Appendix 4D

Half Year Report
Half year ended 31 December 2016

Name of entity

Rubicor Group Limited

ABN	Half year ended (current period)	Half year ended (previous period)
74 110 913 365	**31 December 2016**	**31 December 2015**

2. Results for announcement to the market

				A$'000
Revenues from ordinary activities	up	0.1%	to	104,978
Profit before interest, taxation, depreciation, amortisation and impairment (EBITDA)	up	1,621.5%	to	14,977
Net profit for the period after tax	up	1,981.8%	to	12,214
Net profit for the period attributable to members	up	1,448.4%	to	11,920

Dividends

No dividends have been paid or are due to be paid in relation to the current financial half year period.

Commentary

Please refer to the attached press release for a commentary on the performance of Rubicor Group for the half year period.

3. Net tangible assets

	Current period	Previous period
Net tangible assets per security (cents per share)	0.0	(3.1)

4. Control gained / lost over entities

Details of businesses over which control has been gained / lost during the period.
No control has been gained/ lost over businesses during the financial period.

5. Foreign entities

The results of foreign entities are presented in accordance with Australian Accounting Standards.

The remainder of the information requiring disclosure to comply with ASX Listing Rules is contained within the attached Financial Statements for the half year ended 31 December 2016.

6. Independent review

Emphases of matter- refer attached financial statements.

Rubicor Group Limited and Controlled Entities

ABN 74 110 913 365

General Purpose Interim Financial Statements

For the Half-Year Ended 31 December 2016

CONTENTS

Financial Statements	Pages

Your directors present their report on the Company and its controlled entities for the half-year ended 31 December 2016.

1) General Information
(a) Directors

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

Names
David Hutchison
Sharad Loomba
Angus Mason

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

2. Business Review
(a) Review of operations

The Directors report that total revenue for the six months to 31 December 2016 (including gain on debt forgiven of $14.7 million and gain from bargain purchase of $1.5 million) was $121.2 million (2015: $103.8 million). The Group profit after tax for the period (including gain on debt forgiven of $14.7 million and gain from bargain purchase of $1.5 million) was $12.2 million (2015: $0.7 million loss). These results have been reviewed by our auditors.

Underlying EBITDA

	2016	2015
6 Months ended 31 December	**$m**	**$m**
Stat EBITDA	15.0	0.8
Significant items:		
Gain on debt forgiven	(14.7)	-
One-off legal fees	0.1	0.1
Provision for doubtful debts (debtors in receivership)	-	0.2
Restructuring expense	2.2	0.5
Tax effect	-	0.2
Underlying EBITDA	2.6	1.8

Underlying NPAT

	2016	2015
6 Months ended 31 December	**$m**	**$m**
Stat NPAT – Equity holders	12.2	(0.7)
Significant items:		
Gain on debt forgiven	(14.7)	-
One-off legal fees	0.1	0.1
Provision for doubtful debts (debtors in receivership)	-	0.2
Restructuring expense	2.2	0.5
Tax effect	-	0.2
Underlying NPAT – Equity holders	(0.2)	0.3

(b) Dividends

No interim dividend has been paid in the current half-year period (2015: nil).

No dividends were paid on redeemable preference shares in the current half-year period (2015: nil).

3. 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 page 3.

4. Rounding off of amounts

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Instrument amounts in the directors' report and the half-year financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors made pursuant to s.306(3) of the Corporations Act 2001:

On behalf of the Directors

Director	Director
David Hutchison	Sharad Loomba

Dated this 28th day of February 2017

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The Directors
Rubicor Group Limited
Level 24, 68 Pitt Street
SYDNEY NSW 2000

Auditor's Independence Declaration

To the Directors of Rubicor Group Limited.

In relation to the independent auditor's review for the half-year ended 31 December 2016, to the best of my knowledge and belief there have been:

i) no contraventions of the auditor independence requirements of the *Corporations Act 2001;* and

ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants*.

This declaration is in respect of Rubicor Group Limited and the entities it controlled during the period.

Pitcher Partners

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
28 February 2017

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BRETT HEADRICK
WARWICK FACE
NIGEL BATTERS
COLE WILKINSON
SIMON CHUN

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Rubicor Group Limited,

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Rubicor Group Limited, which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and 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 of the consolidated entity comprising the company and the entities it controlled at the period's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

Independence

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

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 Rubicor Group Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the company's financial position as at 31 December 2016 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*.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1(d) in the financial report which indicates that as at 31 December 2016, the consolidated entity's current liabilities exceeded its current assets by $606,000. The financial report also states that the consolidated entity's ability to execute its planned changes in operations and achieve a return to profitability is dependent on the consolidated entity's ability to reduce costs and increase revenue. These conditions, along with the matters set forth in Note 1(d) indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Pitcher Partners

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
28 February 2017

Director's Declaration

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors

David Hutchison
Director

Sharad Loomba
Director

Sydney

Dated the 28th day of February 2017

Rubicor Group Limited and Controlled Entities

ABN 74 110 913 365

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2016

	Notes	Half-year ended 31 Dec 16 $000	Half-year ended 31 Dec 15 Restated* $000
Revenue	2	**104,978**	103,804
Gain on debt forgiven	2	**14,692**	-
Gain from bargain purchase	2, 11	**1,521**	-
On hired labour costs		**(87,415)**	(84,090)
Employee benefits expense		**(11,786)**	(12,580)
Rental expense on operating leases		**(1,217)**	(1,144)
Consultancy expense		**(210)**	(618)
Computer costs and support		**(596)**	(279)
Travel expense		**(383)**	(582)
Restructure expense	3	**(1,724)**	-
Other expenses	4	**(2,883)**	(3,641)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**14,977**	870
Depreciation of property, plant and equipment	4	**(216)**	(263)
Amortisation of intangible assets		**(17)**	(31)
Finance costs	4	**(854)**	(898)
Impairment losses		**(8)**	-
Profit/(loss) before income tax expense		**13,882**	(322)
Income tax expense	5	**(1,668)**	(327)
Profit/(loss) for the period		**12,214**	(649)
Other comprehensive profit/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		**(7)**	(721)
Other comprehensive profit/(loss) for the period, net of tax		**(7)**	(721)
Total comprehensive profit/(loss) for the period		**12,207**	(1,370)
Profit/(loss) for the period attributable to:			
Owners of the parent		**11,920**	(884)
Non-controlling interests		**294**	235
		12,214	(649)
Total comprehensive profit/(loss) for the period attributable to:			
Owners of the parent		**11,913**	(1,605)
Non-controlling interests		**294**	235
		12,207	(1,370)
Basic profit/(loss) per share (cents)		**4.9**	(0.7)
Diluted profit/(loss) per share (cents)		**4.9**	(0.7)

* Refer Note 1(e) for details regarding the restatement of comparatives as a result of a change in accounting policy

Notes to the condensed consolidated financial statements are set out on pages 12-20.

Rubicor Group Limited and Controlled Entities

ABN 74 110 913 365

Condensed Consolidated Statement of Financial Position

As at 31 December 2016

	Notes	31 Dec 16 $000	30 Jun 16 Restated* $000	30 Jun 15 Restated* $000
Assets				
Current assets				
Cash and cash equivalents		**1,816**	10,134	720
Trade and other receivables		**26,289**	25,369	28,326
Other financial assets		**119**	316	734
Other assets		**559**	1,029	1,265
Current tax receivable		**-**	-	27
Total current assets		**28,783**	36,848	31,072
Non-current assets				
Property, plant and equipment		**1,771**	1,476	1,628
Deferred tax assets		**837**	2,964	2,887
Intangible assets	7	**3,384**	1,153	838
Other assets		**2**	2	2
Total non-current assets		**5,994**	5,595	5,355
Total assets		**34,777**	42,443	36,427
Liabilities				
Current liabilities				
Trade and other payables		**13,966**	36,334	23,135
Borrowings	8	**13,833**	10,757	13,407
Current tax payable		**210**	158	-
Provisions		**1,380**	2,416	2,340
Total current liabilities		**29,389**	49,665	38,882
Non-current liabilities				
Borrowings	8	**1,189**	874	874
Provisions		**809**	721	1,595
Total non-current liabilities		**1,998**	1,595	2,469
Total liabilities		**31,387**	51,260	41,351
Net assets/(liabilities)		**3,390**	(8,817)	(4,924)
Equity				
Share capital	9	**70,142**	70,142	65,385
Reserves		**(1,319)**	(1,312)	(333)
Accumulated losses		**(65,850)**	(77,770)	(70,027)
Total equity attributable to owners of the parent		**2,973**	(8,940)	(4,975)
Non-controlling interests		**417**	123	51
Total Equity		**3,390**	(8,817)	(4,924)

* Refer Note 1(e) for details regarding the restatement of comparatives as a result of a change in accounting policy

Notes to the condensed consolidated financial statements are set out on pages 12-20.

Rubicor Group Limited and Controlled Entities

ABN 74 110 913 365

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2016

2016

	Equity-settled employee benefit reserve $000	Foreign currency translation reserve $000	Share capital $000	Accumulated losses $000	Attributable to owners of the parent $000	Non-controlling interests $000	Total $000
Balance at 1 Jul 2016	29	(1,341)	70,142	(77,770)	(8,940)	123	(8,817)
Profit for the period		-	-	11,920	11,920	294	12,214
Other comprehensive profit for the period	-	(7)	-	-	(7)	-	(7)
Total comprehensive profit for the period	-	(7)	-	11,920	11,913	294	12,207
Issue of ordinary shares	-	-	-	-	-	-	-
Balance at 31 Dec 2016	29	(1,348)	70,142	(65,850)	2,973	417	3,390

2015

	Equity-settled employee benefit reserve $000	Foreign currency translation reserve $000	Share capital $000	Accumulated losses $000	Attributable to owners of the parent $000	Non-controlling interests $000	Total $000
Balance at 1 Jul 2015	29	(362)	65,385	(70,027)	(4,975)	51	(4,924)
Profit/(loss) for the period		-	-	(884)	(884)	235	(649)
Other comprehensive loss for the period	-	(721)	-	-	(721)	-	(721)
Total comprehensive profit/(loss) for the period	-	(721)	-	(884)	(1,605)	235	(1,370)
Issue of ordinary shares	-	-	1,532	-	1,532	-	1,532
Balance at 31 Dec 2015	29	(1,083)	66,917	(70,911)	(5,048)	286	(4,762)

Notes to the condensed consolidated financial statements are set out on pages 12-20.

Rubicor Group Limited and Controlled Entities

ABN 74 110 913 365

Condensed Consolidated Statement of Cash Flows

For the half-year ended 31 December 2016

	Notes	Half-year ended 31 Dec 16 $000 Inflows/(Outflows)	Half-year ended 31 Dec 15 $000 Inflows/(Outflows)
Cash from operating activities:			
Receipts from customers (inclusive of GST)		**114,346**	114,600
Payments to suppliers and employees (inclusive of GST)		**(124,740)**	(115,016)
		(10,394)	(416)
Finance costs paid		**(854)**	(742)
Interest received		**61**	3
Income taxes paid		**(155)**	(703)
Net cash outflow from operating activities		**(11,342)**	(1,858)
Cash flows from investing activities:			
Payment for property, plant and equipment		**(32)**	(454)
Payment for intangibles		**(48)**	(333)
Payment for businesses acquired		**(5)**	-
Proceeds from redemption of investments		**197**	-
Net cash outflow from investing activities		**112**	(787)
Cash flows from financing activities:			
Proceeds from third party borrowings		**2,924**	1,017
Repayment of third party borrowings		**(12)**	-
Proceeds from issue of share capital		**-**	1,532
Net cash inflow from financing activities		**2,912**	2,549
Net cash decrease in cash and cash equivalents		**(8,318)**	(96)
Cash and cash equivalents at beginning of period		**10,134**	3,007
Cash and cash equivalents at end of period		**1,816**	2,911

Notes to the condensed consolidated financial statements are set out on pages 12-20

1. Accounting policies

(a) General information

The half-year financial statements cover the Group (consolidated entity) of Rubicor Group Limited and its controlled entities ('consolidated financial statements'). Rubicor Group Limited is a listed public company, incorporated and domiciled in Australia.

(b) Statement of compliance

The half-year financial statements are general purpose financial statements prepared in accordance with the Corporations Act 2001 and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

The half-year financial statements do not include notes of the type normally included in annual financial statements and should be read in conjunction with the most recent annual financial statements and other announcements to the Australian Stock Exchange.

(c) Basis of preparation

The condensed consolidated financial statements have been prepared on an accruals basis and are based on historical costs. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The Company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Instrument amounts in the directors' report and the half-year financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in preparing the financial statements for the half-year ended 31 December 2016 are consistent with those adopted and disclosed in the Group's annual financial statements for the financial year ended 30 June 2016.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

(d) Going concern

The Directors have prepared the half-year financial report on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The statement of profit or loss and other comprehensive income for the half-year ended 31 December 2016 reflects a consolidated Group profit after tax (including gain on debt forgiven of $14.7 million and gain from bargain purchase of $1.5 million) of $12.2 million, and the statement of financial position reflects a deficit of current assets over current liabilities of $0.6 million and a total net asset surplus of $3.4 million as at 31 December 2016 (net asset deficit 2015: $8.8 million). The statement of cash flows reflects net cash outflows from operations of $11.0 million.

The Directors have reviewed the cash flow forecast for the Group through to 30 June 2018. The forecast indicates that the Group will operate within the overall finance facility limit with Scottish Pacific and that the Group will be able to pay its debts as and when they fall due. This is dependent on the ability of the Group in successfully finalising the remaining cost savings initiatives and achieving revenue growth.

If the Group is unable to achieve successful outcomes in relation to the above matters, uncertainty will exist as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

1. Accounting policies (continued)

(e) Change in Accounting Policy

During the half-year, the Directors have implemented a voluntary amendment to the Group's accounting for permanent placement revenue. The revised policy, as stated below, provides for the recognition of revenue at the employment commencement date, as opposed to the offer acceptance date recognition point under the previous policy.

The Directors believe that the revised policy provides reliable and more relevant information to users of the financial statements in that it removes the uncertainty surrounding receipt of revenue which prevailed under the previous policy.

As required under AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors, the change has been applied retrospectively in these financial statements. The impacts of the change (revised policy vs previous policy) on line items in the consolidated statement of profit or loss and comprehensive income and the statement of financial position are as follows:

Statement of profit or loss and other comprehensive income	**Consolidated**	
	Half-year ended 31 Dec 16 $000	**Half-year ended 31 Dec 15 $000**
Revenue	**322**	92
EBITDA	**322**	92
Profit/(loss) before income tax	**322**	92
Income tax expense	**(97)**	(28)
Profit/(loss) for the period	**225**	64
Total comprehensive income for the period	**225**	64
Earnings per share	**0.1c**	0.2c

Statement of financial position		**Consolidated**	
	As at 31 Dec 16 $000	**As at 30 Jun 16 $000**	**As at 30 Jun 15 $000**
Trade and other receivables	**(1,105)**	(1,427)	(1,111)
Total current assets	**(1,105)**	(1,427)	(1,111)
Deferred tax assets	**232**	304	233
Total non-current assets	**232**	304	233
Total assets	**(873)**	(1,123)	(878)
Net assets/(liabilities)	**(873)**	(1,123)	(878)
Accumulated losses	**(712)**	(924)	(652)
Non-controlling interests	**(161)**	(199)	(226)
Total equity	**(873)**	(1,123)	(878)

2. Revenue

(a) Revenue from:

	Consolidated	
	Half-year ended 31 Dec 16 $000	Half-year ended 31 Dec 15 $000
Recruitment services	**102,572**	101,734
Interest	**61**	3
Recharge income/(expenses)	**6**	(18)
Organisational development fees	**230**	905
Managed services	**635**	44
Other revenue	**1,474**	1,136
Total	**104,978**	103,804

(b) Other gains and losses

Gain from bargain purchase (see note 11)	**1,521**	-

(c) Gain on debt forgiven

Gain on debt forgiven	**14,692**	-

On the 4th of July 2016, Rubicor announced a further step towards the full corporate restructure of the group. The restructure involved placing four of the Group's businesses into voluntary administration.

Christopher Baskerville, Sule Amautovic, Kimberly Strickland and Glenn Crisp of Jirsch Sutherland were appointed to act as voluntary administrators. Through Jirsch Sutherland, Rubicor proposed a Deed of Company Arrangement (DOCA) to creditors of the three subsidiaries in voluntary administration.

On the 8th of August 2016, the DOCA was put forward by Rubicor and approved by resolution at the second creditors meeting. Following the approval of the DOCA, control of the three subsidiaries was returned to the respective directors.

The key features of the DOCA are as follows:

- Rubicor's assumption of all employee entitlement and liabilities;
- Rubicor's assumption of all obligations relating to the group finance facility with Scottish Pacific;
- Indemnification of the voluntary administration for their trading liabilities; and
- Payment of an aggregate amount of $1.8m to settle all unsecured claims.

This has resulted in a net gain of $14.7 million, after offsetting consultancy, legal and administrator fees of $4.8m.

3. Restructure expense

	Consolidated Half-year ended 31 Dec 16 $000	Half-year ended 31 Dec 15 $000
Onerous lease expense write-back	(541)	-
Staff redundancy and termination expense	571	-
Other costs in relation to new system implementation	236	-
Consultancy costs	1,458	-
Total	1,724	-

4. Expenses
(a) Other expenses

Advertising and marketing	504	374
Administration	1,872	2,709
Payroll tax costs	507	558
Total	2,883	3,641

Loss before income tax includes the following specific expenses:

(b)

Finance costs:		
Amortisation of borrowing costs	316	156
Interest and finance charges on third party borrowings	538	742
Total	854	898
Defined contribution superannuation expense:		
On hired labour costs	6,304	6,054
Employee benefits expense	820	921
Total	7,124	6,975
Depreciation of property, plant and equipment	216	263

5. Income tax expense
(a) Components of tax expense

Current tax expense	180	280
Deferred tax relating to the origination and reversal of temporary differences	1,488	47
Income tax expense	1,668	327

5. Income tax expense (continued)

(b) Reconciliation of prima facie tax on profit/(loss) from ordinary activities to income tax expense/(benefit)

	Consolidated	
	Half-year ended 31 Dec 16 $000	Half-year ended 31 Dec 15 $000
Profit/(loss) before tax	**13,882**	(322)
Prima facie tax on profit/(loss) from ordinary activities before income tax at 30% (2015: 30%)	**4,165**	(96)
Add:		
Tax effect of:		
- non-assessable gain on debt forgiven	**(4,407)**	-
- non-assessable gain from bargain purchase	**(456)**	-
- non-deductible interest	**-**	1
- other non-allowable/non-assessable items	**58**	644
- difference in overseas tax rates	**(6)**	36
- effect of tax losses not brought to account	**1,314**	-
- reversal of deferred tax assets	**1,000**	-
- effect of recoupment of tax losses not previously recognised	**-**	(258)
Income tax expense	**1,668**	327

6. Segment information

Business segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Group's reporting system produces reports in which business activities are presented in a variety of ways. Based on these reports, the Executive Board, which is responsible for assessing the performance of various company components and making resource allocation decisions as Chief Operating Decision Maker (CODM), evaluates business activities in a number of different ways. The Group's reportable segments under AASB 8 are as follows:

- Australia;
- New Zealand;
- Other.

The Australian and New Zealand reportable segments supply recruitment services to the Australian and New Zealand geographical regions respectively.

Other' is the aggregation of the Group's other operating segments that are not separately reportable. Included in 'Other' are operating segments for the Group's activities in supplying recruitment services in Singapore, Hong Kong and the United Kingdom.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reporting operating segment for the half-year period under review:

6. Segment information (continued)

	Australia		New Zealand		Other		Consolidated entity	
	2016 $000	2015 $000	2016 $000	2015 $000	2016 $000	2015 $000	2016 $000	2015 $000
(a) Revenue	**99,058**	98,962	**2,386**	3,319	**3,534**	1,523	**104,978**	103,804
Total segment revenue:	**99,058**	98,962	**2,386**	3,319	**3,534**	1,523	**104,978**	103,804
(b) Result								
Segment result before depreciation and amortisation	**1,835**	3,695	**(51)**	468	**(152)**	(405)	**1,632**	3,758
Depreciation	**(179)**	(214)	**(30)**	(24)	**(7)**	(25)	**(216)**	(263)
Segment result after depreciation and before amortisation	**1,656**	3,481	**(81)**	444	**(159)**	(430)	**1,416**	3,495
Amortisation							**(17)**	(31)
Gain on debt forgiven							**14,692**	-
Gain on bargain purchase							**1,521**	-
Central administration costs and directors' salaries							**(1,205)**	(2,891)
Restructuring expense							**(1,724)**	-
Interest revenue							**61**	3
Finance costs							**(854)**	(898)
Impairment of non-current assets							**(8)**	-
Profit/(loss) before tax							**13,882**	(322)
Income tax (expense)/benefit							**(1,668)**	(327)
Profit/(loss) after tax							**12,214**	(649)

Segment assets and liabilities

Segment assets and liabilities have not been disclosed on the basis that this information is not reported to the chief operating decision maker.

7. Intangible assets

	Consolidated	
	31 Dec 16 $000	30 Jun 16 $000
Computer software and other intangible assets		
Cost	**6,128**	6,079
Accumulated amortisation and impairment	**(4,944)**	(4,926)
Net carrying value	**1,184**	1,153
Customer relationships		
Cost	**2,200**	-
Accumulated amortisation and impairment	**-**	-
Net carrying value	**2,200**	-
Net carrying value	**3,384**	1,153

8. Borrowings

	Consolidated 31 Dec 16 $000	Consolidated 30 Jun 16 $000
Current		
Secured liabilities		
Equipment finance loan	**152**	-
Debtor finance facility (net of borrowing costs) (a)	**13,681**	10,757
	13,833	10,757
	13,833	10,757
Non-Current		
Unsecured liabilities		
Vendor earn-out liability (b)	**874**	874
	874	874
Secured liabilities		
Equipment finance loan	**315**	-
	315	-
	1,189	874

(a) Debtor finance facility (net of borrowing costs)

The facility was established in July 2013 and had an initial limit of $15 million. The facility provides funding based on approved receivables and the limit adjusts in line with the value of the approved receivables. This facility was renewed in June 2016 and has a two-year term with no annual review, no financial covenants and no facility amortisation repayments. Funding provided under this facility is however dependent upon the purchased receivables remaining approved until they are collected. During the 2016 financial year, the facility was varied to provide for an increased limit of AUD$19.0 million and NZD$2.0 million (including a facility for bank guarantees).

At 31 December 2016, this facility attracted interest at a margin of 2.15% over bank reference rates.

(b) Vendor earn-out liability

The vendor earn-out liability comprises the fair value of estimated initial consideration payments which are payable to vendors over a period of one to three years post-acquisition, and estimated exit consideration payments which are payable to vendors over a three year period after provision of exit notice by the vendors.

9. Share Capital

At 31 December 2016 the Group had 246,147,315 ordinary shares on issue (31 December 2015: 165,522,315) including 1,017,201 (2015: 1,017,201) treasury shares. Movements in the number and carrying value of ordinary shares during the half-year are outlined below:

	No. of Shares 31 Dec 16 No.	No. of Shares 31 Dec 15 No.	Carrying Value 31 Dec 16 $000	Carrying Value 31 Dec 15 $000
Balance at 1 July	**246,147,315**	127,222,217	**70,880**	66,123
Issue of shares – 16/12/15	**-**	38,300,098	**-**	1,532
Balance at 31 December	**246,147,315**	165,522,315	**70,880**	67,655
Less: Treasury Shares	**(1,017,201)**	(1,017,201)	**(738)**	(738)
	245,130,114	164,505,114	**70,142**	66,917

10. Contingent liabilities

The Group has provided bank guarantees and deposits amounting to $1.3 million (30 June 2016: $1.8 million) in respect of leasehold agreements. These bank guarantees are fully cash backed by funds drawn from the debtor finance facility (refer Note 8) and are secured against any claims, proceedings, losses or liabilities which may arise from these instruments.

11. Business combinations

On 5 October 2016, the Group acquired the trading assets and liabilities of Orange Recruitment Australia Pty Ltd and related entities ("Orange"). Orange is a skilled labour services provider also specialising in the development of customised maintenance improvement strategies, and was acquired as the business compliments the existing business operations of the Rubicor Group. Details of the consideration transferred and assets and liabilities acquired are as follows:

	$000
Cash consideration paid	5
Assets and liabilities acquired	
Customer relationships	2,200
Deferred tax liabilities	(660)
Employee provisions	(14)
	1,526
Gain from bargain purchase	1,521

The gain from bargain purchase is recorded separately in the statements of profit or loss and other comprehensive income. The transaction resulted in a gain due to the fair value of customer relationships acquired and the economies of scale available to the Group in servicing these relationships.

From acquisition date to 31 December 2016, the acquired business has contributed revenue of $1.842m and a net loss after tax of $0.070m. Had the acquisition occurred on 1 July 2016, these contributions would have been $4.002m and $0.046m respectively.

12. Fair value of financial instruments

The fair value of financial assets and financial liabilities is determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets is determined with reference to quoted market prices;
- the fair value of other financial assets and liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions; and
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

13. Comparative information

Certain items have been reclassified in the comparatives to align with the current year presentation.

14. Events after the balance date

There are no other subsequent events after balance date that requires adjustment to, or disclosure in, these financial statements.

Company details

The registered office and principal place of business of the Company is:

Rubicor Group Limited
Level 24, 68 Pitt Street
Sydney NSW 2000