

## 1. Company details

Name of entity:	PS&C Ltd
ABN:	50 164 718 361
Reporting period:	For the half-year ended 31 December 2015
Previous period:	For the half-year ended 31 December 2014

## 2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	4.3% to	41,242,956
Profit after tax attributable to the members of PS&C Ltd	up	51.1% to	3,062,011
Profit for the half-year attributable to the members of PS&C Ltd	up	51.1% to	3,062,011

### Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend paid on 15 October 2015 for the period ended 30 June 2015 (record date of 30 September 2015)	3.0	3.0
Interim dividend declared for the period ended 31 December 2015, payable on 13 April 2016 (record date of 31 March 2016)	2.5	2.5

### Comments

The profit for the consolidated entity after providing for income tax amounted to \$3,062,011 (31 December 2014: \$2,026,882).

## 3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(19.62)	(27.45)

## 4. Control gained over entities

Name of entities (or group of entities)	Bexton IT Services Pty Ltd
Date control gained	1 October 2015

	\$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period	140,460
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period	-

## 5. Dividends

### Current period

	Amount per security Cents	Franked amount per security Cents
Final dividend paid on 15 October 2015 for the period ended 30 June 2015 (record date of 30 September 2015)	3.0	3.0
Interim dividend declared for the period ended 31 December 2015, payable on 13 April 2016 (record date of 31 March 2016)	2.5	2.5

### Previous period

	Amount per security Cents	Franked amount per security Cents
Final dividend paid on 15 October 2014 for the period ended 30 June 2014	3.0	3.0
Interim dividend paid on 15 April 2015 for the period ended 31 December 2014	3.0	3.0

## 6. Dividend reinvestment plans

Not applicable.

## 7. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

## 8. Attachments

*Details of attachments (if any):*

The Half Year Report of PS&C Ltd for the half-year ended 31 December 2015 is attached.

## 9. Signed

Signed   
Kevin McLaine  
Managing Director

Date: 18 February 2016

**PS&C Ltd**

**ABN 50 164 718 361**

**Half Year Report - 31 December 2015**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of PS&C Ltd (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

## Directors

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

### Non-Executive Directors

Terry Benfold (Chairperson)  
Cass O'Connor

### Executive Directors

Kevin McLaine

## Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of:

- Provision of information and communications technology services

## Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
Final dividend for the year ended 30 June 2015 (2014: 30 June 2014) of 3 cents (2014: 3 cents) per ordinary share paid on 15 October 2015 (2014: 15 October 2014)	1,670,252	1,517,216

## Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$3,062,011 (31 December 2014: \$2,026,882).

The consolidated results for the half year ended 31 December 2015 includes a newly acquired entity from 1 October 2015.

Please refer to the accompanying commentary.

## Significant changes in the state of affairs

On 1 October 2015, PS&C Ltd purchased 100% of the shares in Bexton IT Services Pty Ltd for an initial cash consideration of \$1,500,237. Further to this, 1,735,072 shares in PS&C Ltd were issued on 15 October 2015 at a price of 84.05 cents each and the current calculation for deferred consideration amounts to \$4,485,636. Further information on this acquisition is outlined in Note 8.

On 19 October 2015, PS&C Ltd issued a total of 7,591,661 shares to the vendors of the following businesses:

- Systems and People Pty Ltd - 197,811 shares issued
- Hacklabs Pty Ltd - 724,340 shares issued
- Pure Hacking Pty Ltd - 5,754,634 shares issued
- Allcom Networks Pty Ltd. - 914,876 shares issued

These were paid in satisfaction of \$7,052,653 earn out payments, as per the terms of the shares sale and purchase agreements entered into.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'K McLaine', written in a cursive style.

Kevin McLaine  
Managing Director

18 February 2016

Moore Stephens Audit (Vic)

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**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER S 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF PS&C LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2015, there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.



**MOORE STEPHENS AUDIT (VIC)**  
ABN 16 847 721 257



**ANDREW JOHNSON**  
**Partner**  
**Audit & Assurance Services**

Melbourne, Victoria

18 February 2016

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## General information

The financial statements cover PS&C Ltd as a consolidated entity consisting of PS&C Ltd and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is PS&C Ltd's functional and presentation currency.

PS&C Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 10, 410 Collins Street, Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 18 February 2016.

PS&C Ltd  
Consolidated statement of profit or loss and other comprehensive income  
For the half-year ended 31 December 2015

	Note	Consolidated 31 Dec 2015 \$	31 Dec 2014 \$
<b>Revenue</b>	3	41,242,956	39,526,674
Other income	4	2,015,623	-
<b>Expenses</b>			
Third party materials and labour		(6,209,924)	(6,839,109)
Acquisition expenses		(759,328)	(417,660)
Employee benefits expense		(29,915,250)	(27,072,103)
Depreciation and amortisation expense		(111,561)	(101,668)
Other expenses		(1,948,773)	(1,662,030)
Finance costs		(469,468)	(548,833)
<b>Profit before income tax expense</b>		3,844,275	2,885,271
Income tax expense		(782,264)	(858,389)
<b>Profit after income tax expense for the half-year attributable to the members of PS&amp;C Ltd</b>		3,062,011	2,026,882
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the members of PS&amp;C Ltd</b>		<u>3,062,011</u>	<u>2,026,882</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		5.32	3.82
Diluted earnings per share		5.32	3.82

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*



PS&C Ltd  
Consolidated statement of financial position  
As at 31 December 2015

	Note	Consolidated 31 Dec 2015 \$	30 Jun 2015 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		1,836,087	5,132,772
Trade and other receivables		10,414,310	12,456,940
Inventories		31,155	12,333
Income tax receivable		363,106	-
Other		3,629,359	2,116,840
Total current assets		<u>16,274,017</u>	<u>19,718,885</u>
<b>Non-current assets</b>			
Receivables		190,705	325,508
Property, plant and equipment		707,670	468,711
Intangibles	5	77,524,189	70,150,771
Deferred tax		1,168,548	1,176,346
Total non-current assets		<u>79,591,112</u>	<u>72,121,336</u>
<b>Total assets</b>		<u>95,865,129</u>	<u>91,840,221</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		7,263,608	7,231,744
Income tax payable		-	141,866
Employee benefits		970,888	993,465
Deferred consideration		4,712,259	14,181,074
Other		1,595,306	4,305,965
Total current liabilities		<u>14,542,061</u>	<u>26,854,114</u>
<b>Non-current liabilities</b>			
Payables		177,807	317,584
Borrowings		12,955,876	4,163,526
Deferred tax		676	349
Employee benefits		180,733	97,761
Deferred consideration		3,238,354	5,540,005
Total non-current liabilities		<u>16,553,446</u>	<u>10,119,225</u>
<b>Total liabilities</b>		<u>31,095,507</u>	<u>36,973,339</u>
<b>Net assets</b>		<u>64,769,622</u>	<u>54,866,882</u>
<b>Equity</b>			
Issued capital	6	56,174,808	47,663,827
Reserves		31,346	31,346
Retained profits		8,563,468	7,171,709
<b>Total equity</b>		<u>64,769,622</u>	<u>54,866,882</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

PS&C Ltd  
Consolidated statement of changes in equity  
For the half-year ended 31 December 2015

<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2014	42,996,489	-	3,242,405	46,238,894
Profit after income tax expense for the half-year	-	-	2,026,882	2,026,882
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	2,026,882	2,026,882
<i>Transactions with members in their capacity as members:</i>				
Share-based payments	4,667,338	-	-	4,667,338
Employee share options reserve	-	31,346	-	31,346
Dividends paid (note 7)	-	-	(1,517,216)	(1,517,216)
Balance at 31 December 2014	<u>47,663,827</u>	<u>31,346</u>	<u>3,752,071</u>	<u>51,447,244</u>
<b>Consolidated</b>	<b>Issued capital \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2015	47,663,827	31,346	7,171,709	54,866,882
Profit after income tax expense for the half-year	-	-	3,062,011	3,062,011
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	3,062,011	3,062,011
<i>Transactions with members in their capacity as members:</i>				
Share-based payments	8,510,981	-	-	8,510,981
Dividends paid (note 7)	-	-	(1,670,252)	(1,670,252)
Balance at 31 December 2015	<u>56,174,808</u>	<u>31,346</u>	<u>8,563,468</u>	<u>64,769,622</u>

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

PS&C Ltd  
Consolidated statement of cash flows  
For the half-year ended 31 December 2015

		Consolidated	
	Note	31 Dec 2015 \$	31 Dec 2014 \$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		46,847,775	43,345,672
Payments to suppliers and employees (inclusive of GST)		(45,724,058)	(40,109,570)
		1,123,717	3,236,102
Interest received		16,343	39,458
Interest and other finance costs paid		(224,788)	(148,101)
Income taxes paid		(1,474,261)	(1,402,743)
Net cash from/(used in) operating activities		(558,989)	1,724,716
<b>Cash flows from investing activities</b>			
Payment for purchase of business, net of cash acquired	8	(1,192,367)	(5,532,921)
Payments for prior period's business acquisition	8	(7,502,653)	-
Acquisition Costs		(759,328)	-
Payments for property, plant and equipment		(335,644)	(120,083)
Payments for intangibles	5	(86,870)	-
Proceeds from disposal of property, plant and equipment		1,580	-
Proceeds from release of security deposits		15,488	-
Net cash used in investing activities		(9,859,794)	(5,653,004)
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		13,192,350	4,894,526
Dividends paid	7	(1,670,252)	(1,517,216)
Repayment of borrowings		(4,400,000)	-
Net cash from financing activities		7,122,098	3,377,310
Net decrease in cash and cash equivalents		(3,296,685)	(550,978)
Cash and cash equivalents at the beginning of the financial half-year		5,132,772	5,552,129
Cash and cash equivalents at the end of the financial half-year		<u>1,836,087</u>	<u>5,001,151</u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

## Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

### New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## Note 2. Operating segments

### Identification of reportable operating segments

The consolidated entity is organised into 3 operating segments: People, Security and Communications. Operating segments are determined by distinguishable components whereby the risk and returns are different from the other segments.

### Types of products and services

The principal products and services of each of these operating segments are as follows:

People	The People segment comprising Systems and People Pty Ltd and Bexton IT Services Pty Ltd is involved in providing contractors, contractor management and permanent recruitment.
Security	The Security segment comprising Securus Global Consulting Pty Ltd, Hacklabs Pty Ltd and Pure Hacking Pty Ltd is involved in services and consulting around cyber security matters.
Communications	The Communications segment comprising Allcom Networks Pty Ltd and Allcom Consulting Services Pty Ltd is involved in consulting and implementation of services around internet protocol telephony and network infrastructure.

### Intersegment transactions

There were no material transactions between operating segments.

### Intersegment receivables, payables and loans

There are no intersegment receivables, payables or loans at the reporting date.

**Note 2. Operating segments (continued)**

*Operating segment information*

	People	Security	Communications	Corporate	Intersegment eliminations/ unallocated	Total
<b>Consolidated - 31 Dec 2015</b>	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Sales to external customers	27,120,378	6,884,019	7,333,166	-	(110,950)	41,226,613
Interest	207	1,962	-	14,174	-	16,343
<b>Total revenue</b>	<u>27,120,585</u>	<u>6,885,981</u>	<u>7,333,166</u>	<u>14,174</u>	<u>(110,950)</u>	<u>41,242,956</u>
<b>EBITDA</b>	1,828,101	1,484,754	986,089	110,017	-	4,408,961
Depreciation and amortisation	(20,217)	(36,803)	(41,478)	(13,063)	-	(111,561)
Interest revenue	207	1,962	-	14,174	-	16,343
Finance costs	-	(506)	(809)	(468,153)	-	(469,468)
<b>Profit/(loss) before income tax expense</b>	<u>1,808,091</u>	<u>1,449,407</u>	<u>943,802</u>	<u>(357,025)</u>	<u>-</u>	<u>3,844,275</u>
Income tax expense						(782,264)
<b>Profit after income tax expense</b>						<u>3,062,011</u>
<b>Assets</b>						
Segment assets	6,098,118	8,930,542	5,536,017	79,649,082	(4,348,630)	95,865,129
<b>Total assets</b>						<u>95,865,129</u>
<b>Liabilities</b>						
Segment liabilities	2,129,103	3,306,446	4,288,074	25,720,514	(4,348,630)	31,095,507
<b>Total liabilities</b>						<u>31,095,507</u>

Note 2. Operating segments (continued)

	People	Security	Communications	Corporate	Intersegment eliminations/ unallocated	Total
Consolidated - 31 Dec 2014	\$	\$	\$	\$	\$	\$
<b>Revenue</b>						
Sales to external customers	23,591,802	5,889,676	10,255,233	-	(249,495)	39,487,216
Interest	23,301	12,155	3,536	466	-	39,458
<b>Total revenue</b>	<u>23,615,103</u>	<u>5,901,831</u>	<u>10,258,769</u>	<u>466</u>	<u>(249,495)</u>	<u>39,526,674</u>
<b>EBITDA</b>	1,611,160	2,138,403	1,011,480	(1,264,729)	-	3,496,314
Depreciation and amortisation	(23,286)	(25,042)	(40,729)	(12,611)	-	(101,668)
Interest revenue	23,301	12,155	3,536	466	-	39,458
Finance costs	-	(4,637)	(1,907)	(542,289)	-	(548,833)
<b>Profit/(loss) before income tax expense</b>	<u>1,611,175</u>	<u>2,120,879</u>	<u>972,380</u>	<u>(1,819,163)</u>	<u>-</u>	<u>2,885,271</u>
Income tax expense						(858,389)
<b>Profit after income tax expense</b>						<u>2,026,882</u>
<b>Consolidated - 30 Jun 2015</b>						
<b>Assets</b>						
Segment assets	7,345,429	6,795,604	6,614,495	75,899,900	(4,815,207)	91,840,221
<b>Total assets</b>						<u>91,840,221</u>
<b>Liabilities</b>						
Segment liabilities	4,778,262	2,180,930	6,020,148	24,573,348	(579,349)	36,973,339
<b>Total liabilities</b>						<u>36,973,339</u>

Note 3. Revenue

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$	\$
<i>Sales revenue</i>		
Sale of services	34,121,066	31,792,402
Sale of goods	7,105,547	7,694,814
	<u>41,226,613</u>	<u>39,487,216</u>
<i>Other revenue</i>		
Interest	16,343	39,458
Revenue	<u>41,242,956</u>	<u>39,526,674</u>

**Note 4. Other income**

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>\$</b>	<b>\$</b>
Net gain on disposal of property, plant and equipment	(1,699)	-
Deferred consideration adjustments	2,017,322	-
Other income	2,015,623	-

The deferred consideration adjustments arise from a review of amounts due for earn-out purposes under the share purchase and sale agreements.

**Note 5. Non-current assets - intangibles**

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	<b>30 Jun 2015</b>
	<b>\$</b>	<b>\$</b>
Goodwill - at cost	77,242,095	69,940,606
Development - at cost	295,070	208,200
Less: Accumulated amortisation	(14,286)	-
	280,784	208,200
Patents and trademarks - at cost	1,965	1,965
Less: Accumulated amortisation	(655)	-
	1,310	1,965
	77,524,189	70,150,771

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	<b>Goodwill</b>	<b>Patents and Trademarks</b>	<b>Development</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2015	69,940,606	1,965	208,200	70,150,771
Additions	-	-	86,870	86,870
Additions through business combinations (note 8)	7,301,489	-	-	7,301,489
Amortisation expense	-	(655)	(14,286)	(14,941)
Balance at 31 December 2015	77,242,095	1,310	280,784	77,524,189

**Note 6. Equity - issued capital**

	<b>Consolidated</b>			
	<b>31 Dec 2015</b>	<b>30 Jun 2015</b>	<b>31 Dec 2015</b>	<b>30 Jun 2015</b>
	<b>Shares</b>	<b>Shares</b>	<b>\$</b>	<b>\$</b>
Ordinary shares - fully paid	<u>65,001,809</u>	<u>55,675,076</u>	<u>56,174,808</u>	<u>47,663,827</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2015	55,675,076		47,663,827
Issue of shares to vendors	15 October 2015	1,735,072	\$0.84	1,458,328
Issue of shares to vendors	19 October 2015	<u>7,591,661</u>	<u>\$0.93</u>	<u>7,052,653</u>
Balance	31 December 2015	<u>65,001,809</u>		<u>56,174,808</u>

**Note 7. Equity - dividends**

Dividends paid during the financial half-year were as follows:

	<b>Consolidated</b>	
	<b>31 Dec 2015</b>	<b>31 Dec 2014</b>
	<b>\$</b>	<b>\$</b>
Final dividend for the year ended 30 June 2015 (2014: 30 June 2014) of 3 cents (2014: 3 cents) per ordinary share paid on 15 October 2015 (2014: 15 October 2014)	<u>1,670,252</u>	<u>1,517,216</u>



**Note 8. Business combinations**

*(a) Bexton IT Services Pty Ltd*

On 1 October 2015 PS&C Ltd acquired 100% of the ordinary shares of Bexton IT Services Pty Ltd. This is an IT consulting business and operates in the People division of the consolidated entity. Details of the purchase consideration, the net assets acquired and goodwill are set out below. The goodwill of \$7,301,489 represents the amount of consideration paid for the business acquisition less fair value of net assets, plus additional amounts paid for performance, both current and implied by forecasts. The acquired business contributed revenues of \$872,067 and profit before tax of \$140,460 to the consolidated entity for the period from 1 October 2015 to 31 December 2015. Prior period profits (pre-acquisition) are un-audited and therefore are not disclosed herein. Under the terms of the agreement, the parent entity may have to pay more (or less) than what has been provided for in deferred consideration if the entity's operating performance is better (or worse) than forecast for the purposes of calculating deferred consideration. The Directors are still assessing any potential impacts to the total consideration transferred whilst within the measurement period.

The deferred consideration amounts payable may be satisfied by way of an issue of shares at the Company's discretion.

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	307,870
Trade receivables	373,841
Other current assets	175,879
Property, plant and equipment	3,214
Deferred tax asset	40,841
Trade payables	(66,678)
Provision for income tax	(236,899)
Employee benefits	(196)
Other liabilities	(455,160)
	<hr/>
Net assets acquired	142,712
Goodwill	7,301,489
	<hr/>
Acquisition-date fair value of the total consideration transferred	<u>7,444,201</u>
	<hr/>
Representing:	
Cash paid or payable to vendor	1,500,237
PS&C Ltd shares issued to vendor	1,458,328
Deferred consideration	4,485,636
	<hr/>
	<u>7,444,201</u>

	Consolidated 31 Dec 2015 \$	31 Dec 2014 \$
Cash used to acquire business, net of cash acquired:		
Acquisition-date fair value of the total consideration transferred	7,444,201	-
Less: cash and cash equivalents	(307,870)	-
Less: shares issued by company as part of consideration	(1,458,328)	-
Less: deferred consideration	(4,485,636)	-
	<hr/>	<hr/>
Net cash used	<u>1,192,367</u>	<u>-</u>

**Note 8. Business combinations (continued)**

*(b) Prior Period Acquisitions*

During the period ending 31 December 2015, cash payments of \$7,502,653 were made to the vendors of the businesses acquired in prior period, in satisfaction of earn out payments as per the terms of the share sale and purchase agreements. In addition, \$7,052,653 worth of PS&C Ltd shares (equal to 7,591,661 shares) were issued in satisfaction of earn out payments, as per the terms of the share sale and purchase agreements, as described in the Directors' Report.

Acquisition costs expensed to the statement of profit or loss and other comprehensive income during the period ended 31 December 2015 amounted to \$759,328 for services provided by consultants and legal advisers as well as share issue costs. This was incurred in relation to Bexton IT Services Pty Ltd as well as existing businesses and prospective transactions not yet complete.

**Note 9. Events after the reporting period**

On 13 January 2016, PS&C Ltd acquired 100% of the ordinary shares of Certitude Pty Ltd. Certitude is a company providing services in:

- Technology risk assessments (risk assessment of any current or future intended use of IT or T services such as Cloud solutions)
- IT governance and compliance frameworks development and implementation
- IT related policy, standards and process development
- IT audits, reviews, assessments and related assurance and compliance services
- IT security assessment, testing, evaluation, strategy development, project management and advisory
- Business continuity and IT disaster recovery planning assessment, strategy development, implementation, testing, project management and advisory

PS&C will acquire Certitude over three staged payments, with the initial payment of \$2.1m, 50% in cash and 50% in PS&C shares, representing 4.5 times FY15 EBIT. In FY16 PS&C will pay 5 times FY16 EBIT growth minus the initial acquisition payment, while in FY17 PS&C will pay 3 times FY16/17 EBIT growth.

No other matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



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Kevin McLaine  
Managing Director

18 February 2016

Moore Stephens Audit (Vic)

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## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PS&C LIMITED**

### **Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of PS&C Limited (**the company**), which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated 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 (including Australian Accounting Interpretations) 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 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 Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports 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:

- a. giving a true and fair view of the company's financial position as at 31 December 2015 and 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*.

As the auditor of the company, 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 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*. 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 provided to the directors as at the time of this auditor's review report.

## *Conclusion*

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

- a. giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b. complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.



**MOORE STEPHENS AUDIT (VIC)**

ABN 16 847 721 257



**ANDREW JOHNSON**

**Partner**

**Audit & Assurance Services**

Melbourne, Victoria

18 February 2016