

Appendix 4E

Preliminary final report

Name of entity

Ross Human Directions Limited

ABN or equivalent company
reference

ABN 25 003 758 709

Financial year ended

30 June 2009

Results for announcement to the market

\$A'000

Revenues from ordinary activities	down	3.3%	to	392,974
Profit (loss) from ordinary activities after tax attributable to members	up	1.7%	to	4,073
Net profit (loss) for the period attributable to members	up	1.7%	to	4,073
Dividends		Amount per security		Franked amount per security
Final dividend		1.0 ¢		1.0 ¢
Interim dividend		0.75 ¢		0.75 ¢
Previous corresponding period				
Final dividend		1.5 ¢		1.5 ¢
Interim dividend		2.0 ¢		2.0 ¢
Record date for determining entitlements to the dividend	18 September 2009			

Consolidated income statement

For the year ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
Revenue from continuing operations	3	392,974	406,455
Other income	4	63	271
Costs of temporary staff		(327,321)	(332,632)
Employee benefits expense		(38,281)	(44,043)
Depreciation and amortisation expenses	5	(3,422)	(2,575)
Reduction in the carrying amount of goodwill due to the realisation of acquired tax losses	5	(682)	(494)
Finance costs	5	(2,231)	(3,542)
Other expenses		(15,397)	(18,120)
Profit before income tax		5,703	5,320
Income tax expense		(1,630)	(1,314)
Profit for the year		4,073	4,006
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the company:			
Basic EPS	16	4.9	4.8
Diluted EPS	16	4.9	4.8

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

Consolidated balance sheet

As at 30 June 2009

	Notes	2009 \$'000	2008 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6	4,785	3,652
Trade and other receivables	7	55,256	70,108
Total Current Assets		60,041	73,760
Non-Current Assets			
Property, plant and equipment	8	2,375	3,567
Deferred tax assets		5,927	2,534
Intangible assets	9	14,757	20,787
Total Non-Current Assets		23,059	26,888
Total Assets		83,100	100,648
LIABILITIES			
Current Liabilities			
Trade and other payables	10	26,731	30,238
Borrowings	11	7,054	21,297
Current tax liabilities		987	475
Provisions		1,579	874
Total Current Liabilities		36,351	52,884
Non-Current Liabilities			
Payables		92	92
Borrowings	12	5,682	10,904
Deferred tax liabilities		860	767
Provisions		1,684	1,033
Total Non-Current Liabilities		8,318	12,796
Total Liabilities		44,669	65,680
Net Assets		38,431	34,968
EQUITY			
Contributed equity		23,004	23,004
Reserves	13(a)	(272)	(1,062)
Retained profits	13(b)	15,699	13,026
Total Equity		38,431	34,968

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

Consolidated statement of changes in equity

For the year ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
Total equity at the beginning of the financial year		34,968	34,372
Exchange differences on translation of foreign operations	13(a)	1,131	(537)
Transfer from share-based payments reserve to retained earnings		408	-
Net income recognised directly in equity		1,539	(537)
Profit for the year		4,073	4,006
Total recognised income and expense for the year		5,612	3,469
Transactions with equity holders in their capacity as equity holders:			
Employee share plan and share options	13(a)	67	(20)
Transfer from share based payments reserve		(408)	-
Contributions of equity, net of transaction costs		-	350
Dividends paid, net of dividends received on treasury shares		(1,808)	(3,203)
		(2,149)	(2,873)
Total equity at the end of the financial year		38,431	34,968

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

Consolidated cash flow statement

For the year ended 30 June 2009

	Notes	2009 \$'000	2008 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		448,702	433,943
Payments to suppliers and employees (inclusive of goods and services tax)		(423,395)	(431,799)
		<u>25,307</u>	<u>2,144</u>
Interest paid		(2,170)	(3,082)
Income taxes paid		(432)	(776)
		<u>(432)</u>	<u>(776)</u>
Net cash inflow (outflow) from operating activities	14	<u>22,705</u>	<u>(1,714)</u>
Cash flows from investing activities			
Payment for purchase of Aurion Corporation Pty Limited, net of cash acquired		-	(6,858)
Payments for property, plant and equipment		(396)	(1,647)
Payments for intangible assets		(155)	(4,988)
Proceeds from held-to-maturity investments		-	797
Proceeds from sale of property, plant and equipment		3	-
Loans repaid by / (to) employees		-	(2)
Interest received		61	164
		<u>61</u>	<u>164</u>
Net cash outflow from investing activities		<u>(487)</u>	<u>(12,534)</u>
Cash flows from financing activities			
Proceeds from borrowings		25,409	78,089
Repayment of borrowings		(44,892)	(66,450)
Dividends paid to company's shareholders		(1,808)	(3,203)
		<u>(1,808)</u>	<u>(3,203)</u>
Net cash (outflow) inflow from financing activities		<u>(21,291)</u>	<u>8,436</u>
Net increase (decrease) in cash and cash equivalents		<u>927</u>	<u>(5,812)</u>
Cash and cash equivalents at beginning of the financial year		3,652	9,725
Effect of exchange rate changes on cash and cash equivalents		206	(261)
		<u>206</u>	<u>(261)</u>
Cash and cash equivalents at the end of the financial year	6	<u>4,785</u>	<u>3,652</u>

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

Note 1 Summary of significant accounting policies

This general purpose financial report for the year ended 30 June 2009 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 2008 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*.

The accounting policies adopted are consistent with those of the previous financial year.

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

Note 2 – Segment information

Business segments

The consolidated entity's operations are carried out in one industry sector, human resources. This is the primary format of segment reporting for the group.

Geographical segments

Although the consolidated entity is managed on a global basis it is operated in three main geographical areas:

Australia / New Zealand

Comprises operations in Australia and New Zealand. The parent entity is domiciled in Australia.

East Asia

Comprises operations carried on in Singapore and Hong Kong.

Europe

Comprises operations carried on in The United Kingdom and Ireland.

Secondary reporting – geographical segments

	Segment revenues from sales to external customers		Segment assets		Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	
	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia / New Zealand	337,672	359,511	69,464	90,669	512	15,618
East Asia	42,826	30,759	10,979	6,431	31	25
Europe	12,415	16,021	2,657	3,548	8	239
	392,913	406,291	83,100	100,648	551	15,882

Segment revenues are allocated based on the country in which the customer is located. Segment assets and capital expenditure are allocated based on where the assets are located.

Note 3 – Revenue

	2009 \$'000	2008 \$'000
From continuing operations		
<i>Sales revenue</i>		
Services	392,913	406,291
<i>Other revenue</i>		
Interest	61	164
	392,974	406,455

Note 4 – Other income

	2009 \$'000	2008 \$'000
Foreign exchange gains (net)	63	271

Note 5 – Expenses

Profit before income tax includes the following specific expenses:

Depreciation		
Plant and equipment	752	747
Furniture and fittings	163	98
Leasehold improvements	687	510
Total depreciation	1,602	1,355
Amortisation		
Software	1,820	1,209
Preferred supplier agreement	-	11
Total amortisation	1,820	1,220
Reduction in the carrying amount of goodwill due to the realisation of acquired tax losses	682	494
Finance costs		
Interest and finance charges paid/payable	2,093	3,048
Unwinding of discount	77	34
	2,170	3,082
Exchange losses on foreign currency borrowings	61	460
Finance costs expensed	2,231	3,542
Net loss on disposal of plant and equipment	10	3
Rental expense relating to operating leases		
Minimum lease payments	5,346	4,295
Defined contribution superannuation expense	17,453	15,893
Research and development	1,140	667

Note 6 Current assets - cash and cash equivalents

	2009	2008
	\$'000	\$'000
Cash at bank and on hand	4,785	3,652

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	4,785	3,652
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Note 7 Current assets – Trade and other receivables

	2009	2008
	\$'000	\$'000
Trade receivables	54,668	70,051
Less: Provision for doubtful debts	(1,180)	(1,728)
	53,488	68,323
Other receivables	343	730
Less: Provision for doubtful receivables	-	(334)
	343	396
Prepayments	1,425	1,389
	55,256	70,108

Note 8 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 2007					
Cost	655	4,311	8,078	7	13,051
Accumulated depreciation	(526)	(2,774)	(6,556)	(7)	(9,863)
Net book amount	<u>129</u>	<u>1,537</u>	<u>1,522</u>	<u>-</u>	<u>3,188</u>
Year ended 30 June 2008					
Opening net book amount	129	1,537	1,522	-	3,188
Exchange differences	15	(43)	27	(1)	(2)
Acquisition of subsidiary	23	2	67	-	92
Additions	247	533	863	4	1,647
Assets classified as held for sale and other disposals	(3)	-	-	-	(3)
Depreciation charge	(98)	(510)	(747)	-	(1,355)
Closing net book amount	<u>313</u>	<u>1,519</u>	<u>1,732</u>	<u>3</u>	<u>3,567</u>
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	<u>313</u>	<u>1,519</u>	<u>1,732</u>	<u>3</u>	<u>3,567</u>
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	<u>215</u>	<u>1,028</u>	<u>1,131</u>	<u>1</u>	<u>2,375</u>
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	<u>215</u>	<u>1,028</u>	<u>1,131</u>	<u>1</u>	<u>2,375</u>

Note 9 Non-current assets – Intangible assets

Consolidated	Software \$'000	Goodwill \$'000	Preferred supplier agreement \$'000	Total \$'000
At 30 June 2007				
Cost	5,521	9,065	50	14,636
Accumulated amortisation and impairment	(3,768)	(2,471)	(39)	(6,278)
Net book amount	<u>1,753</u>	<u>6,594</u>	<u>11</u>	<u>8,358</u>
Year ended 30 June 2008				
Opening net book amount	1,753	6,594	11	8,358
Acquisition of subsidiary	73	9,082	-	9,155
Additions	4,988	-	-	4,988
Impairment charge	-	(494)	-	(494)
Amortisation charge	(1,209)	-	(11)	(1,220)
Closing net book amount	<u>5,605</u>	<u>15,182</u>	<u>-</u>	<u>20,787</u>
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	<u>5,605</u>	<u>15,182</u>	<u>-</u>	<u>20,787</u>
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	<u>3,940</u>	<u>10,817</u>	<u>-</u>	<u>14,757</u>
At 30 June 2009				
Cost	10,854	18,147	-	29,001
Accumulated amortisation and impairment	(6,914)	(7,330)	-	(14,244)
Net book amount	<u>3,940</u>	<u>10,817</u>	<u>-</u>	<u>14,757</u>

* In the 2009 and 2008 years, 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 and \$494,000 in 2008). 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 an earlier financial year. There has been no impact of this adjustment on net profit for the current or previous years.

Note 10 Current liabilities – Trade and other payables

	2009 \$'000	2008 \$'000
Trade payables	6,748	10,685
Other payables	19,983	19,553
	<u>26,731</u>	<u>30,238</u>

Note 11 Current Liabilities – Borrowings

	2009 \$'000	2008 \$'000
Secured		
Bank debtor finance	7,054	21,297
	7,054	21,297

Note 12 Non-current Liabilities – Borrowings

	2009 \$'000	2008 \$'000
Secured		
Bank loan	1,682	1,904
Commercial bills payable	4,000	9,000
	5,682	10,904

Note 13 Reserves and retained profits

	2009 \$'000	2008 \$'000
(a) Reserves		
Share-based payments reserve	180	521
Foreign currency translation reserve	(452)	(1,583)
	(272)	(1,062)
Movements:		
<i>Share-based payments reserve</i>		
Balance 1 July 2008	521	541
Option expense	-	16
Transfer to Retained Earnings	(408)	-
Long Term Senior Executive Share Plan expense	67	(36)
Balance 30 June 2009	180	521
<i>Foreign currency translation reserve</i>		
Balance 1 July 2008	(1,583)	(1,046)
Currency translation differences arising during the year	1,131	(537)
Balance 30 June 2009	(452)	(1,583)
(b) Retained profits		
Movements in retained profits were as follows:		
Balance at 1 July 2008	13,026	12,223
Net profit for the year	4,073	4,006
Transfer from Share-based payments reserve	408	-
Dividends	(1,808)	(3,203)
Balance at 30 June 2009	15,699	13,026

Note 14 Reconciliation of profit after income tax to net cash inflow (outflow) from operating activities

	2009 \$'000	2008 \$'000
Profit for the year	4,073	4,006
Depreciation and amortisation	3,422	2,575
Impairment of goodwill	682	494
Non-cash employee benefits expense – share based payments	67	(20)
Interest income	(61)	(164)
Net loss on sale of non-current assets	10	3
Decrease (increase) in trade debtors	14,835	(11,046)
(Increase) decrease in deferred tax assets	(3,393)	64
Decrease in goodwill	3,683	-
Decrease in other operating assets	17	1,533
(Decrease) increase in trade creditors	(3,937)	1,929
Increase (decrease) in other operating liabilities	430	(235)
Increase (decrease) in provision for income taxes payable	513	(355)
Increase in deferred tax liabilities	92	34
Increase in other provisions	1,356	104
Effect of exchange rates on non-cash assets and liabilities	916	(636)
Net cash inflow (outflow) from operating activities	22,705	(1,714)

Note 15 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. (*If an amount is quantified, show comparative amount.*)

N/A

Note 16 Earnings per share

	2009 Cents	2008 Cents
(a) Basic earnings per share		
Profit attributable to the ordinary equity holders of the company	4.9	4.8
(b) Diluted earnings per share		
Profit attributable to the ordinary equity holders of the company	4.9	4.8
(c) Reconciliations of earnings used in calculating earnings per share		
<i>Basic earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	4,073	4,006
<i>Diluted earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	4,073	4,006
(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	83,498,383	83,348,565
Adjustments for calculation of diluted earnings per share:		
Options / performance share rights	-	435,514
Weighted average number of ordinary shares and potential ordinary shares used as a denominator in calculating diluted earnings per share	83,498,383	83,784,079
(e) Information concerning the classification of securities		
<i>Options and performance share rights</i>		
Options granted to employees under the Ross Human Directions Limited Employee Share Option and Performance Share Rights Plans are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options and performance share rights have not been included in the determination of basic earnings per share.		

Note 17 Contingent liabilities

Changes in contingent liabilities or assets.

At 30 June 2009, bank guarantees amounted to \$ 2,036,251 (2008: \$1,687,000).

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 18 Events occurring after reporting date

There are no material post balance date events.

Supplementary Appendix 4E information and other relevant disclosures

Note 19 NTA backing

	2009 Cents	2008 Cents
Net tangible asset backing per ordinary security	<u>22.3 c</u>	<u>14.9 c</u>

Note 20 Dividends

Date the dividend is payable	9 October 2009
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 CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)	18 September 2009
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	1.0 ¢	1.0 ¢	Nil ¢
Previous year	1.5 ¢	1.5 ¢	Nil ¢
Interim dividend: Current year	0.75 ¢	0.75 ¢	Nil ¢
Previous year	2.0 ¢	2.0 ¢	Nil ¢

Total dividend per security (interim plus final)

	Current year	Previous year
Ordinary securities	1.75 ¢	3.5 ¢

Final dividend on all securities

	2009 \$'000	2008 \$'000
Ordinary securities (each class separately)	835	1,252

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 21 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 (<i>description and conversion factor</i>)			<i>Exercise price</i>	<i>Expiry date (if any)</i>
Performance Share Rights				
Issued during current period	-		-	-
Exercised during current period	-		-	-
Expired during current period				
Options	104,000		68 c	
Performance Share Rights	<u>404,558</u>		0 c	
	<u>508,558</u>			

Note 22 Franking Credits

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

Franking credits of \$1,507,531 were available at 30 June 2009. 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 \$4.073 million, which is a 1.7% increase on the prior year result of \$4.006 million

Earnings per share (EPS)

Earnings per share for the full year amounted to 4.9 cents compared with the EPS for the previous corresponding period of 4.8 cents.

Returns to shareholders

A fully franked final dividend of 1.0 cents per share (2008: 1.5 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 9 October 2009. A fully franked interim dividend of 0.75 cents per share (2008: 2.0 cents) was previously paid on 27 March 2009.

Significant features of operating performance

Amongst some of the most challenging market conditions in a decade, Ross Human Directions Limited (RHD) announced that Net Profit after tax for the year ended 30 June 2009 increased by 1.7% compared with the previous corresponding period. Profit was \$4.073 million and earnings were 4.9 cents per share.

Earnings before interest, tax, depreciation and amortisation (EBITDA) of \$12.04 million showed a slight increase of \$107,000 over the previous corresponding period and this was achieved on a decrease in revenue of 3.3% to \$392.97 million.

Permanent placements revenue decreased, reflecting the decline in hiring consequent on the global financial crisis. The company's pursuit of a strategy of diversification for some years has been particularly beneficial in this climate with notable growth in both revenues and profit from our Outsourcing and Managed Services business, as well as positive impacts from a full year of revenue from the Aurion subsidiary. During the year Aurion successfully launched Version 10 – the third generation - of its successful human resources and payroll management solution, the first Web 2.0-rich internet HR application.

Employee benefits expense and other expenses both decreased from prior year (in aggregate by \$8.49 million or 14%) in response to the decisive cost reduction steps the company took at the early signs of the changes in the market.

The implementation of tactical cashflow management issues have led to:

- \$1.31 mil or 37% reduction in finance costs compared to the prior year;
- \$22.71 mil positive cashflow from operations;
- \$14.85 mil or 21% reduction in trade and other receivables; and
- \$20.60 mil or 72% reduction in net debt levels to \$7.95 mil as at 30 June 2009.

Intangible assets decreased by \$6.03 mil during the year primarily due to the amortisation of previous IT infrastructure upgrade (current year amortisation \$1.820 mil), the reduction of the carrying value of goodwill attributable to the acquisition of SPHN (ACT) Pty Limited due to the realisation of acquired tax losses previously not brought to account (\$682,000) and a further reduction of the carrying value of goodwill attributable to the acquisition of SPHN (ACT) Pty Limited of \$3.683 million made at 30 June 2009 to recognise deferred tax assets relating to tax losses which should have been recognised in an earlier financial year.

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:



Date: 14 August 2009

Company Secretary

Print name: Greg Coolahan