

# Appendix 4D

## Half-year information

Name of entity

Ross Human Directions Limited

ABN or equivalent company  
reference

ABN 25 003 758 709

Half-year ended

31 December 2006

### Results for announcement to the market

\$'000

Revenues from ordinary activities	up	2.0 %	to	170,010
Profit (loss) from ordinary activities after tax attributable to members	up	27.1 %	to	2,095
Net profit (loss) for the period attributable to members	up	27.1 %	to	2,095

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

Record date for determining entitlements to the dividend

9 March 2007

Brief explanation of any of the figures reported above to enable the figures to be understood.

## Ross Human Directions Limited Interim report - 31 December 2006

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This interim 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 2006 and any public announcements made by Ross Human Directions Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

## Directors' Report

Your directors present their report on the consolidated entity consisting of Ross Human Directions Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2006.

### Directors

The following persons were directors of Ross Human Directions Limited during the whole of the half-year and up to the date of this report:

F A McDonald (Non-executive Chairman)  
J M Ross (Group Managing Director)  
K L Wilson (Non-executive)  
Dr E J Doyle (Non-executive)  
H Henderson (Non-executive)

### Review of Operations

The net profit of the consolidated entity for the half-year was \$2,095,000 (2005: \$1,648,000) after deducting income tax expense of \$860,000 (2005: \$498,000).

Earnings per share for the half-year was 2.5 cents compared to 2.0 cents for the previous corresponding period.

The operating profit before income tax of the consolidated entity for the half-year was \$2,955,000 (2005: \$2,146,000). A significant lift in the mix of permanent placement revenue, as well as a general strengthening in temporary and contractor margins, has seen an overall lift at the gross profit level, which has flowed through to the strong result achieved.

Operating cash inflow for the half-year has remained strong amounting to \$1.9 million. This was less than the inflow for the previous corresponding period of \$7.1 million due to significant reductions of trade debtor balances in that period. Debt remains at low levels with a gearing ratio of just 16%.

### Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

### Rounding of amounts

The company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded to the nearest thousand dollars in accordance with that Class Order, unless otherwise indicated.

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



Fergus Allan McDonald  
Director



Julia Mary Ross  
Director

Sydney  
26 February 2007



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### Auditor's Independence Declaration

As lead auditor for the review of Ross Human Directions Limited for the half-year ended 31 December 2006, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ross Human Directions Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'M Upcroft'.

Marc Upcroft  
Partner  
PricewaterhouseCoopers

Sydney  
26 February 2007

Liability limited by a scheme approved under Professional Standards Legislation.

## Consolidated income statement

For the half-year ended 31 December 2006

	Notes	Half-year	
		2006 \$'000	2005 \$'000
<b>Revenues from continuing operations</b>		<b>170,010</b>	<b>166,753</b>
Other income		57	17
Costs of temporary staff		(137,899)	(137,341)
Employee benefits expense		(18,869)	(17,437)
Depreciation and amortisation expense		(676)	(789)
Finance costs		(675)	(802)
Other expenses		(8,993)	(8,255)
<b>Profit before income tax</b>		<b>2,955</b>	<b>2,146</b>
Income tax expense		(860)	(498)
<b>Profit for the half-year</b>	3	<b>2,095</b>	<b>1,648</b>
		<b>Cents</b>	<b>Cents</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share	8	2.5	2.0
Diluted earnings per share	8	2.5	2.0

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

## Consolidated balance sheet

As at 31 December 2006

	31 December 2006 \$'000	30 June 2006 \$'000
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	10,185	5,736
Trade and other receivables	46,237	48,675
<b>Total Current Assets</b>	<b>56,422</b>	<b>54,411</b>
<b>Non-Current Assets</b>		
Held-to-maturity investments	881	954
Property, plant and equipment	2,610	1,555
Deferred tax assets	2,448	2,825
Intangible assets	8,770	8,992
<b>Total Non-Current Assets</b>	<b>14,709</b>	<b>14,326</b>
<b>Total Assets</b>	<b>71,131</b>	<b>68,737</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	17,548	20,996
Borrowings	15,903	10,440
Current tax liabilities	675	500
Provisions	503	531
<b>Total Current Liabilities</b>	<b>34,629</b>	<b>32,467</b>
<b>Non-Current Liabilities</b>		
Payables	92	92
Deferred tax liabilities	655	675
Provisions	232	250
<b>Total Non-Current Liabilities</b>	<b>979</b>	<b>1,017</b>
<b>Total Liabilities</b>	<b>35,608</b>	<b>33,484</b>
<b>Net Assets</b>	<b>35,523</b>	<b>35,253</b>
<b>EQUITY</b>		
Contributed equity	24,576	24,398
Reserves	25	383
Retained profits	10,922	10,472
<b>Total Equity</b>	<b>35,523</b>	<b>35,253</b>

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

## Consolidated statement of changes in equity

For the half-year ended 31 December 2006

	Notes	Half-year	
		2006 \$'000	2005 \$'000
<b>Total equity at the beginning of the half-year</b>		<b>35,253</b>	<b>32,732</b>
Exchange differences on translation of foreign operations		(406)	88
<b>Net income recognised directly in equity</b>		<b>(406)</b>	<b>88</b>
<b>Profit for the half-year</b>		<b>2,095</b>	<b>1,648</b>
<b>Total recognised income and expense for the half-year</b>		<b>1,689</b>	<b>1,736</b>
Transactions with equity holders in their capacity as equity holders:			
Employee share options		48	128
Contributions of equity, net of transaction costs	5	178	158
Dividends paid	4	(1,645)	(1,633)
		(1,419)	(1,347)
<b>Total equity at the end of the half-year</b>		<b>35,523</b>	<b>33,121</b>

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

## Consolidated cash flow statement

For the half-year ended 31 December 2006

	Half-year	
	2006	2005
	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	186,804	192,370
Payments to suppliers and employees (inclusive of goods and services tax)	(185,870)	(182,861)
	934	9,509
Interest paid	(675)	(715)
Income taxes paid	(160)	(1,678)
Income taxes refunded	1,846	-
<b>Net cash inflow from operating activities</b>	<b>1,945</b>	<b>7,116</b>
<b>Cash flows from investing activities</b>		
Payment for purchase of Spherion (ACT) Pty Ltd, a controlled entity, net of cash acquired	-	(4,368)
Payments for property, plant and equipment	(1,224)	(561)
Payments for intangible assets	(40)	-
Loans to employees	(1)	-
Proceeds from sale of property, plant and equipment	-	4
Repayment of loans by employees	-	9
Interest received	85	33
<b>Net cash (outflow) from investing activities</b>	<b>(1,180)</b>	<b>(4,883)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	17,600	8,693
Repayment of borrowings	(17,600)	(4,563)
Dividends paid to company's shareholders	(1,467)	(1,476)
<b>Net cash (outflow) inflow from financing activities</b>	<b>(1,467)</b>	<b>2,654</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(702)</b>	<b>4,887</b>
Cash and cash equivalents at beginning of the half-year	570	(9,402)
Effect of exchange rate changes on cash and cash equivalents	(310)	66
<b>Cash and cash equivalents at the end of the half-year</b>	<b>(442)</b>	<b>(4,449)</b>

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

## Notes to the consolidated financial statements

### Note 1 - Basis of preparation of half-year report

This general purpose financial report for the interim half year reporting period ended 31 December 2006 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim 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 2006 and any public announcements made by Ross Human Directions Limited during the interim 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 and corresponding interim reporting period.

### Note 2 – Segment information

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.

### Note 3 – Profit for the half-year

	Half-year	
	2006	2005
	\$'000	\$'000
<b>Expenses</b>		
Reduction in the carrying amount of goodwill due to realisation of acquired tax losses	32	-
Less: Applicable income tax revenue	-	-
	32	-

## Note 4 – Dividends

	Half-year	
	2006 \$'000	2005 \$'000
<b>Ordinary shares</b>		
Dividends paid during the half-year	<u>1,645</u>	<u>1,633</u>
<b>Dividends not recognised at the end of the half-year</b>		
In addition to the above dividends, since the end of the half-year the directors have recommended the payment of an interim dividend of 2.0 cents (2005 – 2.0 cents) per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 30 March 2007 (31 March 2006) out of retained profits at 31 December 2006, but not recognised as a liability at the end of the half-year, is	<u>1,652</u>	<u>1,638</u>

## Note 5 – Equity securities issued

	2006 Shares	2005 Shares	2006 \$'000	2005 \$'000
<b>Issues of ordinary shares during the half-year</b>				
Issued for no consideration:				
Dividend reinvestment plan issues	<u>356,262</u>	<u>241,979</u>	<u>178</u>	<u>158</u>

## Note 6 - Contingent liabilities

At 31 December 2006, bank guarantees amounted to \$2,373,000 (30 June 2006: \$2,391,000).

Further, during a previous corresponding period, claims were lodged with the company in respect of activities that relate to Spherion prior to its acquisition. Based on professional advice the Directors are confident that the claims fall within the warranties given by the vendor, Spherion Corporation USA, at acquisition. Based on the latest published information of Spherion Corporation USA, the Directors' believe that Spherion Corporation USA is able to meet any or all liabilities that may arise under these claims.

## Note 7 – Events occurring after balance sheet date

There are no material post balance date events.

**Note 8 - Earnings per share**

	Half-year	
	2006 Cents	2005 Cents
<b>(a) Basic earnings per share</b>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	2.5	2.0
<b>(b) Diluted earnings per share</b>		
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	2.5	2.0
<b>(c) Reconciliations of earnings used in calculating earnings per share</b>	<b>2006</b>	<b>2005</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Basic Earnings Per Share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	2,095	1,648
<i>Diluted Earnings Per Share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating diluted earnings per share	2,095	1,648
<b>(d) Weighted average number of shares used as a denominator</b>	<b>2006</b>	<b>2005</b>
	<b>Number</b>	<b>Number</b>
<i>Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share</i>	82,409,128	81,760,444
Adjustments for calculation of diluted earnings per share:		
Options / performance share rights	780,481	1,207,060
<i>Weighted average number of ordinary shares and potential ordinary shares used as a denominator in calculating diluted earnings per share</i>	83,189,609	82,967,504
<b>(e) Information concerning the classification of securities</b>		

Options and performance share rights 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.

## Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 12 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other professional reporting requirements; and
  - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that Ross Human Directions 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.



Fergus Allan McDonald  
Director



Julia Mary Ross  
Director

Sydney  
26 February 2007



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## INDEPENDENT AUDITOR'S REVIEW REPORT to the members of Ross Human Directions Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ross Human Directions Limited (the company), which comprises the balance sheet as at 31 December 2006, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration for Ross Human Directions Limited Group (the consolidated entity). The consolidated entity comprises both Ross Human Directions Limited and the entities it controlled during that half-year.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *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 an Interim 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 financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2006 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 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 other review procedures. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

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For further explanation of a review, visit our website <http://www.pwc.com/au/financialstatementaudit>.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by directors or management.

*Matters relating to the electronic presentation of the reviewed financial report*

This review report relates to the financial report of the company for the half-year ended 31 December 2006 included on the company's web site. The company's directors are responsible for the integrity of the company's web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the financial report identified above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

*Independence*

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

*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 consolidated entity's financial position as at 31 December 2006 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

  
PricewaterhouseCoopers

  
Marc Upcroft  
Partner

Sydney  
26 February 2007

**Supplementary Appendix 4D information and other relevant disclosures**

**NTA backing**

	2006 Cents	Half-year 2005 Cents
Net tangible asset backing per ordinary security	29.4 c	24.0 c

**Control gained over entities having material effect**

Name of entity (or group of entities)	N/A
	<b>\$'000</b>
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was acquired	N/A
Date from which such profit has been calculated	N/A
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	N/A

**Loss of control of entities having material effect**

Name of entity (or group of entities)	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$ N/A
Date to which the profit (loss) has been calculated	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$ N/A
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$ N/A

## Dividends

Date the dividend is payable

30 March 2007

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)

9 March 2007

If it is a final dividend, has it been declared?

N/a

## Amount per security

	Amount per security	Franked amount per security at %	Amount per security of foreign source dividend
<b>Final dividend:</b> Current period	¢	¢	¢
Previous period	2.0 ¢	2.0 ¢	Nil ¢
<b>Interim dividend:</b> Current period	2.0 ¢	2.0 ¢	Nil ¢
Previous period	2.0 ¢	2.0 ¢	Nil ¢

## Total dividend per security (interim plus final)

	Current year	Previous year
Ordinary securities	N/a ¢	N/a ¢

## Interim dividend on all securities

Ordinary securities (each class separately)

2006 \$'000	2005 \$'000
1,652	1,638

The dividend or distribution plans shown below are in operation.

Dividend reinvestment plan.

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

9 March 2007

Any other disclosures in relation to dividends

Nil

**Details of aggregate share of profits (losses) of associates and joint venture entities**

Group's share of associates' and joint venture entities':	2006 \$'000	2005 \$'000
Profit (loss) from ordinary activities before tax	N/A	N/A
Income tax on ordinary activities	N/A	N/A
<b>Profit (loss) from ordinary activities after tax</b>	N/A	N/A
Extraordinary items net of tax	N/A	N/A
<b>Net profit (loss)</b>	N/A	N/A
Adjustments	N/A	N/A
<b>Share of net profit (loss) of associates and joint venture entities</b>	N/A	N/A

**Material interests in entities which are not controlled entities**

The economic entity has an interest (that is material to it) in the following entities.

<i>Name of entity</i>	Percentage of ownership interest held at end of period or date of disposal		Contribution to net profit (loss)	
	2006	2005	2006 \$'000	2005 \$'000
<b>Equity accounted associates and joint venture entities</b>	N/A	N/A	N/A	N/A
<b>Total</b>				
Other material interests	N/A	N/A	N/A	N/A
<b>Total</b>				

**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)
<b>Ordinary securities</b>	82,612,430	82,612,430		
Changes during current period				
(a) Increases through issues	356,262	356,262	50 c	50 c
(b) Decreases through returns of capital, buybacks	-	-	-	-
<b>Options</b> ( <i>description and conversion factor</i> )			<i>Exercise price</i>	<i>Expiry date (if any)</i>
Options	140,000		135 c	19/02/07
Options	359,000		68 c	15/04/08
Performance Share Rights	534,558		0 c	19/11/09
Options	124,000		68 c	08/09/08
Performance Share Rights	225,000		0 c	09/01/11
	<u>1,382,558</u>			
Issued during current period	-		-	-
Exercised during current period	-		-	-
Expired during current period				
Options	124,000		68 c	-
Performance Share Rights	50,000		0 c	-
Options	10,000		68 c	-
	<u>184,000</u>			

**Franking Credits**

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

Franking credits of \$2,579,000 were available at 31 December 2006. The balance of the franking credits is based on a tax rate of 30%.

## 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, Urgent Issues Group 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.



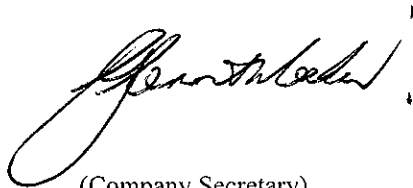
The accounts have been subject to review.

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: 26 February 2007

(Company Secretary)

Print name: Glenn Meekin