

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

ABN: 30 146 959 917
ASX CODE: RXP

APPENDIX 4D AND
CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
31 DECEMBER 2014

TABLE OF CONTENTS

	Page
<hr/>	
ASX Appendix 4D	
Details of the reporting period and the previous corresponding period	3
Results for Announcement to the Market	
Other Information	
Directors' Report	6
Auditor's Independence Declaration	8
Consolidated Interim Financial Report	
Condensed Consolidated Statement of Comprehensive Income	9
Condensed Consolidated Statement of Financial Position	10
Condensed Consolidated Statement of Changes in Equity	11
Condensed Consolidated Statement of Cash Flows	12
Notes to the Financial Statements	13
Directors' Declaration	24
Independent Auditor's Review Report	25

Details of the reporting period and the previous corresponding period

Reporting period: Half year ended 31 December 2014

Previous corresponding period/s: Half year ended 31 December 2013
Year ended 30 June 2014

Results for announcement to the market

RXP Services Limited (RXP) and its controlled entities' (the RXP Group or Group) Results for Announcement to the Market are detailed below.

	Dec 2014 (\$'000)	Dec 2013 (\$'000)	Change (\$'000)	Change (%)
Revenue and other income	37,791	23,314	14,477	62
Profit after tax	2,054	2,200	(146)	(7)
Profit after tax attributable to members of RXP	2,054	2,200	(146)	(7)
Profit before tax	2,841	3,290	(449)	(14)

Dividends

No interim dividend will be paid in relation to the half-year ended 31 December 2014.

Explanation of results

Please refer to the 'Directors' Report' for an explanation of the results.

This information should be read in conjunction with the Consolidated Annual Financial Report of the RXP Group for the year ended 30 June 2014.

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 4.2A.

Net tangible assets

	Current Period	Previous Corresponding Period
Net tangible assets per ordinary security	5 cents	5 cents

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

On 31 October 2014, the Company acquired 100% of the share capital of Centrum Systems Pty Ltd. Details of the acquisition are set out at Note 6 (c) in this financial report.

Details of individual and total dividends and payment dates

No dividends have been declared by the Company.

Details of dividend reinvestment plan

Not applicable.

Details of associates and joint venture entities

Not applicable.

For foreign entities, accounting standards used in compiling the report


Not applicable.

A description of any modified opinion, emphasis of matter or other matter paragraph contained in the independent auditor's review report

Not applicable. The independent auditor's review report does not contain any modified opinion, emphasis of matter or other matter paragraph.

The independent auditor's review report is included in the attached Interim Financial Report.

Date: 18 February 2015



Ross Fielding
CEO & Managing Director

Directors' Report

The directors present their report together with the condensed financial report of the consolidated entity consisting of RXP Services Limited and the entities it controlled, for the half-year ended 31 December 2014 and independent review report thereon. This financial report has been prepared in accordance with AASB 134 Interim Financial Reporting.

Directors

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

Name	Period of directorship
Non-Executive Directors	
Mr John Pittard (Chairperson)	Director since 25 November 2013
Mr Kenneth Stout	Director since 20 October 2010
Executive Director	
Mr Ross Fielding	Director since 20 October 2010

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

Review of operations

The consolidated result for the half-year ending 31 December 2014 included:

- Revenue of \$37.8 million
- Profit before tax (PBT) of \$2.84 million
- Net profit after tax of \$2.05 million.

Staff numbers grew to 470 people (up from 420 at 30 June 2014), with retention rates remaining high.

The Company continues to extend existing client engagements as well as win new work with clients, and this was reflected in the top line growth achieved in first-half FY15 – with 62% growth in revenue on previous corresponding period.

The resulting profit before tax for first-half FY15 was lower than planned due to lower than expected utilisation in the later months of the half. This was mainly due to the deferral of some key client projects from quarter two in FY15 (which we hired people for) through to the third quarter in FY15.

Review of operations (Continued)

The recent acquisition (Centrum Systems) as disclosed further in Note 6 (c) has added to RXP's business process management capabilities, helped to expand the Company's client base, while at the same time strengthening the geographic presence in New South Wales.

The integration of Centrum Systems into RXP has progressed very well, and is performing in line with our expectations in terms of both revenue and profit.

RXP's overall business remains in good shape with solid underlying operational metrics. The Company has a talented and committed team, a very healthy balance sheet with no debt, and continues to win new client work.

We remain upbeat about the outlook for RXP and the growth opportunities available to the company.

Significant changes in the state of affairs

On 31 October 2014, the Company acquired 100% of the share capital of Centrum Systems Pty Ltd. Details of the acquisition are set out at Note 6 (c) in this financial report.

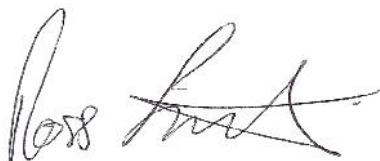
Auditor's independence declaration

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

Rounding of amounts to nearest thousand dollars

The amounts contained in the report and in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Signed in accordance with a resolution of the directors:



Ross Fielding
CEO & Managing Director

Date: 18 February 2015



RXP SERVICES LIMITED
AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF RXP SERVICES LIMITED

In relation to the independent auditor's review for the half-year ended 31 December 2014, 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 any applicable code of professional conduct.

This declaration is in respect of RXP Services Limited and the entities it controlled during the period.

M W PRINGLE
Partner

18 February 2015

PITCHER PARTNERS
Melbourne

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4D - HALF-YEAR ENDED 31 DECEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	HALF-YEAR	
	31 Dec 2014 \$'000	31 Dec 2013 \$'000
Revenue and other income		
Services revenue	37,431	23,226
Other income	146	88
Deferred consideration revaluation	214	-
	37,791	23,314
Less: Expenses		
Cost of sales	(30,355)	(17,306)
Employee benefits expense	(2,476)	(1,548)
Occupancy expense	(476)	(297)
Depreciation and amortisation expenses	(163)	(76)
Finance costs	(2)	(10)
Doubtful debt provisions	(205)	-
Other expenses	(1,273)	(787)
	(34,950)	(20,024)
Profit before income tax	2,841	3,290
Income tax expense	(787)	(1,090)
Profit for the half-year	2,054	2,200
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss		
Foreign currency translation	95	(40)
Total comprehensive income for the period	2,149	2,160
Profit attributable to:		
Members of the parent	2,054	2,200
Non-Controlling Interest	-	-
	2,054	2,200
Earnings per share for profit from continuing operations attributable to equity holders of the parent entity:		
Basic earnings per share (cents)	1.5	2.2
Diluted earnings per share (cents)	1.5	2.2

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4D - HALF-YEAR ENDED 31 DECEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Notes	31 Dec 2014 \$'000	30 June 2014 \$'000
CURRENT ASSETS			
Cash and cash equivalents		9,804	18,427
Receivables	4	11,586	14,103
Other current assets	5	6,257	2,382
TOTAL CURRENT ASSETS		27,647	34,912
NON-CURRENT ASSETS			
Intangible assets		79,354	74,279
Property, plant and equipment		696	372
Deferred tax assets		1,843	1,785
Other non-current assets		67	-
TOTAL NON-CURRENT ASSETS		81,960	76,436
TOTAL ASSETS		109,607	111,348
CURRENT LIABILITIES			
Payables		9,097	9,874
Deferred consideration		7,986	13,595
Provisions		1,920	1,764
TOTAL CURRENT LIABILITIES		19,003	25,233
NON- CURRENT LIABILITIES			
Deferred consideration		2,713	3,441
Provisions		418	274
TOTAL NON-CURRENT LIABILITIES		3,131	3,715
TOTAL LIABILITIES		22,134	28,948
NET ASSETS		87,473	82,400
EQUITY			
Contributed capital		75,334	72,410
Reserves		79	(16)
Retained earnings		12,060	10,006
TOTAL EQUITY		87,473	82,400

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4D - HALF-YEAR ENDED 31 DECEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Contributed equity \$'000	Retained Earnings \$'000	Reserves \$'000	Total equity \$'000
Consolidated				
Balance as at 1 July 2013	41,695	3,508	53	45,256
Profit for the half year	-	2,200	-	2,200
Exchange differences on translation of foreign operations, net of tax	-	-	(40)	(40)
Total comprehensive income for the half-year	-	2,200	(40)	2,160
Transactions with owners in their capacity as owners:				
Shares Issued During Period	27,984	-	-	27,984
Share Issue Expenses	(634)	-	-	(634)
	27,350	-	-	27,350
Balance as at 31 December 2013	69,045	5,708	13	74,766
Consolidated				
Balance as at 1 July 2014	72,410	10,006	(16)	82,400
Profit for the half year	-	2,054	-	2,054
Exchange differences on translation of foreign operations, net of tax	-	-	95	95
Total comprehensive income for the half-year	-	2,054	95	2,149
Transactions with owners in their capacity as owners:				
Shares Issued During Period	2,939	-	-	2,939
Share Issue Expenses	(15)	-	-	(15)
	2,924	-	-	2,924
Balance as at 31 December 2014	75,334	12,060	79	87,473

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4D - HALF-YEAR ENDED 31 DECEMBER 2014

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Note	31 Dec 2014 \$'000	31 Dec 2013 \$'000
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		40,406	23,996
Payments to suppliers and employees		(38,674)	(21,321)
Income taxes paid		(1,620)	(832)
Interest received		146	78
Finance costs		(2)	(10)
Net cash provided by operating activities		256	1,911
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(400)	(38)
Payments for business acquisitions		(8,441)	(6,732)
Payments for intangibles		(23)	-
Payments of declared dividends of acquired entities		-	(10)
Net cash used in investing activities		(8,864)	(6,780)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from share issue		-	20,000
Capital raising expenses		-	(345)
Share issue expenses	5	(15)	(634)
Net cash provided by / (used in) financing activities		(15)	19,021
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(8,623)	14,152
Cash and cash equivalents at beginning of half-year		18,427	11,209
CASH AND CASH EQUIVALENTS AT END OF HALF-YEAR		9,804	25,361

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This half-year financial report does not include all the notes of the type usually included in an annual financial report.

It is recommended that this half-year financial report be read in conjunction with the financial report for the year ended 30 June 2014 and any public announcements made by RXP Services Limited during the half-year in accordance with any continuous disclosure obligations arising under the *Corporations Act 2001*.

The half-year financial report was authorised for issue by the directors as at the date of the directors' report.

The following is a summary of the accounting policies applied in this half year financial report:

(a) Basis of preparation of the Financial Information

This half-year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half-year 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.

The accounting policies applied in this half-year financial report are consistent with those of the annual financial report for the year ended 30 June 2014 and the corresponding half-year other than as described below.

(b) Rounding amounts

The Company is a kind referred to in ASIC class order 98/0100 and in accordance with the class order amounts in the financial statements have been rounded off to the nearest thousand dollars, or in certain cases nearest dollar.

(c) Accounting standards issued but not yet operative

AASB15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the entity expects to be entitled in exchange for those goods or services.

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 directors have not yet assessed the impact (if any) of changes in the standard above.

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4D - HALF-YEAR ENDED 31 DECEMBER 2014**NOTE 2: DIVIDENDS**

There were no dividends paid during the period.

NOTE 3: 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 Operating Segments.

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

	31 Dec	30 June
	2014	2014
	\$'000	\$'000
NOTE 4: RECEIVABLES		
Trade receivables	11,910	14,106
Impairment loss	(324)	(3)
	<u>11,586</u>	<u>14,103</u>
NOTE 5: OTHER CURRENT ASSETS		
Accrued income	5,264	1,681
Deposits held	600	304
Prepayments	362	344
Other receivables	31	53
	<u>6,257</u>	<u>2,382</u>

RXP SERVICES LIMITED AND CONTROLLED ENTITIES

(ABN 30 146 959 917)

ASX APPENDIX 4D - HALF-YEAR ENDED 31 DECEMBER 2014

NOTE 5: SHARE CAPITAL

Movements in ordinary share capital

	Number of Shares	\$'000
Balance as at 30 June 2014	133,028,367	72,410
1. Shares issue	705,387	483
2. Shares issue	2,346,666	1,760
3. Shares issue	960,046	696
Share issue expenses		(15)
	4,012,099	2,924
Balance as at 31 December 2014	137,040,466	75,334

- 01 July 2014: Final consideration for the acquisition of Transpire Pty Ltd
- 06 October 2014: Part consideration for the acquisition of Integrated Value Pty Ltd
- 04 December 2014: Part consideration for the acquisition of Nobel Consulting Pty Ltd

NOTE 6: BUSINESS COMBINATIONS

Acquisition of Controlled Entities

a) Insight4 Pty Ltd

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

The acquisition brought with it 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	2,940
Shares issued as consideration (i)	2,700
Deferred consideration (ii)	3,000
Total cost of consideration	8,640

NOTE 6: 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 \$3,000,000 has been recognised under the Sale and Purchase Agreement. A component of this consideration 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	(406)
Net assets acquired	240
Goodwill	8,400

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.

NOTE 6: BUSINESS COMBINATIONS (CONTINUED)**Purchase consideration – cash outflow**

	\$'000
Consideration paid	(2,940)
Less: Cash balances acquired	
Cash	272
Bank Overdraft	-
Net cash balance acquired	272
Outflow of cash – investing activities	(2,668)

Initial accounting incomplete

The accounting for the acquisition of Insight4 Pty Ltd is provisional in relation to the determination of the fair value of identifiable intangible assets acquired, if any.

Contribution since acquisition

Since 1 July 2014 the operations of Insight 4 Pty Ltd have been fully integrated into that of RXP Services Ltd and as such it is not possible to provide the contribution for the half-year ended 31 December 2014.

Transaction costs

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

b) 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	3,000
Shares issued as consideration	-
Deferred consideration (i)	-
Total cost of consideration	3,000

NOTE 6: BUSINESS COMBINATIONS (CONTINUED)

- (i) It was agreed with the vendors that combining operations was a significant change from their original business structure and a pre earn-out payment of \$1,200,000 was negotiated to satisfy the vendors. There will be no further deferred consideration payments.

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	38
Trade creditors	(136)
Deferred tax liability	(1)
Accrued expenses	(255)
Provisions	(163)
Other liabilities	(69)
Net liabilities acquired	(332)
Goodwill	3,332

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

	\$'000
Consideration paid	(3,000)
Less: Cash balances acquired	
Cash	45
Bank Overdraft	-
Net cash balance acquired	45
Outflow of cash – investing activities	(2,955)

NOTE 6: BUSINESS COMBINATIONS (CONTINUED)**Initial accounting incomplete**

The accounting for the acquisition of Aptus International Pty Ltd is provisional in relation to the determination of the fair value of identifiable intangible assets acquired, if any.

Contribution since acquisition

Since 1 July 2014 the operations of Aptus International Pty Ltd have been fully integrated into that of RXP Services Ltd and as such it is not possible to provide the contribution for the half-year ended 31 December 2014.

Transaction costs

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

c) Centrum Systems Pty Ltd

On 31 October 2014, the consolidated entity acquired 100% of the share capital of Centrum Systems Pty Ltd.

The acquisition brought with it considerable value around business process management and expanded the company's presence in Sydney.

The details of the acquisition are as follows:

		\$'000
Consideration paid		4,150
Shares issued as consideration		-
Deferred consideration	(i)	3,286
Total cost of consideration		7,436

- (i) Deferred consideration of \$3,286,397 is payable 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 between nil and \$2,000,000. The deferred consideration is payable by way of both cash and shares fifteen months from acquisition date.

NOTE 6: 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	1,047
Trade receivables	606
Fixed assets	71
Deferred tax asset	179
Other assets	332
Trade creditors	(352)
Accrued expenses	(31)
Unearned income	(149)
Provisions	(218)
Other liabilities	(199)
Net assets acquired	1,286
Goodwill	6,150

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.

NOTE 6: BUSINESS COMBINATIONS (CONTINUED)

Half-year

Purchase consideration – cash outflow

31 Dec
2014
\$'000

Consideration paid	(4,150)
Less: Cash balances acquired	
Cash	1,047
<i>Bank Overdraft</i>	-
Net cash balance acquired	1,047
Outflow of cash – investing activities	(3,103)

Initial accounting incomplete

The accounting for the acquisition of Centrum Systems Pty Ltd is provisional in relation to the determination of the fair value of identifiable intangible assets acquired, if any.

Contribution since acquisition

Since the acquisition date the operations of Centrum Solutions Ltd have contributed revenue of \$908,060 and a profit of \$132,299 before providing for income 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 2014.

Transaction costs

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

(b) Prior period

The following acquisitions were completed in the corresponding prior period:

1. 1 July 2013, Transpire Pty Ltd
2. 2 September 2013, MethodGroup Pty Ltd
3. 1 October 2013, Nobel Consulting Pty Ltd
4. 1 October 2013, Integrated Value Pty Ltd

Details of the business combination were disclosed in note 19 of the consolidated entity's annual financial statements for the year ended 30 June 2014.

NOTE 7: 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.

Half-year ended 31 December 2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Financial liabilities</i>				
Deferred cash consideration	-	-	6,230	6,230
Deferred equity consideration	-	-	4,469	4,469
Total financial liabilities	-	-	10,699	10,699
Full-year ended 30 June 2014	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<i>Financial liabilities</i>				
Deferred cash consideration	-	-	10,544	10,544
Deferred equity consideration	-	-	6,492	6,492
Total financial liabilities	-	-	17,036	17,036

(b) Valuation technique and significant unobservable inputs

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

NOTE 7: FAIR VALUE MEASUREMENTS (CONTINUED)**(c) Reconciliation of recurring level 3 fair value movements**

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
<i>Deferred consideration</i>		
Opening balance	17,036	5,521
Additional deferred consideration from business acquisition	3,285	18,389
Change in fair value of deferred consideration	(1,132)	-
Deferred consideration revaluation	(214)	-
Payments / share issues	(8,276)	(6,874)
Closing balance	<u>10,699</u>	<u>17,036</u>

(d) Valuation processes and sensitivity

In determining the fair value of the deferred consideration, management prepares 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.

Should the business performance be lower / higher than expected, deferred consideration may reduce / increase to a lower / higher amount in accordance with the relevant acquisition contracts as disclosed in Note 6.

No changes in the range of outcomes for contingent consideration has occurred.

NOTE 8: CONTINGENT LIABILITIES

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

NOTE 9: SUBSEQUENT EVENTS

There has been no matter or circumstance, which has arisen since 31 December 2014 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 31 December 2014, of the consolidated entity, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 31 December 2014, of the consolidated entity.

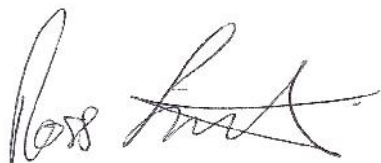
DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 9 to 23 in accordance with the *Corporations Act 2001*:

- a) Comply with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, and other mandatory professional reporting requirements; and
- b) Give a true and fair view of the financial position of the consolidated entity as at 31 December 2014 and of its performance for the half-year ended on that date.

In the directors' opinion there are reasonable grounds to believe that *RXP Services Limited* will be able to pay its debts as and when they become due and payable.

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



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

Date: 18 February 2015



RXP SERVICES LIMITED
ABN 146 959 917

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

We have reviewed the accompanying half-year financial report of RXP Services Limited and controlled entities, which comprises the condensed statement of financial position as at 31 December 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of RXP Services Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



RXP SERVICES LIMITED
ABN 146 959 917

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
RXP SERVICES LIMITED

Conclusion

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

M W PRINGLE
Partner

18 February 2015

PITCHER PARTNERS
Melbourne