Appendix 4E

Preliminary final report

Name of entity

Ross Human Directions Limited

ABN or equivalent company reference	Financial year ended
ABN 25 003 758 709	30 June 2010

Results for announcement to the market

				$A'000
Revenues from ordinary activities	down	4.9%	to	373,859
Profit (loss) from ordinary activities after tax attributable to members	up	69.6%	to	6,906
Net profit (loss) for the period attributable to members	up	69.6%	to	6,906

Dividends	Amount per security	Franked amount per security
Final dividend	2.0 ¢	2.0 ¢
Interim dividend	1.5 ¢	1.5 ¢
Previous corresponding period		
Final dividend	1.0 ¢	1.0 ¢
Interim dividend	0.75 ¢	0.75 ¢

Record date for determining entitlements to the dividend	17 September 2010

Consolidated income statement
For the year ended 30 June 2010

	Notes	2010 $'000	2009 $'000
Revenue from continuing operations	4	**373,859**	392,974
Other income	5	**1**	63
Costs of temporary staff and other services		**(315,372)**	(327,321)
Employee benefits expense		**(32,996)**	(38,281)
Depreciation and amortisation expenses	6	**(2,586)**	(3,422)
Reduction in the carrying amount of goodwill due to the realisation of acquired tax losses	6	**-**	(682)
Finance costs	6	**(1,198)**	(2,231)
Other expenses		**(12,548)**	(15,397)
Profit before income tax		**9,160**	5,703
Income tax expense		**(2,254)**	(1,630)
Profit for the year		**6,906**	4,073

		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic EPS	15	**8.3**	4.9
Diluted EPS	15	**8.3**	4.9

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

Consolidated statement of comprehensive income
For the year ended 30 June 2010

	Notes	2010 $'000	2009 $'000
Profit for the year		**6,906**	4,073
Other comprehensive income			
Exchange differences on translation of foreign operations		**(694)**	1,131
Other comprehensive income for the year net of tax		**(694)**	1,131
Total comprehensive income for the year	3	**6,212**	5,204

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

Consolidated statement of financial position
As at 30 June 2010

	Notes	2010 $'000	2009 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	**7,646**	4,785
Trade and other receivables	8	**53,189**	55,256
Total Current Assets		**60,835**	60,041
Non-Current Assets			
Property, plant and equipment	9	**1,187**	2,375
Deferred tax assets		**5,285**	5,927
Intangible assets	9	**14,097**	14,757
Total Non-Current Assets		**20,569**	23,059
Total Assets		**81,404**	83,100
LIABILITIES			
Current Liabilities			
Trade and other payables	10	**28,915**	26,731
Borrowings	11	**302**	7,054
Current tax liabilities		**280**	987
Provisions		**1,568**	1,579
Total Current Liabilities		**31,065**	36,351
Non-Current Liabilities			
Payables		**92**	92
Borrowings	12	**4,814**	5,682
Deferred tax liabilities		**1,170**	860
Provisions		**1,609**	1,684
Total Non-Current Liabilities		**7,685**	8,318
Total Liabilities		**38,750**	44,669
Net Assets		**42,654**	38,431
EQUITY			
Contributed equity		**23,004**	23,004
Reserves	13(a)	**(946)**	(272)
Retained profits	13(b)	**20,596**	15,699
Total Equity		**42,654**	38,431

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

Consolidated statement of changes in equity
For the year ended 30 June 2010

	Contributed equity	Retained earnings	Foreign currency translation reserve	Share based payments reserve	Total equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2009	23,004	15,699	(452)	180	38,431
Total comprehensive income for the year	-	6,906	(694)	-	6,212
Transactions with owners in their capacity as owners:					
Employee share plan	-	-	-	20	20
Dividends paid	-	(2,009)	-	-	(2,009)
	-	(2,009)	-	20	(1,989)
Balance at 30 June 2010	**23,004**	**20,596**	**(1,146)**	**200**	**42,654**
Balance at 1 July 2008	23,004	13,026	(1,583)	521	34,968
Total comprehensive income for the year	-	4,073	1,131	-	5,204
Transfer from share-based payments reserve to retained earnings	-	408	-	(408)	-
Transactions with owners in their capacity as owners:					
Employee share plan	-	-	-	67	67
Dividends paid	-	(1,808)	-	-	(1,808)
	-	(1,808)	-	67	(1,741)
Balance at 30 June 2009	**23,004**	**15,699**	**(452)**	**180**	**38,431**

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

Consolidated cash flow statement
For the year ended 30 June 2010

	Notes	2010 $'000	2009 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**413,090**	448,702
Payments to suppliers and employees (inclusive of goods and services tax)		**(396,725)**	(423,395)
		16,365	25,307
Interest paid		**(1,150)**	(2,170)
Income taxes paid		**(1,583)**	(432)
Net cash inflow from operating activities	14	**13,632**	22,705
Cash flows from investing activities			
Payments for property, plant and equipment		**(540)**	(396)
Payments for intangible assets		**(215)**	(155)
Proceeds from sale of property, plant and equipment		**0**	3
Interest received		**13**	61
Net cash outflow from investing activities		**(742)**	(487)
Cash flows from financing activities			
Proceeds from borrowings		**12,000**	25,409
Repayment of borrowings		**(19,644)**	(44,892)
Dividends paid to company's shareholders		**(2,009)**	(1,808)
Net cash outflow from financing activities		**(9,653)**	(21,291)
Net increase in cash and cash equivalents		**3,237**	927
Cash and cash equivalents at beginning of the financial year		**4,785**	3,652
Effect of exchange rate changes on cash and cash equivalents		**(376)**	206
Cash and cash equivalents at the end of the financial year	7	**7,646**	4,785

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

Note 1 - Basis of preparation of financial statements

This general purpose financial report for the year ended 30 June 2010 has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2009 and any public announcements made by Ross Human Directions Limited during the reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Where necessary comparative figures have been adjusted to conform with changes in presentation in the current period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below.

Changes in accounting policy

Ross Human Directions Limited had to change some of its accounting policies as the result of new or revised accounting standards which became operative for the annual reporting period commencing on 1 July 2009.

The affected policies and standards are:

- Financial statement presentation – revised AASB 101 *Presentation of Financial Statements*
- Principles of consolidation – revised AASB 127 *Consolidated and Separate Financial Statements* and changes made by AASB 2008-7 *Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
- Business combinations – revised AASB 3 *Business Combinations*
- Segments – new AASB 8 *Operating Segments*

Financial statement presentation

The group has applied the revised AASB 101 *Presentation of Financial Statements* which became effective on 1 January 2009. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity. All non-owner changes in equity must now be presented in the statement of comprehensive income. As a consequence, the group had to change the presentation of its financial statements. Comparative information has been re-presented so that it is also in conformity with the revised standard.

Note 1 – Basis of preparation of financial statements (continued)

Principles of consolidation

AASB 127 (revised) requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. This is different to the Group's previous accounting policy where transactions with minority interests were treated as transactions with parties external to the group.

The standard also specifies the accounting when control is lost. Any remaining interest in the entity must now be remeasured to fair value and a gain or loss is recognised in profit or loss.

Lastly, dividends received from investments in subsidiaries after 1 July 2009 are recognised as revenue even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a result of the dividend payment. Under the entity's previous policy, these dividends would have been deducted from the cost of the investment.

The changes were implemented prospectively from 1 July 2009. There has been no impact on the current period.

Business combinations

AASB 3 (revised) continues to apply the acquisition method to business combinations, but with some significant changes.

All payments to purchase a business are now recorded at fair value at the acquisition date, with contingent payments classified as liabilities and subsequently remeasured through the income statement. Under the Group's previous policy, contingent payments were only recognised when the payments were probable and could be measured reliably and were accounted for as an adjustment to the cost of acquisition.

Acquisition-related costs are expensed as incurred. Previously, they were recognised as part of the cost of acquisition and therefore included in goodwill.

If the Group recognises acquired deferred tax assets after the initial acquisition accounting there will no longer be any adjustment to goodwill. As a consequence, the recognition of the deferred tax asset will increase the Group's net profit after tax.

Segment reporting

The Group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in two reportable segments, recruitment and non-recruitment.

Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision-maker has been identified as the board of directors.

Comparatives for 2009 have been restated.

Note 1 – Basis of preparation of financial statements (continued)

Early adoption of standards

The group has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2009:

- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*

This includes applying the revised pronouncement to the comparatives in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. There was no other impact on the current or prior year financial statements.

Note 2 – Segment information

Management has determined the operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions. The board considers the business from a product perspective and has identified two reportable segments, recruitment and non-recruitment. Non-recruitment consists of technology consulting and management solutions, managed training solutions, payroll outsourcing and the sale of payroll software.

In previous financial periods, the consolidated entity's operations were viewed as being carried out in one industry sector, human resources. This was the primary format of segment reporting for the group.

	Recruitment $'000	**Non-recruitment $'000**	**Total $'000**
Year ended 30 June 2010			
Total segment revenue	280,695	94,333	375,028
Inter-segment revenue	(938)	(231)	(1,169)
Revenue from external customers	**279,757**	**94,102**	**373,859**
EBITDA	**3,825**	**9,119**	**12,944**
Year ended 30 June 2009			
Total segment revenue	290,138	104,448	394,586
Inter-segment revenue	(1,341)	(271)	(1,612)
Revenue from external customers	**288,797**	**104,177**	**392,974**
EBITDA	**3,836**	**8,202**	**12,038**

A reconciliation of EBITDA to operating profit before tax is provided as follows:

	2010 $'000	2009 $'000
EBITDA	**12,944**	12,038
Depreciation and amortisation expense	**(2,586)**	(4,104)
Finance costs	**(1,198)**	(2,231)
Profit before income tax from continuing operations	**9,160**	5,703

Note 3 - Comprehensive income for the year

Under AASB 101 *Presentation of Financial Statements* which became effective on 1 July 2009, referred to in note 1 above, a Consolidated Statement of Comprehensive Income has been included in this report.

The Consolidated Statement of Comprehensive Income shows the effect of the movement in exchange rates on the translation of the financial statements of overseas subsidiaries into Australian dollars.

The translation movements shown in the Consolidated Statement of Comprehensive Income are not included in the Consolidated Income Statement as they are included in the Foreign Currency Translation Reserve on the balance sheet.

The quantum of the translation movement is entirely dependent on the movement in the relevant foreign currency exchange rates.

Note 4 – Revenue

	2010	2009
	$'000	$'000
From continuing operations		
Sales revenue		
Services	**373,846**	392,913
Other revenue		
Interest	**13**	61
	373,859	392,974

Note 5 – Other income

	2010	2009
	$'000	$'000
Foreign exchange gains (net)	**1**	63

Note 6 – Expenses

	2010 $'000	2009 $'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	**670**	752
Furniture and fittings	**128**	163
Leasehold improvements	**913**	687
Total depreciation	**1,711**	1,602
Amortisation	**875**	1,820
Reduction in the carrying amount of goodwill due to the realisation of acquired tax losses	**-**	682
Finance costs		
Interest and finance charges paid/payable	**1,002**	2,093
Unwinding of discount	**148**	77
	1,150	2,170
Exchange losses on foreign currency borrowings	**48**	61
Finance costs expensed	**1,198**	2,231
Net loss on disposal of plant and equipment	**-**	10
Rental expense relating to operating leases		
Minimum lease payments	**3,870**	5,346
Defined contribution superannuation expense	**18,073**	17,453
Research and development	**1,064**	1,140

Note 7 - Current assets - cash and cash equivalents

	2010 $'000	2009 $'000
Cash at bank and on hand	**7,646**	4,785

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

Balances per statement of cash flows	**7,646**	4,785

Note 8 - Current assets – Trade and other receivables

	2010 $'000	2009 $'000
Trade receivables	**52,422**	54,668
Less: Provision for doubtful debts	**(863)**	(1,180)
	51,559	53,488
Other receivables	**128**	343
Less: Provision for doubtful receivables	**-**	-
	128	343
Prepayments	**1,502**	1,425
	53,189	55,256

Note 9 - Non-current assets – Property, plant and equipment

Consolidated	**Furniture & fittings $'000**	**Leasehold improve-ments $'000**	**Plant & equipment $'000**	**Leased plant & equipment $'000**	**Total $'000**
At 30 June 2008					
Cost	1,049	4,775	9,122	10	14,956
Accumulated depreciation	(736)	(3,256)	(7,390)	(7)	(11,389)
Net book amount	313	1,519	1,732	3	3,567
Year ended 30 June 2009					
Opening net book amount	313	1,519	1,732	3	3,567
Exchange differences	8	(1)	19	-	26
Additions	69	197	129	1	396
Assets classified as held for sale and other disposals	(12)	-	-	-	(12)
Depreciation charge	(163)	(687)	(749)	(3)	(1,602)
Closing net book amount	215	1,028	1,131	1	2,375
At 30 June 2009					
Cost	985	5,048	9,373	11	15,417
Accumulated depreciation	(770)	(4,020)	(8,242)	(10)	(13,042)
Net book amount	215	1,028	1,131	1	2,375
Year ended 30 June 2010					
Opening net book amount	215	1,028	1,131	1	2,375
Exchange differences	5	(8)	(14)	-	(17)
Additions	21	404	115	-	540
Depreciation charge	(128)	(912)	(670)	(1)	(1,711)
Closing net book amount	113	512	562	-	1,187
At 30 June 2010					
Cost	342	1,881	2,754	-	4,977
Accumulated depreciation	(229)	(1,369)	(2,192)	-	(3790)
Net book amount	113	512	562	-	1,187

Note 9 - Non-current assets - Intangible assets

Consolidated	Software $'000	Goodwill $'000	Preferred supplier agreement $'000	Total $'000
At 30 June 2008				
Cost	10,699	18,147	50	28,896
Accumulated amortisation and impairment	(5,094)	(2,965)	(50)	(8,109)
Net book amount	5,605	15,182	-	20,787
Year ended 30 June 2009				
Opening net book amount	5,605	15,182	-	20,787
Additions	155	-	-	155
Impairment charge *	-	(682)	-	(682)
Transfer to Deferred Tax Assets *	-	(3,683)	-	(3,683)
Amortisation charge	(1,820)	-	-	(1,820)
Closing net book amount	3,940	10,817	-	14,757
At 30 June 2009				
Cost	10,854	18,147	-	29,001
Accumulated amortisation and impairment	(6,914)	(7,330)	-	(14,244)
Net book amount	3,940	10,817	-	14,757
Year ended 30 June 2010				
Opening net book amount	3,940	10,817	-	14,757
Additions	215	-	-	215
Amortisation charge	(875)	-	-	(875)
Closing net book amount	3,280	10,817	-	14,097
At 30 June 2010				
Cost	5,487	10,817	-	16,304
Accumulated amortisation and impairment	(2,207)	-	-	(2,207)
Net book amount	3,280	10,817	-	14,097

* In the 2009 year, the carrying value of goodwill attributable to the acquisition of SPHN (ACT) Pty Limited was reduced due to the realisation of acquired tax losses previously not brought to account. This has been disclosed as a reduction in the carrying amount of goodwill due to the realisation of acquired tax losses in the income statement ($682,000 in 2009). At 30 June 2009, a further reduction of $3.683 million was made to recognise deferred tax assets relating to tax losses which should have been recognised in earlier financial years. There was no impact of this adjustment on net profit for the prior year.

Note 10 - Current liabilities - Trade and other payables

	2010 $'000	2009 $'000
Trade payables	**7,420**	6,748
Other payables	**21,495**	19,983
	28,915	26,731

Note 11 - Current liabilities - Borrowings

	2010 $'000	2009 $'000
Secured		
Bank overdraft	**302**	-
Bank debtor finance	**-**	7,054
	302	7,054

Note 12 - Non-current Liabilities - Borrowings

	2010 $'000	2009 $'000
Secured		
Bank loan	**814**	1,682
Commercial bills payable	**4,000**	4,000
	4,814	5,682

Note 13 - Reserves and retained profits

	2010 $'000	2009 $'000
(a) Reserves		
Share-based payments reserve	**200**	180
Foreign currency translation reserve	**(1,146)**	(452)
	(946)	(272)
Movements:		
Share-based payments reserve		
Balance 1 July 2009	**180**	521
Transfer to Retained Earnings	**-**	(408)
Long Term Senior Executive Share Plan expense	**20**	67
Balance 30 June 2010	**200**	180
Foreign currency translation reserve		
Balance 1 July 2009	**(452)**	(1,583)
Currency translation differences during year	**(694)**	1,131
Balance 30 June 2010	**(1,146)**	(452)

(b) Retained profits

Movements in retained profits were as follows:

	2010 $'000	2009 $'000
Balance at 1 July 2009	**15,699**	13,026
Net profit for the year	**6,906**	4,073
Transfer from Share-based payments reserve	**-**	408
Dividends	**(2009)**	(1,808)
Balance at 30 June 2010	**20,596**	15,699

Note 14 - Reconciliation of profit after income tax to net cash inflow from operating activities

	2010 $'000	2009 $'000
Profit for the year	**6,906**	4,073
Depreciation and amortisation	**2,586**	3,422
Impairment of goodwill	**-**	682
Non-cash employee benefits expense - share based payments	**20**	67
Interest income	**(13)**	(61)
Net loss on sale of non-current assets	**-**	10
Decrease (increase) in trade debtors	**1,929**	14,835
Decrease (increase) in deferred tax assets	**642**	(3,393)
Decrease in goodwill	**-**	3,683
Decrease (increase) in other operating assets	**138**	17
Increase (decrease)in trade creditors	**699**	(3,937)
Increase (decrease) in other operating liabilities	**1,485**	430
Increase (decrease) in income taxes payable	**(707)**	513
Increase (decrease) in deferred tax liabilities	**310**	92
Increase (decrease) in other provisions	**(86)**	1,356
Effect of exchange rates on non-cash assets and liabilities	**(277)**	916
Net cash inflow from operating activities	**13,632**	22,705

Note 15 - Earnings per share

	2010 **Cents**	2009 Cents
(a) Basic earnings per share		
Profit attributable to the ordinary equity holders of the company	**8.3**	4.9
(b) Diluted earnings per share	**8.3**	4.9
Profit attributable to the ordinary equity holders of the company		
	2010 **$'000**	2009 $'000
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	**6,906**	4,073
Diluted earnings per share		
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	**6,906**	4,073
(d) Weighted average number of shares used as a denominator		
	Number	Number
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share and diluted earnings per share	**83,498,383**	83,498,383

Note 16 - Contingent liabilities

Changes in contingent liabilities or assets.

At 30 June 2010, bank guarantees amounted to $ 1,472,543 (2009: $2,036,251).

Claims for unspecified damages were lodged during the year. The company has disclaimed liability and is defending the actions. It is not practical to estimate the potential effect of these claims but legal advice indicates that any liability that may arise in the unlikely event the claims are successful will not be significant.

Note 17 - Events occurring after reporting date

On the 19 July 2010 the Company announced that it had entered into a Scheme Implementation Agreement (SIA) with Peoplebank Holdings Pty Limited (Peoplebank) under which it proposed that Peoplebank will acquire all of the issued share capital in the Company. Peoplebank is backed by Navis Capital, a private equity firm with over US$3.5bn under management and with investments across Asia and Australia.

The proposal is to be implemented by way of a Scheme of Arrangement under which the Company's shareholders will receive as consideration for each share held the amount of $0.615 in cash. The offer represents a premium of 60% to the last closing price, 63% to the 3 month Volume Weighted Average Price (VWAP) and 65% to the 6 month VWAP as at the close of trade on 19 July 2010. Under the SIA, the Company is also permitted to pay a final dividend of up to $0.02 per share on or before implementation of the Scheme.

The Board of Directors unanimously considers the Scheme to be in the best interests of shareholders and recommends that shareholders approve the Scheme in the absence of a superior proposal. Each of the Directors intends to vote or cause to be voted all of the shares in the Company they own or control the voting of, in favour of the Scheme, again in the absence of a superior proposal.

Since year end, the directors have declared the payment of a final dividend of 2.0 cents per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the dividend expected to be paid on 8 October 2010 is $1.670 million. Apart from this, there are no other material post balance date events.

Supplementary Appendix 4E information and other relevant disclosures

Note 18 - NTA backing

	2010 Cents	2009 Cents
Net tangible asset backing per ordinary security	**29.3 c**	**22.3 c**

Note 19 - Dividends

Date the dividend is payable	8 October 2010
Record date to determine entitlements to the dividend (ie, on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHESS approved)	17 September 2010
If it is a final dividend, has it been declared?	Yes

Amount per security

		Amount per security	Franked amount per security at %	Amount per security of foreign source dividend
Final dividend:	Current year	**2.0 ¢**	**2.0 ¢**	**Nil ¢**
	Previous year	1.0 ¢	1.0 ¢	Nil ¢
Interim dividend:	Current year	**1.5 ¢**	**1.5 ¢**	**Nil ¢**
	Previous year	0.75 ¢	0.75 ¢	Nil ¢

Total dividend per security (interim *plus* final)

	Current year	Previous year
Ordinary securities	**3.5 ¢**	1.75 ¢

Final dividend on all securities

	2010 $'000	2009 $'000
Ordinary securities *(each class separately)*	**1,670**	835

The dividend or distribution plans shown below are in operation.

No dividend reinvestment plan is currently in operation.

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

Any other disclosures in relation to dividends

None.

Note 20 - Issued and quoted securities at end of current period

Category of securities	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
Ordinary securities	83,498,383	83,498,383		
Changes during current period (a) Increases through issues (b) Decreases through returns of capital, buybacks				
Options *(description and conversion factor)*			*Exercise price*	*Expiry date (if any)*
Performance Share Rights				
Issued during current period	-		-	-
Exercised during current period	-		-	-
Expired during current period Options Performance Share Rights				

Note 21 - Franking Credits

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

Franking credits of $1,869,475 were available at 30 June 2010. The balance of the franking credits is based on a tax rate of 30%.

Commentary on results for the period

Ross Human Directions Limited has returned an operating profit after tax of $6.906 million, which is a 70% increase on the prior year result of $4.073 million.

Earnings per share (EPS)

Earnings per share for the full year amounted to 8.3 cents compared with the EPS for the previous corresponding period of 4.9 cents.

Returns to shareholders

A fully franked final dividend of 2.0 cents per share (2009: 1.0 cents) has been declared by the directors. The dividend will be fully franked at the 30% tax rate, and has been declared to be paid on 8 October 2010. A fully franked interim dividend of 1.5 cents per share (2009: 0.75 cents) was previously paid on 26 March 2010.

Significant features of operating performance

Ross Human Directions Limited (RHD) announced that the company continues to achieve improvements in profits attributable to members. The company reported fiscal 2010 results of net profit after tax to 30 June 2010 of $6.906 million. This represents an increase of 70% against net profit achieved in FY09. The profit result of $6.906 million was achieved off total revenue of $373.9 million (2009: $393.0 million) and earnings per share of 8.3 cents per share (2009: 4.9 cents per share).

Earnings before interest, tax, depreciation and amortisation (EBITDA) of $12.94 million showed an increase of $906,000 over the previous corresponding period and this was achieved on a decrease in revenue of 4.9% to $373.9 million.

The company is observing accelerated interest from clients in the services offered by our non-recruitment segment and we expect to see increasing uptake by our clients of these more sophisticated and complex HR solutions outside recruitment. The improved profitability of this division in this reporting period reflects this trend. Whilst our recruitment segment remains a key driver of revenue, our non-recruitment segment has been a significant contributor to this profit result.

The company’s cash position is positive as at 30 June 2010 representing a further significant improvement against the previous period. This is demonstrated by a $10+ million turnaround achieved in the company’s net cash position. The on-going progress in the management of working capital has been achieved alongside effective cost base management.

Compliance statement

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

Identify other standards used	N/A

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

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

4 This report is based on accounts to which one of the following applies.
(Tick one)

☐	The accounts have been audited.	☐	The accounts have been subject to review.
✓	The accounts are in the process of being audited or subject to review.	☐	The accounts have not yet been audited or reviewed.

5 The entity has a formally constituted audit committee.

Sign here: Company Secretary

Date: 13 August 2010

Print name: Greg Coolahan