquired 100% of the share capital Aptus International Pty Ltd.

The acquisition brought with it considerable value around security capabilities that Aptus International had invested in. All outstanding shares in Aptus International were acquired on signing.

The details of the acquisition are as follows:

		\$'000
Consideration paid		1,800
Shares issued as consideration		-
Deferred consideration	(i)	2,300
Total cost of consideration		4,100

- (i) Deferred consideration of \$2,300,000 has been recognised under the Sale and Purchase Agreement. This payment is contingent upon certain earnings performance criteria being achieved. The range of contingent consideration payable based on the earnings performance criteria is between \$450,000 and \$1,750,000. The deferred consideration is payable by way of cash twelve months from acquisition date.

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4E - YEAR ENDED 30 JUNE 2014

NOTE 5: BUSINESS COMBINATIONS (CONTINUED)

Assets and liabilities acquired

Assets and liabilities acquired as a result of the business combination were:

	Fair Value at acquisition \$'000
Assets and Liabilities Acquired	
Cash	45
Trade receivables	71
Work in progress	110
Fixed assets	28
Other assets	35
Trade creditors	(103)
Deferred tax liability	(1)
Accrued expenses	(163)
Provisions	(80)
Other liabilities	(204)
Net liabilities acquired	(262)
Goodwill	4,362

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	30 June 2014 \$'000
Consideration paid	(1,800)
Less: Cash balances acquired	
Cash	45
Bank Overdraft	-
Net cash balance acquired	45
Outflow of cash – investing activities	(1,755)

NOTE 5: BUSINESS COMBINATIONS (CONTINUED)

Contribution since acquisition

Since the acquisition date the operations of Aptus International Pty Ltd have contributed revenue of \$331,329 and a profit of \$87,572 before providing for tax. As the entity was not audited prior to acquisition, it is not practical to determine the contribution to revenue and profit should the acquisition have occurred on 1 July 2013.

Transaction costs

No transaction costs specific to this acquisition is included in expenses in the statement of comprehensive income.

g) Prior period

The following acquisitions were completed in the corresponding prior period:

1. 1 July 2012, Stonewell Consulting Pty Ltd
2. 1 July 2012, PL Consulting Pte Ltd
3. 1 December 2012, NSI Technology Pty Ltd.
4. 7 January 2013, Zenith Pty Ltd

Details of the business combinations were disclosed in note 20 of the consolidated entity's annual financial statements for the year ended 30 June 2013.

NOTE 6: SUBSEQUENT EVENTS

There has been no matter or circumstance, which has arisen since 30 June 2014 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2014, of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2014, of the consolidated entity.

Compliance Statement

1. This Appendix 4E has been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.
2. This Appendix 4E uses the same accounting policies which will be adopted in the full financial report.
3. This Appendix 4E is based on financial statements which are in the process of being audited and is not likely to be subject to audit dispute or qualification.
4. The entity has a formally constituted audit and risk management committee.
5. In the directors' opinion, there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.



.....
Ross Fielding
CEO & Managing Director
Melbourne

Date: 25 August 2014