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Annual Report 2016

Rubicor Group

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Rubicor Group Limited
ACN: 110 913 365

About Rubicor

The Rubicor Group is one of Australasia's largest recruitment services companies providing services throughout Australia, New Zealand, and South East Asia. Operating as a network of 14 specialist recruitment brands, the Group offers search, selection, bulk recruitment, professional and support level contracting services and organisational development.

Established in 2005, Rubicor operates from 18 offices and specialises in the provision of permanent and contract recruitment across the public and private sector including digital, technology & media communications, medical, health & science, financial, professional & business services, legal, HR and S&M, industrial, engineering, resources, trades & hospitality, business support & contact centres.

The combined strength of our house of brands further cements Rubicor's position as a diverse and widely networked organisation with a consummate ability to match talent with global opportunities. More information is available at www.rubicor.com.au.



Chairman and Chief Executive Officer's Review

The year to 30 June 2016 saw many changes to Rubicor as we restructured operations, overcame a number of legacy issues and strengthened the company's financial position. As a result, we have entered FY2017 well placed to build on the group's significant strengths, and with a balance sheet which will enable us to expand our client service offerings, invest in additional people and resources, and take advantage of growth opportunities.

Financial performance

In light of the major restructuring that has been undertaken, the performance of Rubicor's brands was in line with expectations.

Revenue increased 1.1 per cent to \$206.5 million¹ (FY2015: \$204.3 million¹), while underlying gross profit increased 2.1 per cent to \$38.5 million¹ (FY2015: \$37.7 million¹).

The company reported a statutory net loss after tax (attributable to equity holders) of \$7.5 million, and an underlying net loss after tax of \$0.1 million^{1,2} (FY2015: \$1.3 million^{1,2} loss).

There was a cash inflow from operations of \$8.3 million, compared with a cash outflow of \$4.2 million in FY2015.

Strategic review and turnaround

At the beginning of the period, there was a comprehensive review of the company's structure, operations and strategic direction. This concluded that Rubicor had significant strengths and opportunities, with well-respected recruitment businesses, talented people and an impressive list of clients.

A number of legacy issues, including financial issues, however, were weighing down the company's progress.

The review led to substantial operational changes including improving management reporting, streamlining the management structure and upgrading systems. It also identified the need for additional capital to repay financial commitments, and in November the company launched a 1-for-1 non-renounceable entitlement offer which raised approximately \$4.7 million in new equity.

We also identified considerable potential to increase our market shares through combining our businesses' resources and expertise in specialist sectors. This led to the creation of Gel Gov in June 2016 to provide recruitment services for governments and affiliated organisations nationwide. Gel Gov combines the operations of Canberra-based Wizard with Gel Group, which has featured consistently on the Western Australian Government's preferred recruitment supplier panel, and Locher's government business in South Australia.

We believe that the re-alignment of Rubicor's operations in 'functional verticals', rather than individual brands, will open up new opportunities for the group.

Events after the reporting period

On 4 July 2016, we announced a further major step in the restructuring of the company. This involved placing three of the group's operating subsidiaries in voluntary administration.

On 8 August, we proposed a Deed of Company Arrangement which included Rubicor's assumption of the three subsidiaries' employee entitlements and liabilities and secured obligations, together with a payment to settle unsecured claims. The deed was approved by creditors and control of the businesses returned to their respective directors.

Growth opportunities and outlook

Rubicor is one of Australasia's largest recruitment groups, with operations in Australia, New Zealand and South-east Asia. Our market strength offers many growth opportunities as we focus on 'moving up the value chain' with our service delivery. Meanwhile, we continue to tender for a number of new contracts, several of which involve multiple Rubicor brands.

I would like to thank all our employees and shareholders for their support during the past twelve challenging months. We are looking to the future with greater confidence.

David Hutchison
Chairman and Chief Executive Officer
30th September 2016

1 Excludes other gains and losses of NIL (FY15: \$0.4 million).

2 Includes restructuring costs of \$3.8 million - \$0.5 million onerous lease provision, \$1.0 million redundancy and termination expense, \$0.3 million personnel and other costs for new system; and transaction and capital advisory costs of \$0.4 million (FY15: restructuring costs of \$2.5 million - \$0.7 million onerous lease provision, \$0.9 million redundancy and termination expense, \$0.9 million personnel and other costs for new system and transaction costs of \$0.5 million).

Directors' Report

Your Directors present their annual financial report on the Company and its controlled entities for the financial year ended 30 June 2016. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

1. General information

(a) Directors

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

Names	Appointed	Resigned
David Hutchison	22 June 2015	–
Sharad Loomba	20 August 2015	–
Angus Mason	20 August 2015	–
Peter Lewis	22 June 2015	20 August 2015
George Miltenyi	22 June 2015	20 August 2015

(b) Directors' information

David Hutchison

Executive Chairman

David is an ACA with an MBA from London Business School and Harvard. He spent three years with Arthur Anderson and seven years as a Strategy and Corporate Finance Consultant with McKinsey & Co. David was the Group Head of Strategy with Standard Chartered Bank and an MD with Deutsche Bank's Investment Banking Division.

In 2009, David joined the board of directors of Site Group International (ASX: SIT). He led Site through an ASX listing and held executive responsibilities related to strategy and operational transformation. In 2011, he started OnServices Group Pty Ltd, a global training and recruitment company. In three years OnServices has grown to have operations in 18 countries and revenues in excess of \$140m. At the end of 2014 David sold his shareholdings in OnServices.

David has significant experience within the Australian and global recruitment industry having worked on strategic and corporate finance assignments with companies including Manpower, Kelly Services, Adecco and Fircroft.

Interests in shares and options:

12,250,000 shares in Rubicor Group Limited

Nil options in Rubicor Group Limited

Sharad Loomba

Executive Director and Company Secretary

Sharad Loomba is a corporate lawyer with over 20 years experience. He graduated with a BCom/LLB from UNSW in 1992, and has been admitted as a solicitor in NSW since 1992. Sharad is Executive Director, General Counsel and Company Secretary of Rubicor Group Limited, and is also Director and Company Secretary of each of its subsidiaries throughout Australia, New Zealand and South East Asia. He has served on Rubicor Group Limited's Executive Committee for over nine years.

Sharad advises the CEO and management in connection with legal and corporate governance matters, and is responsible for legal and secretarial services across the group. He brings considerable experience and judgment to corporate decision making, having had a diversity of

experience in private practice and in-house, both locally and internationally. Moreover, Sharad has a comprehensive understanding of the governance obligations of a modern Australian/New Zealand director. He is a Fellow of the Australian Institute of Company Directors.

Sharad oversees a number of other functions for Rubicor Group Limited, including administrative support, communications and marketing, insurance, leasing and workplace relations.

Interests in shares and options:

Nil shares in Rubicor Group Limited

Nil options in Rubicor Group Limited

Angus Mason

Non-executive Director

Angus Mason is a director of Cashel, the largest shareholder of Rubicor. He has extensive experience in financing and operations in the labour hire and recruitment sectors, having been a director and shareholder of Weststaff (Australia) Pty Ltd and Weststaff NZ Ltd.

Aside from his role as CEO of Cashel House Group Pty Ltd (a multi-faceted finance firm), Angus' experience lays in performance turnaround and funding of distressed businesses.

Interests in shares and options:

50,601,724 shares in Rubicor Group Limited

Nil options in Rubicor Group Limited

Former Directors

Peter Lewis

Until his resignation on 20 August 2015, Peter was Non-Executive Chairman of the Company. Peter is currently the Director of Finance for Acquire Learning & Careers, a Non-executive Director of Australian Broadcasting Corporation and 360 Capital ANI Management Limited as well as a member of the Advisory Board for Anacacia Capital. He has previously held a number of board and advisory positions. He is also a Fellow of the Institute of Chartered Accountants in Australia, a member of the Australian Society of Certified Practising Accountants and a Fellow of the Governance Institute of Australia.

Interests in shares and options (as at date of resignation):

5,667,941 shares in Rubicor Group Limited

Nil options in Rubicor Group Limited

George Miltenyi

Until his resignation on 20 August 2015, George was an Independent Non-Executive Director Company. George is currently a Non-executive Director of ASX listed company Geodynamics Limited (ASX:GDY) and has been owner, investor and director in a wide range of commercial ventures including companies engaged in organisational development, marketing, immigration, education, life insurance, water distillation technology and recruitment. Since 1989, George has been the Managing Director of an organisation

Directors' Report

1. General information (continued)

development company, EMD Workforce Development which consults to some of Australia's largest corporations. He recently served for 7 years as a Non-Executive director of Kuth Energy (ASX Listed). George was instrumental in building one of Australia's largest English language educational companies (ACL).

Recently, he was a director of Australian Life Insurance Pty Ltd, a unique company specialising in the provision of life and home contents insurance through mortgage brokers. George founded and managed such business as Multicultural Marketing and Management, Immigration Australia and Clean Water Technology. George has a passion for commercialising and building businesses. He is a Fellow of the Australian Institute of Company Directors and holds qualifications in Law and Social Work.

Interests in shares and options (as at date of resignation):

5,667,941 shares in Rubicor Group Limited

Nil options in Rubicor Group Limited

Directorships of other listed companies held by Directors in the three years immediately before the end of the financial year are as follows:

Name:	Company:	Period of directorship
George Miltenyi	Geodynamics Limited	March 2014 to current
George Miltenyi	Kuth Energy Limited (delisted)	May 2007 to December 2013

(c) Principal activities

The principal activity of the Group during the financial year was the provision of contracting and recruitment services over a diversity of industry sectors throughout Australia, New Zealand, Hong Kong and Singapore.

There have been no significant changes in the nature of the Group's principal activities during the financial year.

(d) Company secretary

Sharad Loomba is Executive Director, General Counsel and Secretary of the Company and a Director of each of its controlled entities throughout Australia, New Zealand and South East Asia. Sharad advises the CEO and the Board in connection with legal and corporate governance matters and is responsible for the legal and company secretarial functions across the Rubicor Group.

Michelle Leong is joint Company Secretary appointed on 20 August 2015, she was succeeded by Nathan Bartrop who was appointed joint Company Secretary on 15 July 2016.

(e) Directors' meetings

	Board		Audit and Risk Management Committee		Remuneration and Human Resources Committee		Nomination and Corporate Governance Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
David Hutchinson	18	18	—	—	—	—	—	—
Sharad Loomba	15	15	—	—	—	—	—	—
Angus Mason	15	14	—	—	—	—	—	—
Peter Lewis	4	4	—	—	—	—	—	—
George Miltenyi	4	4	—	—	—	—	—	—

2. Business review

(a) Operating results

The consolidated loss of the Group attributable to equity holders after providing for income tax amounted to \$7.5 million (2015: Loss of \$4.4 million).

(b) Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the Chairman and Chief Executive Officer's Review.

(c) Significant changes in state of affairs

There were no significant changes in the state of affairs of the Group during the financial year.

2. Business review (continued)

(d) Future developments

Likely developments in the operations of the Group in future financial years and the expected results of those operations are referred to generally in the Chairman and Chief Executive Officer's Review.

(e) Events subsequent to balance date

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

Christopher Baskerville, Sule Amautovic, Kimberley 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 employees' entitlements 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 \$1.8 m to settle all unsecured claims.

The accounting for the restructure is complex and not yet complete. Whilst the Directors believe that there will be a positive net increase to the considered net assets of Rubicor as a result of the restructure, until the accounting and taxation aspects of the restructure are finalised, the financial impact cannot yet be reliably determined.

Other than the above, there has not been any matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

3. Other information

(a) Loans to Directors and executives

Information on loans to Directors and executives, including amounts, interest rates and repayment terms are set out in Note 6(d) of the financial statements.

(b) Options

During and since the end of the financial year nil share options were granted by the Company.

Unissued shares of Rubicor Group Limited under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
October 2005 ¹	December 2015	Nil	19,199
August 2006 ¹	December 2015	Nil	9,080
May 2008 ¹	December 2018	0.37	66,204
			94,483

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. A total of 94,483 options were capable of being exercised during the year ended 30 June 2016.

¹ Options have a five-year vesting period and expire five years after they become exercisable. 14,830 options were exercised during the year and no options have been exercised post year end.

(c) Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid to the auditor (Deloitte Touche Tohmatsu) for audit and non-audit services provided during the year are outlined in Note 4 to the financial statements.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 4 to the financial statements did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants'.

(d) 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 12.

(e) Dividends

In respect of the financial year ended 30 June 2016, no ordinary dividends have been paid by the Company (2015: nil).

No dividends were paid during the financial year on redeemable preference shares (2015: nil). These dividends are classified as part of vendor liabilities. Refer to Note 34(b).

Directors' Report

3. Other information (continued)

(f) Environmental issues

The Group's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

(g) Indemnifying officers or auditors Insurance of officers

During the financial year, Rubicor Group Limited paid a premium to insure the Directors and secretaries of the Company and its Australian, New Zealand, Singapore and United Kingdom based controlled entities.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

(h) Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

(i) Rounding off of amounts

The Company is a Company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/91 dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

4. Remuneration report – audited

The remuneration report is set out in the following main headings:

- (a) Key management personnel
- (b) Relationship between the remuneration policy and Company performance
- (c) Principles used to determine the nature and amount of remuneration
- (d) Non-executive Director remuneration
- (e) Details of remuneration
- (f) Executive service agreements
- (g) Share-based compensation
- (h) Additional information
- (i) Equity instrument disclosures relating to key management personnel
- (j) Loans to key management personnel

(a) Key management personnel – Directors

The following persons acted as Directors of the Company during or since the end of the financial year:

- David Hutchison (Executive Chairman)¹
- Angus Mason²
- Sharad Loomba (General Counsel and Company Secretary)²
- Peter Lewis (Chairman)³
- George Miltenyi³

¹ David Hutchison was appointed as Chief Executive Officer and Managing Director on 22 June 2015 and Executive Chairman on 20 August 2015.

² Angus Mason and Sharad Loomba appointed 20 August 2015.

³ Peter Lewis and George Miltenyi appointed 22 June 2015 and resigned 20 August 2015.

(b) Relationship between the remuneration policy and Company performance

Cash bonuses are generally linked to the annual profit levels of the Group, or achievement of other agreed key performance indicators.

The executive Director and other key management personnel are aligned with the long-term Company performance via the participation through the Senior Executive Share Plan Scheme and the Key Employee Share Option Plan.

4. Remuneration report – audited (continued)

The table below sets out summary information about the Group's earnings and movements in shareholder wealth for the five years to June 2016:

	30 June 2016 \$000	30 June 2015 \$000	30 June 2014 \$000	30 June 2013 \$000	30 June 2012 \$000
Revenue	206,532	204,314	198,028	237,695	290,535
Net (loss)/profit before tax	(6,521)	(5,090)	86,868	(23,956)	(56,872)
Net (loss)/profit after tax	(6,945)	(4,142)	84,781	(23,940)	(61,127)

	30 June 2016 cents	30 June 2015 cents	30 June 2014 cents	30 June 2013 cents	30 June 2012 cents
Share price at end of year	4.5	4.2	7.5	0.4	1.0
Interim dividend	–	–	–	–	–
Final dividend	–	–	–	–	–
Basic (loss)/earnings per share	(3.1)	(3.8)	77.0	(22.3)	(56.2)
Diluted (loss)/earnings per share	(3.1)	(3.8)	77.0	(22.3)	(56.2)

(c) Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure that reward for performance is competitive and appropriate for the results delivered. The framework seeks to align executive reward with achievement of strategic objectives and the creation of value for shareholders.

The Board seeks to ensure that executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness
- Acceptability to shareholders
- Performance linkage/alignment of executive compensation
- Transparency
- Capital management

Alignment of shareholders' interest

- Focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value
- Attracts and retains high-caliber executives

Alignment to program participants' interests

- Rewards capability and experience
- Provides a clear structure for earning rewards
- Provides recognition for contribution to the business

The framework provides a mix of fixed and variable pay, and a blend of short and long-term incentives.

The Board has established a Remuneration and Human Resources Committee which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and

other terms of employment for executives and Directors. The Corporate Governance Statement provides further information on the role of this committee.

Executive pay

The executive pay and reward framework has three components:

- Base pay and benefits, including superannuation
- Short-term performance incentives
- Long-term incentives provided through participation in the Employee Share Option Plan.

The combination of these comprises the executive's total remuneration.

Base pay

Base pay is determined by reference to appropriate benchmark information, taking into account an individual's responsibilities, performance, qualifications and experience, the broad objective being to pitch fixed remuneration at median market levels.

Base pay is structured as a package, which may be delivered as a mix of cash and other benefits, such as the provision of a motor vehicle, at the executive's discretion. There are no guaranteed base pay increases in any executives' employment contracts.

Short-term incentives

The Board determined there were no grants under the short-term incentive plan for the year ended 30 June 2016 (2015: \$100,000).

Long-term incentives

The Board determined there were no grants under the long-term incentive plan for the year ended 30 June 2016.

(d) Non-executive Director remuneration

Non-executive Directors' fees are reviewed annually and are determined by the Board based on recommendations

Directors' Report

4. Remuneration report – audited (continued)

from the Remuneration and Human Resources Committee. In making its recommendations, the Remuneration and Human Resources Committee takes into account fees paid to other non-executive Directors of comparable companies and where necessary will seek external advice.

In accordance with the Company's Constitution, the Directors are entitled to receive fees not exceeding \$600,000 per annum in aggregate to be divided among the Directors as they may determine. Fees for non-executive Directors are not linked to performance. The non-executives received fees of \$56,832 during the year as follows:

- Peter Lewis – \$12,499
- George Miltenyi – \$8,333
- Angus Mason – \$36,000

The Company does not operate equity plans for non-executive Directors.

Non-executive Directors are entitled to statutory superannuation. Amounts paid for statutory superannuation are included as part of the Directors' fees. There are no other schemes for retirement benefits for non-executive Directors.

(e) Details of remuneration

Details of remuneration of the Directors and other key management personnel of Rubicor Group Limited are set out in the tables below. The key management personnel of Rubicor Group Limited include the Directors as per page 6 and the following executives who have authority and responsibility for planning, directing and controlling activities of the Group.

2016	Short-term employee benefits			Post-employment benefits		Long-term employee benefit	Share-based payment	Total
	Cash salary and fees	Cash bonus	Other	Super-annuation	Termination payments	Long service leave	Shares and Options	
Name	\$	\$	\$	\$	\$	\$	\$	\$
Non-executive Directors								
Peter Lewis ¹	11,415	–	–	1,084	–	–	–	12,499
George Miltenyi ¹	7,610	–	–	723	–	–	–	8,333
Angus Mason ²	36,000	–	–	–	–	–	–	36,000
Executive Directors								
David Hutchison ³	374,000	–	–	–	–	–	–	374,000
Sharad Loomba ⁴	254,695	–	–	19,308	–	–	–	274,003
Other key management personnel								
Sue Turk ⁵	162,416	–	–	9,654	99,613	40,623	–	312,306
Brent Wall ⁶	127,846	–	–	9,654	9,834	–	–	147,334
Christopher White ⁷	80,000	–	–	–	–	–	–	80,000
Total key management personnel compensation	1,053,982	–	–	40,423	109,447	40,623	–	1,244,475

¹ Peter Lewis and George Miltenyi appointed 22 June 2015 and resigned 20 August 2015.

² Angus Mason appointed 20 August 2015.

³ David Hutchison appointed Chief Executive Officer and Director 22 June 2015 and Executive Chairman 20 August 2015.

⁴ Sharad Loomba appointed as Director 20 August 2015.

⁵ Sue Turk was Chief Operating Officer until 30 December 2015.

⁶ Brent Wall was appointed as Chief Financial Officer on 1 September 2015 and resigned on 29 February 2016.

⁷ Christopher White was appointed as Chief Financial Officer on 1 March 2016.

4. Remuneration report – audited (continued)

2015	Short-term employee benefits			Post-employment benefits		Long-term employee benefit	Share-based payment	
Name	Cash salary and fees \$	Cash bonus \$	Other \$	Super-annuation \$	Termination payments \$	Long service leave \$	Shares and Options \$	Total \$
Non-executive Directors								
John Pettigrew ¹	141,571	–	–	13,449	–	–	–	155,020
Russel Pillemer ¹	88,594	–	–	8,417	–	–	–	97,011
Steven Hatch ²	76,848	–	–	7,301	–	–	–	84,149
Peter Lewis ³	–	–	–	–	–	–	–	–
George Miltenyi ³	–	–	–	–	–	–	–	–
Executive Directors								
David Hutchison ⁴	17,262	–	–	–	–	–	–	17,262
Sharad Loomba ⁵	169,105 ⁹	–	–	16,495	–	3,368	(1,626) ⁸	187,342
Kevin Levine ⁶	370,000	100,000	231,058 ¹⁰	30,000	380,692 ⁷	7,398	(2,439) ⁸	1,116,709
Other key management personnel								
Sue Turk	321,216 ⁹	–	–	18,784	–	8,280	–	348,280
Total key management personnel compensation	1,184,596	100,000	231,058	94,446	380,692	19,046	(4,065)	2,005,773

1 John Pettigrew and Russel Pillemer resigned 22 June 2015.

2 Steven Hatch resigned 15 May 2015.

3 Peter Lewis and George Miltenyi appointed 22 June 2015 and resigned 20 August 2015.

4 David Hutchison appointed Chief Executive Officer and Director 22 June 2015 and Executive Chairman 20 August 2015.

5 Sharad Loomba appointed as Director 20 August 2015.

6 Kevin Levine resigned as Chief Executive Officer and Director 22 June 2015.

7 The termination amount payable for Kevin Levine is 12 months salary in accordance with his contract of employment – \$380,692. In addition accrued annual leave of \$136,245, and unused long service leave of \$64,981 are payable on termination.

8 Includes share-based payment true up adjustment of \$4,065 (Kevin Levine – \$2,439, Sharad Loomba – \$1,626) in relation to options that lapsed during the year. The options relate to 2011 and had a re-test point at 30 June 2015. The options lapsed as minimum performance hurdles were not met.

9 In addition accrued leave payments were made – Sharad Loomba – annual leave \$38,301, long service leave \$15,652, Sue Turk – annual leave \$26,768.

10 Relates to loan forgiveness during the year of \$122,460 plus related Fringe Benefits Tax cost to the Company.

Other transactions with key management personnel

Information on share-based payments and other transactions with key management personnel is set out in Notes 6 and 32.

(f) Executive service agreements

On appointment to the Board, all non-executive Directors sign a letter of appointment with the Company. The letter summarises the terms including compensation, relevant to the office of Director.

All contracts with executives may be terminated by either party with a notice period of three months, subject to termination payments detailed below. Executives are typically restricted for six months after termination from conducting or engaging in competing businesses and from solicitation of clients and employees of the Company.

David Hutchison *Chief Executive Officer and Executive Chairman*

- There is no formal contract in place at the date of this report. The Board has approved a base salary, inclusive of superannuation of \$374,000 per annum.

Sharad Loomba *General Counsel and Company Secretary*

- Term of agreement – unlimited in term but capable of termination on three months' notice and the Company retains the right to terminate the contract immediately by making a payment in lieu of notice.
- Base salary, inclusive of superannuation, of \$274,003 per annum for the year ended 30 June 2016, to be reviewed annually by the Remuneration and Human Resources Committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to the corresponding portion of salary package in lieu of any part of the notice period that the Company does not require the executive to serve.

Christopher White *Chief Financial Officer*

- Term of agreement – unlimited in term.
- Base salary, inclusive of superannuation, of \$240,000, to be reviewed annually by the Remuneration and Human Resources Committee.
- Mr White (appointed 1 March 2016), is a Director of Galibier Partners Pty Ltd and Galibier Investments Pty

Directors' Report

4. Remuneration report – audited (continued)

Ltd. (Galibier). Galibier has provided consulting services to Rubicor Group Limited and certain of its subsidiaries during the period on normal commercial terms and conditions (Refer to Note 6).

(g) Share-based compensation

Employee Share Option Plan

None of the non-executive Directors of Rubicor Group Limited, are eligible to participate in the Company's Employee Share Option Plan. For details in relation to the Employee Share Option Plan refer to Note 32.

(h) Additional information

Details of remuneration: options

For each grant of options, the percentage of the available grant that was vested in the financial year and the percentage forfeited because the person did not meet the service and performance criteria is set out below.

Senior Executive Options

Name	Grant date	Expiry date	Fair Value \$	Number granted	Number vested	% of grant vested	% of grant forfeited	% of compensation for the current year consisting of plan shares and options
Sharad Loomba	July 2011	Jun 2018	0.01	650,496	–	0%	100% ¹	0.00%

¹ Subject to satisfaction of a minimum performance hurdle of 10% compound annual growth in EBITDA of the Company for the period 1 July 2010 through 30 June 2013 from a base of \$9.0 million (20% compound annual growth required for 100% vesting), with a re-test point at 30 June 2015. Performance hurdle was not met. Accordingly, grant was forfeited.

No options were exercised during the year by any Director or other key management personnel.

Refer to Note 32 for further details in relation to the Employee Share Option Plan.

The following table summarizes the value of options granted, exercised or lapsed during the year to Directors and other key management personnel:

Senior Executive Options

Name	Value of options granted at the grant date \$	Value of options exercised at the exercise date \$	Value of options lapsed at the date of lapse ¹
Sharad Loomba	–	–	1,626

¹ The value of options lapsing during the period is the total share-based payment expense from grant date until the date the options lapsed.

(i) Equity instrument disclosures relating to key management personnel

Share holdings

The number of shares in the Company held during the financial year by each Director and other key management personnel of the Group, including their personally related parties, is set out below:

Ordinary shares

2016

Name	Balance at the start of the year	Purchased	Sold	Balance at the end of the year
Directors				
David Hutchison	–	12,250,000	–	12,250,000
Angus Mason	10,450,862	40,150,862	–	50,601,724
Peter Lewis ⁴	5,667,941	–	–	5,667,941
George Miltenyi ⁴	5,667,941	–	–	5,667,941
Key Management Personnel				
Christopher White	–	5,000,000	–	5,000,000

4. Remuneration report – audited (continued)

2015

Name	Balance at the start of the year	Purchased	Sold	Balance at the end of the year
Directors				
John Pettigrew ¹	1,180,000	-	(200,000)	980,000
Russel Pillemer ¹	2,993,084	-	-	2,993,084
Steven Hatch ²	13,221,252	-	(1,000,000)	12,221,252
Kevin Levine ³	937,405	-	-	937,405
Peter Lewis ⁴	-	5,667,941	-	5,667,941
George Miltenyi ⁴	-	5,667,941	-	5,667,941

¹ John Pettigrew and Russel Pillemer resigned 22 June 2015.

² Steven Hatch resigned 15 May 2015.

³ Kevin Levine resigned as Chief Executive Officer and Director 22 June 2015.

⁴ Peter Lewis and George Miltenyi appointed 22 June 2015, resigned 20 August 2015.

Options

The number of unissued shares in the Company held under option during the financial year by each Director and other key management personnel of the Group, including their personally related parties, is set out below:

Options

Name	Balance at the start of the year \$	Number granted \$	Number forfeited \$	Balance at the end of the year \$	Number vested at the end of the year \$
Directors					
Kevin Levine ¹	975,744	-	(975,744)	-	-
Sharad Loomba ²	650,496	-	(650,496)	-	-

¹ Kevin Levine resigned as Chief Executive Officer and Director 22 June 2015.

² Sharad Loomba appointed as Director 20 August 2015.

(j) Loans to key management personnel

Details of loans made to key management personnel of the Group, including their personally related parties, are set out below.

Name	Balance at the start of the year \$	Loans forgiven \$	Interest payable for the year \$	Balance at the end of the year \$	Highest indebtedness during the year \$
				-	

2015

Name	Balance at the start of the year \$	Loans forgiven \$	Interest payable for the year \$	Balance at the end of the year \$	Highest indebtedness during the year \$
Directors					
Kevin Levine	115,520	(122,460)	6,940	-	122,460

Signed in accordance with a resolution of the capital Board of Directors made pursuant to Section 298(2) of the Corporations Act 2001:



David Hutchison
Director



Sharad Loomba
Director

Sydney dated the 30th day of September 2016.

Auditor's Independence Declaration



Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Board of Directors
Rubicor Group Limited
Level 11, 1 Alfred Street
SYDNEY NSW 2000

30 September 2016

Dear Board Members

Rubicor Group Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Rubicor Group Limited.

As lead audit partner for the audit of the financial statements of Rubicor Group Limited for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

A handwritten signature in dark ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in dark ink, appearing to be "Carlo Pasqualini".

Carlo Pasqualini
Partner
Chartered Accountants

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Independent Auditor's Report

To the members of Rubicor Group Limited



Deloitte Touche Tohmatsu
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Independent Auditor's Report to the members of Rubicor Group Limited

We have audited the accompanying financial report of Rubicor Group Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the 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 year's end or from time to time during the financial year as set out on pages 15 to 51.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Rubicor Group Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Touche Tohmatsu Limited

Independent Auditor's Report

To the members of Rubicor Group Limited



Opinion

In our opinion:

- (a) the financial report of Rubicor Group Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw your attention to Note 1(d) Going Concern in the financial report which indicates that the consolidated entity incurred a loss after tax of \$6.9 million during the year ended 30 June 2016, and as of that date, the consolidated entity's current liabilities exceeded its current assets by \$11.4 million and it had a deficiency of net assets of \$7.7 million. These conditions, along with the matters set forth in Note 1(d) Going Concern, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the consolidated entity and the company to continue as going concerns and therefore, they may be unable to realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 11 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Rubicor Group Limited for the year ended 30 June 2016, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink that reads "Deloitte Touche Tohmatsu".

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to be "Carlo Pasqualini".

Carlo Pasqualini
Partner
Chartered Accountants

Sydney, 30 September 2016

Directors' 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) the attached financial statements are in compliance with International Financial Reporting Standards, as stated in Note 1 to the financial statements;
- (c) 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; and
- (d) the Directors have been given the declarations by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors



David Hutchison
Director



Sharad Loomba
Director

Sydney dated the 30th day of September 2016.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement outlining Rubicor Group Limited's corporate governance framework and practices in the form of a report against the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, 3rd Edition, is available on the Rubicor Group Limited website at http://www.rubicor.com.au/corporate_governance in accordance with ASX listing rule 4.10.3. The Directors approved the 2016 Corporate Governance Statement on 30 September 2016.

Signed in accordance with a resolution of the Board of Directors made pursuant to section 298(2) of the *Corporations Act 2001*:



David Hutchison
Director



Sharad Loomba
Director

Sydney dated the 30th day of September 2016.

Consolidated Statement of Profit and Loss and Other Comprehensive Income

For the financial year ended 30 June 2016

	Note	2016 \$000	2015 \$000
Revenue	2	206,532	204,314
Other gains and losses	2	–	403
On hired labour costs		(168,051)	(166,585)
Employee benefits expense	3	(25,859)	(26,427)
Rental expense on operating leases		(2,389)	(2,482)
Consultancy expense		(645)	(111)
Computer costs and support		(1,199)	(1,158)
Travel expense		(911)	(714)
Restructuring expense	3	(3,834)	(2,500)
Transaction and capital advisory costs		(394)	(521)
Other expenses	3	(6,733)	(5,575)
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)		(3,483)	(1,356)
Depreciation	3	(527)	(545)
Amortisation of intangible assets	11	(53)	(116)
Finance costs	3	(2,458)	(2,355)
Impairment losses relating to intangible assets	3,11	–	(718)
Loss before income tax expense		(6,521)	(5,090)
Income tax (expense)/benefit	5	(424)	948
Loss for the year		(6,945)	(4,142)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations		(979)	(537)
Other comprehensive income for the year, net of tax		(979)	(537)
Total comprehensive loss for the year		(7,924)	(4,679)
Loss for the year attributable to:			
Owners of the parent		(7,471)	(4,382)
Non-controlling interests		526	240
		(6,945)	(4,142)
Total comprehensive loss for the year attributable to:			
Owners of the parent		(8,450)	(4,919)
Non-controlling interests		526	240
		(7,924)	(4,679)
Basic loss per share (cents)	33	(3.1)	(3.8)
Diluted loss per share (cents)	33	(3.1)	(3.8)

The accompanying Notes form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 June 2016

	Note	2016 \$000	2015 \$000
Assets			
Current assets			
Cash and cash equivalents	7	10,134	720
Trade and other receivables	8	26,796	29,437
Other financial assets	9	316	734
Other assets	10	1,029	1,265
Current tax receivable	13	–	27
Total current assets		38,275	32,183
Non-current assets			
Property, plant and equipment	12	1,476	1,628
Deferred tax assets	13	2,660	2,654
Intangible assets	11	1,153	838
Other assets	10	2	2
Total non-current assets		5,291	5,122
Total assets		43,566	37,305
Liabilities			
Current liabilities			
Trade and other payables	14	36,334	23,135
Borrowings	15	10,757	13,407
Current tax payable	13	158	–
Provisions	16	2,416	2,340
Total current liabilities		49,665	38,882
Non-current liabilities			
Borrowings	15	874	874
Provisions	16	721	1,595
Total non-current liabilities		1,595	2,469
Total liabilities		51,260	41,351
Net (liabilities)/assets		(7,694)	(4,046)
(Deficiency)/equity			
Share capital	17	70,142	65,385
Reserves	18	(1,312)	(333)
Accumulated losses	19	(76,846)	(69,375)
		(8,016)	(4,323)
Equity attributable to owners of the parent		(8,016)	(4,323)
Non-controlling interests		322	277
Total deficiency		(7,694)	(4,046)

The accompanying Notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 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
2016							
Balance at 1 July 2015	29	(362)	65,385	(69,375)	(4,323)	277	(4,046)
Loss for the year	–	–	–	(7,471)	(7,471)	526	(6,945)
Other comprehensive loss for the year, net of tax	–	(979)	–	–	(979)	–	(979)
Total comprehensive loss for the year	–	(979)	–	(7,471)	(8,450)	526	(7,924)
Dividends paid	–	–	–	–	–	(481)	(481)
Issue of ordinary shares	–	–	4,757	–	4,757	–	4,757
Balance at 30 June 2016	29	(1,341)	70,142	(76,846)	(8,016)	322	(7,694)
Balance at 30 June 2016	29	(362)	65,385	(69,375)	(4,323)	277	(4,046)
2015							
Balance at 1 July 2014	67	175	64,605	(64,993)	(146)	447	301
Loss for the year	–	–	–	(4,382)	(4,382)	240	(4,142)
Other comprehensive loss for the year, net of tax	–	(537)	–	–	(537)	–	(537)
Total comprehensive loss for the year	–	(537)	–	(4,382)	(4,919)	240	(4,679)
Dividends paid	–	–	–	–	–	(410)	(410)
Share-based payments	(38)	–	–	–	(38)	–	(38)
Issue of ordinary shares	–	–	780	–	780	–	780
Balance at 30 June 2015	29	(362)	65,385	(69,375)	(4,323)	277	(4,046)

The accompanying Notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2016

	Note	2016 \$000	2015 \$000
Cash from operating activities			
Receipts from customers (inclusive of GST)		229,919	221,249
Payments to suppliers and employees (inclusive of GST)		(218,979)	(222,869)
		10,940	(1,620)
Finance costs paid		(2,458)	(2,220)
Interest received		17	32
Income taxes paid		(245)	(390)
Total cash inflow/(outflow) from operating activities	20(a)	8,254	(4,198)
Cash flows from investing activities			
Payment for property, plant and equipment		(375)	(388)
Payment for intangible assets		(369)	(875)
Proceeds from disposal of property, plant and equipment		–	29
Net proceeds on sale of business		–	501
Net cash outflow from investing activities		(744)	(733)
Cash flows from financing activities			
Proceeds from third party borrowings		(2,373)	2,922
Dividends paid to minority shareholders		(480)	(410)
Proceeds from issue of ordinary shares		4,757	780
Net cash inflow from financing activities		1,904	3,292
Net cash increase/(decrease) in cash and cash equivalents		9,414	(1,639)
Cash and cash equivalents at beginning of year		720	2,359
Cash and cash equivalents at end of year	7	10,134	720

The accompanying Notes form part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

(a) General information

The financial statements cover the Group (consolidated entity) of Rubicor Group Limited (the Company/Parent) and its controlled entities (consolidated financial statements). Rubicor Group Limited is a public Company listed on the Australian Securities Exchange (trading under the symbol 'RUB'), incorporated and domiciled in Australia.

Rubicor Group Limited's registered office and principal place of business is as follows:

Rubicor Group Limited
Level 11, 1 Alfred Street
Sydney NSW 2000

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(b) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purpose of preparing the Consolidated Financial Statements, the Company is a for-profit entity.

Accounting Standards include Australian equivalents to International Financial Reporting Standards (A-IFRS). Compliance with A-IFRS ensures that the financial statements of the Group comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Board of Directors on 30 September 2016.

(c) Basis of preparation

The financial statements have been prepared on an accruals basis and are based on historical costs, except for certain financial instruments, which are carried at fair value. 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 Financials/Directors' Reports) Instrument 2016/91 dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

(d) Going concern

The Directors have prepared the year-end 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 year ended 30 June 2016 reflects a consolidated Group loss of \$6.9 million, and the statement of financial position reflects an excess of current liabilities over current assets of \$11.4 million and a net asset deficiency of \$7.7 million as at 30 June 2016. The statement of cash flows for the year ended 30 June 2018 reflects net cash inflows from operations of \$8.3 million.

The Directors have reviewed the cash flow forecast for the Group through to 31 December 2017. The forecast indicates that the Group will operate within the overall finance limit with Scottish Pacific and that the Group will therefore be able to pay its debts as and when they fall due after considering the following factors:

- On the 8th August 2016, creditors of the 3 operating entities that entered into Voluntary Administration on 4th July 2016, agreed to a Deed of Company Arrangement whereby liabilities amounting to approximately \$21 million have been extinguished subject to certain conditions. As a consequence of this arrangement, future cash outflows are expected to decrease significantly. In addition, had the Deed of Company Arrangement been in effect at 30 June 2016, the Group would have shown positive working capital and an overall positive net asset position.
- The Group has continued to implement cost savings initiatives and is expected to achieve revenue growth resulting in improved cash flows and profitability.
- As at 30 June 2016, the Group had available cash resources of \$10.1m.
- The finance facility with Scottish Pacific was renegotiated on 26th May 2016 and extended for a term of 48 months subject to termination without notice if a termination event, as defined in the facility agreement, occurs.

The financier has indicated its intention to continue to support the Group. The financier has not indicated whether the recent voluntary administration (as described above) constitutes a termination event and therefore, whether the financier is in a position to terminate the facility without notice. In the event that the Group and the Parent are unable to obtain the continuing financial support of the financier, such an event would create a material uncertainty which may cast significant doubt about the ability of the Group and the Parent to continue as going concerns and therefore, they may be unable to realise their assets and extinguish their liabilities in the normal course of business.

The Directors have concluded that it is appropriate to prepare the financial statements on the going concern basis, as they are confident that the Group and the Parent will be able to pay their debts as and when they become due and payable from positive cash flows from operations and finance facilities.

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 and the Parent not continue as going concerns.

1. Accounting policies (continued)

(e) Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in any material changes to the Group's financial statements.

(f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less any accumulated depreciation and impairment losses.

(i) Plant and equipment

Plant and equipment is measured on the cost basis less accumulated depreciation and impairment losses.

Cost includes all directly attributable expenditure incurred, including costs to get the asset ready for its use as intended by management. Costs include an estimate of any expenditure expected to be incurred at the end of the asset's useful life, including restoration, rehabilitation and decommissioning costs.

The carrying amount of plant and equipment is reviewed annually by Directors for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets recognised.

(ii) Depreciation

The depreciable amount of all fixed assets including capitalised lease assets is depreciated on a straight-line basis over their useful lives (commencing from the time the asset is ready for use). Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciable amount is the carrying value of the asset less estimated residual amounts. The residual amount is based on what a similar asset of the expected condition of the asset at the end of its useful life could be sold for.

The following useful lives are used in the calculation of depreciation for the current and comparative year:

Class of Fixed Asset	Estimated Useful Lives
Leasehold improvements	4 – 7 years
Leased assets	5 – 10 years
Motor vehicles	5 years
Office equipment	2.5 – 7 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at each statement of financial position date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(g) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for through profit or loss. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

(h) Financial instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

(i) Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method less provision for impairment. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Trade receivables are non-interest bearing and credit terms are generally 30 days.

(ii) Investments

Investments in subsidiaries have been recognised at cost, less impairment losses, in the parent entity.

(iii) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Notes to the Financial Statements

1. Accounting policies (continued)

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(iv) Financial liabilities and equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(v) Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost.

(vi) Borrowings

Interest-bearing loans and overdrafts are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(vii) Equity instruments

Equity instruments issued are recorded at the proceeds received, net of direct issue costs.

(i) Intangible assets

(i) Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its identifiable net assets at date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Computer software

Computer software is measured on the cost basis less amortisation and impairment losses. Computer software is amortised on a straight-line basis over its useful life to the Group of three to five years commencing from the time the software is held ready for use.

(iii) Brands

Acquired brands are recorded at fair value as at the date of acquisition. The Group has committed to continually use, invest in and promote acquired brands; therefore the Directors have assessed that the brands have an indefinite useful life. Consequentially, brands are not amortised but are subject to annual impairment testing.

(j) Impairment

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in profit or loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Impairment testing is performed annually for goodwill, and identifiable intangible assets with indefinite useful lives (brands).

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised as income in profit or loss. Impairments of goodwill are not reversed.

(k) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to have been completed within one year from the date of classification.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell, and are not depreciated.

(l) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

1. Accounting policies (continued)

Liabilities recognised in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to the reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered service entitling them to the contributions.

(m) Provisions

Provisions, including provisions for make good costs, are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that the outflow can be reliably measured. Where the time value of money is material, these amounts have been discounted using an appropriate discount rate.

(n) Income tax

Current tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax assets and liabilities are recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements used in the computation of taxable profit. No deferred tax assets or liabilities will be recognised from the initial recognition of an asset or liability, excluding a business combination, that at the time of the transaction did not affect either accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the income statement except where it relates to items which are recognised directly in equity, in which case the deferred tax is recognised directly in equity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and tax losses can be utilised.

Tax consolidation

Relevance of tax consolidation to the Group

The company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 9 May 2005 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Rubicor Group Limited. The members of the tax-consolidated group are identified in Note 21. Tax

expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

Nature of tax funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax sharing agreement with the head entity. Under the terms of the tax funding arrangement, Rubicor Group Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax-consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

(o) Leases

Leases of fixed assets where substantially all the risks and rewards incidental to the ownership of the asset, but not the legal ownership, that are transferred to entities in the Group are classified as finance leases.

Finance leases are capitalised at the inception of the lease by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property and the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense.

The interest expense is recognised in profit or loss so as to achieve a constant periodic rate of interest on the remaining balance of the liability outstanding.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged to profit or loss on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Notes to the Financial Statements

1. Accounting policies (continued)

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(p) Revenue recognition

Revenue from permanent placements is recognised as work is performed in accordance with agreed terms for retainer-based appointments, or on offer and acceptance by both the client and candidate for non-retainer-based appointments.

Revenue from temporary placements is recognised at the time when the services are performed.

Revenue for the rendering of a service, including human capital consulting services, is recognised upon the delivery of the service to the customer by reference to the stage of completion of the contract.

Revenue from recharge of expenses incurred in connection with recruitment services is recognised when the related expense is incurred and on-charged to the customer in accordance with agreed contractual terms.

Interest revenue is recognised on an effective interest rate method in relation to the outstanding financial asset.

Revenue from management fees is recognised at the time the service is performed.

All revenue is stated net of the amount of goods and services tax (GST), trade allowances and other duties and taxes paid.

(q) Foreign currency translation Functional and presentation currency

The functional currency of each of the Group's entities is identified as the currency of the primary economic environment in which that entity operates, and is used in the recognition of transactions and balances for that entity. The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentation currency.

On consolidation, the assets and liabilities of the Group's foreign operations are translated into Australian dollars at exchange rates prevailing on the balance date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transaction are used. Exchange differences arising, if any, are classified as equity and transferred to the Group's foreign currency translation reserve. Such exchange differences are recognised in the profit or loss in the period in which the foreign operation is disposed.

(r) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company (Rubicor Group Limited) and entities controlled by the Company. Rubicor Group Limited and its controlled entities are referred to in this financial report as the 'Group'. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The results of controlled entities acquired or disposed of during the year are included in the consolidated profit and loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

A list of controlled entities is contained in Note 21 to the financial statements. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, are eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those policies adopted by the Group.

(s) Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting estimates may not always equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of intangible and other non current assets

The Group annually assesses whether intangibles and other non current assets have suffered any impairment. If such indication exists, the recoverable amount of the asset is estimated to determine the extent of any impairment loss. Recoverable amounts of assets are determined based on the higher of fair value less costs to sell and value in use. Such assessments require judgement in the basis of fair value determination, and cash flows and discount rates applied in value in use calculations.

1. Accounting policies (continued)

(ii) Recoverability of deferred tax assets

Deferred tax assets in respect of temporary differences and income tax losses are recognised only to the extent that it is considered probable that there will be sufficient future taxable profits available to allow the recognised asset to be recovered. This assessment involves estimation uncertainty in relation to forecast future operating and taxable profits of the Group.

(iii) Onerous lease provision

An onerous lease provision is recognised in respect of contracts where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received associated with the leasing contract. Where leased premises have been vacated before the end of the lease term this requires assessment of future benefits, including potential sub-lease income, which will be derived from the lease contracts.

(t) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flow.

(u) Share-based payments

Equity-settled share-based payments with employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest.

The above policy is applied to all equity-settled share-based payments that were granted after 7 November 2002 and that vested after 1 January 2005. No amount has been recognised in the financial statements in respect of other equity-settled share-based payments.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods and services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service. For cash-settled share-based payments, a

liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date.

The fair value at grant date of instruments issued is independently determined using the Monte Carlo option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate.

Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital and the proceeds received, net of any directly attributable transaction costs, are credited to share capital.

Share-based compensation benefits are provided to employees via the Key Employee Share Option Plan (KESOP) (refer to Note 32).

(v) Adoption of New and Revised Accounting Standards New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group has applied two amendments to AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2015, and therefore relevant for the current year end. The application of these amendments does not have any material impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

New and revised Standards and amendments thereof and Interpretations effective for the current year that are relevant to the Group include:

- AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'
- AASB 2015-4 'Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent'

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations that were issued but not yet effective are listed below. The potential effect of the revised Standards/Interpretations on the Group's financial statements has not yet been determined.

Notes to the Financial Statements

1. Accounting policies (continued)

Standard/Interpretation	Effective for annual reporting periods beginning or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers', AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15', AASB 2015-8 'Amendments to Australian Accounting Standards – Effective date of AASB 15'	1 January 2018	30 June 2019
AASB 16 'Leases'	1 January 2019	30 June 2020
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2016-1 'Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses'	1 January 2017	30 June 2018
AASB 2016-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107'	1 January 2017	30 June 2018

¹ This standard is currently applicable to annual reporting periods beginning on or after 1 January 2017. Exposure Draft (ED 263) 'Effective Date of AASB 15' proposes to defer the application date by one year (1 January 2018).

(w) Dividends

A liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

(x) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, after deducting any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

2. Revenue and other income

(a) Revenue

	2016 \$000	2015 \$000
Revenue from:		
Recruitment services	201,618	200,147
Interest	17	32
Recharge (expense)/income	(37)	25
Organisational development fees	1,310	1,603
Managed services	565	–
Other	3,059	2,507
Total	206,532	204,314

(b) Other gains and losses

	2016 \$000	2015 \$000
Profit on sale of business	–	403
Total	–	403

Powerhouse People (Wellington, NZ) was sold on 4 April 2015 and Care Direct (Wellington, NZ) on 19 April 2015. The combined contribution of these businesses for 2015 was an EBITDA loss of \$0.7 million and loss after tax of \$0.7 million. The consideration received for the sale was \$0.51 million.

Profit on sale of business

	2016 \$000	2015 \$000
Consideration received	–	501
Sale of property plant and equipment	–	(5)
Transfer of employee entitlements	–	(17)
Reimbursement of trading losses	–	(76)
Total	–	403

3. Expenses

(a) Other expenses

	2016 \$000	2015 \$000
Advertising and marketing	1,083	756
Administration	5,650	4,819
Total	6,733	5,575

(b) Employee benefits expense

	2016 \$000	2015 \$000
Salaries, including commission and bonuses ¹	22,510	23,124
Superannuation	1,777	1,800
Other	1,572	1,503
Total	25,859	26,427

¹ Excludes personnel salary costs totaling \$1 million (2015: \$0.9 million), included as restructuring expense per Note 3(c) below.

Notes to the Financial Statements

3. Expenses (continued)

(c) Loss before income tax includes the following specific expenses:

	2016 \$000	2015 \$000
Finance costs:		
Discount unwind on vendor liability (refer to Note 15)	–	101
Amortisation of borrowing costs	–	34
Interest and finance charges on other borrowings	2,458	2,220
	2,458	2,355
Depreciation:		
Property, plant and equipment	527	545
	527	545
Defined contribution superannuation expense:		
On hired labour costs	12,113	11,552
Employee benefits expense	1,777	1,800
	13,890	13,352
Share-based payment expense/(benefit)	–	(38)
Allowance for impairment of trade and other receivables	355	294
Restructuring expense:		
Onerous lease expense	541	690
Staff redundancy and termination expense	1,024	917
Personal salaries and other costs relating to new software systems	–	893
Consultancy costs	1,517	–
Other restructuring expense	752	–
	3,834	2,500
Other significant expenses:		
Impairment of intangible assets:		
Computer software ¹	–	718
	–	718
1 Relates to third party vendor costs impaired due to abandonment of related software.		
Foreign exchange losses /(gains)	95	(149)

4. Auditor's remuneration

	2016 \$	2015 \$
Auditor of the parent entity – Deloitte Touche Tohmatsu – Sydney		
Audit or review of financial reports under the <i>Corporations Act 2001</i>	235,000	210,000
Tax advisory	–	14,850
Total remuneration	235,000	224,850
Related practices of Deloitte Touche Tohmatsu – Sydney		
Audit of financial reports ¹	43,000	61,015
Tax compliance services ¹	21,696	1,478
	64,696	62,493

1 Relates to Deloitte Touche Tohmatsu-New Zealand and Deloitte Touche Tohmatsu-Singapore.

5. Income tax expense/(benefit)

(a) Components of tax expense/(benefit)

	2016 \$000	2015 \$000
Current tax expense/ (benefit)	450	(152)
Deferred tax – origination and reversal of temporary differences	(26)	(796)
Income tax expense/(benefit)	424	(948)

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

	2016 \$000	2015 \$000
Loss before tax	(6,521)	(5,090)
Prima facie tax benefit on loss from ordinary activities before income tax at 30% (2015: 30%)	(1,956)	(1,527)
Add:		
Tax effect of:		
– non-deductible interest	40	121
– other non-allowable/non-assessable items	690	(11)
– other non-deductible employee expense	200	113
– difference in overseas tax rates	(60)	70
– effect of current year tax losses not brought to account	1,510	597
– effect of previously unrecognised tax losses and deductible temporary differences now brought to account	–	(311)
Income tax expense/(benefit)	424	(948)

(c) Unrecognised deferred tax assets

	2016 \$000	2015 \$000
Tax losses – revenue	3,230	1,528
	3,230	1,528

(d) Recognised deferred tax assets

Despite incurrance of losses in the current year the Group has recognised deferred tax assets relating to the benefit of temporary differences in the Australian tax jurisdiction and both temporary and income tax losses in the New Zealand tax jurisdiction. These have been recognised on the basis of the probable expectation of taxable profits that will be generated in these jurisdictions over a reasonable future period as a result of restructuring initiatives including operating cost savings and loss making business disposals.

Notes to the Financial Statements

6. Key management personnel disclosures

(a) Key management personnel compensation for the year was as follows:

	2016 \$	2015 \$
Short-term employee benefits	1,017,982	1,515,654
Post-employment benefits	40,423	94,446
Termination payments	109,447	380,692
Long service leave	40,623	19,046
Share-based payments	–	(4,065)
Total	1,208,475	2,005,773

(b) Individual director and key management personnel disclosures

Detailed remuneration disclosures are included in the Directors' Report. The relevant information can be found in sections 4(a)-(j) of the Remuneration Report on pages 6 to 11.

(c) Key management personnel transactions with the Company and its controlled entities¹

Information regarding individual key management personnel's service contracts with the Group is provided in the Remuneration Report (refer to page 8).

¹ Consultant services for the period that Mr White was designated as a key management personnel paid to Galibier amounted to \$574,000 (2015: nil).

(d) Loans to key management personnel

Details of loans made to key management personnel of the Group, including their personally related parties, are set out below.

	Balance at the start of the year \$	Loans forgiven \$	Interest payable for the year \$	Balance at the end of the year \$	Highest indebtedness during the year \$
2016	–	–	–	–	–
2015					
Kevin Levine	115,520	(122,460)	6,940	–	122,460

7. Cash and cash equivalents

	2016 \$000	2015 \$000
Cash on hand	12	7
Cash at bank	10,122	713
Total cash and cash equivalents	10,134	720

8. Trade and other receivables

	2016 \$000	2015 \$000
Current		
Trade receivables	24,230	24,947
Allowance for impairment of receivables	(550)	(440)
	23,680	24,507
Other receivables – rental deposits ¹	1,042	1,553
Other receivables	2,074	3,377
	26,796	29,437

¹ Other receivables – rental deposits relates to cash deposits paid for leased premises.

8. Trade and other receivables (continued)

The ageing of past due trade receivables (including impaired trade receivables) at year end is detailed below:

	2016 \$000	2015 \$000
Past due 0 – 30 days	3,848	4,148
Past due 31 – 60 days	1,475	1,816
Past due 60+ days	1,453	1,509
Total	6,776	7,473

Age of impaired trade receivables:

	2016 \$000	2015 \$000
60 – 90 days	–	50
90 – 120 days	–	56
120+ days	550	334
Total	550	440

The movement in the allowance for doubtful accounts in respect of trade receivables is detailed below:

	2016 \$000	2015 \$000
Balance at beginning of year	440	184
Amounts written off as uncollectible	(245)	(36)
Increase in allowance recognised in profit or loss	355	291
Foreign currency exchange differences	–	1
Balance at end of year	550	440

The average credit period on provision of services is 30 days. No interest is charged on trade receivable balances overdue.

The Group has used the following basis to assess the allowance loss for trade receivables:

- a specific provision based on estimated irrecoverable amounts;
- historical bad debt experience;
- the general economic conditions;
- an individual account-by-account specific risk assessment based on past credit history; and
- any prior knowledge of debtor insolvency or other credit risk.

Included in the Group's trade receivable balance are debtors with a carrying amount of \$10.2 million (2015: \$7.5 million) which are past due at the reporting date, which the Group has not provided for as there has been no significant change in credit quality and the Group believes that the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

9. Other financial assets

	2016 \$000	2015 \$000
Term deposits ¹	316	734
Total other financial assets	316	734

¹ Cash held on term deposits relates to rental and other guarantees.

Notes to the Financial Statements

10. Other assets

	2016 \$000	2015 \$000
Current		
Prepayments	1,029	1,265
	1,029	1,265
Non-current		
Other	2	2
	2	2

11. Intangible assets

Computer software		
Cost	6,079	6,648
Accumulated amortisation and impairment	(4,926)	(5,810)
Net carrying value	1,153	838

(a) Intangible assets – detailed reconciliation

2016	Goodwill \$000	Candidate database \$000	Preferred supplier agreements \$000	Computer software \$000	Course material content \$000	Brands \$000	Total \$000
Cost brought forward	100,019	22,757	2,014	6,648	542	599	132,579
Additions other than through business combinations	–	–	–	380	–	–	380
Disposals/scrappings	–	–	–	(949)	–	–	(949)
Net foreign currency exchange differences	–	–	–	–	–	–	–
	100,019	22,757	2,014	6,079	542	599	132,010
Amortisation and impairment brought forward	(100,019)	(22,757)	(2,014)	(5,810)	(542)	(599)	(131,741)
Disposals/scrappings	–	–	–	949	–	–	949
Amortisation expense	–	–	–	(53)	–	–	(53)
Impairment losses	–	–	–	–	–	–	–
Net foreign currency exchange differences	–	–	–	(12)	–	–	(12)
	(100,019)	(22,757)	(2,014)	(4,926)	(542)	(599)	(130,857)
Closing written-down value	–	–	–	1,153	–	–	1,153

11. Intangible assets (continued)

2015	Goodwill \$000	Candidate database \$000	Preferred supplier agreements \$000	Computer software \$000	Course material content \$000	Brands \$000	Total \$000
Cost brought forward	100,019	22,757	2,014	5,836	542	599	131,767
Additions other than through business combinations	–	–	–	875	–	–	875
Disposals/scrappings	–	–	–	(61)	–	–	(61)
	100,019	22,757	2,014	6,648	542	599	132,579
Amortisation and impairment brought forward	(100,019)	(22,757)	(2,014)	(5,040)	(542)	(599)	(130,971)
Disposals/scrappings	–	–	–	61	–	–	61
Amortisation expense	–	–	–	(116)	–	–	(116)
Impairment losses	–	–	–	(718)	–	–	(718)
Net foreign currency exchange differences	–	–	–	3	–	–	3
	(100,019)	(22,757)	(2,014)	(5,810)	(542)	(599)	(131,741)
Closing written-down value	–	–	–	838	–	–	838

Impairment losses relate to recruitment management software and associated implementation costs, now disbanded.

12. Property; plant and equipment

2016	Motor vehicles \$000	Office equipment \$000	Leasehold improvements \$000	Leased assets \$000	Total \$000
Cost					
Balance at the beginning of the year	18	1,230	2,867	–	4,115
Payment for purchase of property, plant and equipment	–	277	85	–	362
Disposals/scrapping	–	–	–	–	–
Net foreign currency exchange differences	–	13	48	–	61
Balance at 30 June 2016	18	1,520	3,000	–	4,538
Depreciation and impairment losses					
Balance at the beginning of the year	(18)	(420)	(2,049)	–	(2,487)
Disposals/scrapping	–	–	–	–	–
Depreciation expense	–	(245)	(282)	–	(527)
Net foreign currency exchange differences	–	(13)	(35)	–	(48)
Balance at 30 June 2016	(18)	(677)	(2,366)	–	(3,062)
Carrying amount – 30 June 2016	–	842	634	–	1,476

Notes to the Financial Statements

12. Property; plant and equipment (continued)

2015	Motor vehicles \$000	Office equipment \$000	Leasehold improvements \$000	Leased assets \$000	Total \$000
Cost					
Balance at the beginning of the year	18	1,310	2,665	37	4,030
Payment for purchase of property, plant and equipment	–	151	237	–	388
Disposals/scraping	–	(227)	(10)	(37)	(274)
Net foreign currency exchange differences	–	(4)	(25)	–	(29)
Balance at 30 June 2015	18	1,230	2,867	–	4,115
Depreciation and impairment losses					
Balance at the beginning of the year	(14)	(389)	(1,770)	(37)	(2,210)
Disposals/scraping	–	193	10	37	240
Depreciation expense	(4)	(227)	(314)	–	(545)
Net foreign currency exchange differences	–	3	25	–	28
Impairment losses	–	–	–	–	–
Balance at 30 June 2015	(18)	(420)	(2,049)	–	(2,487)
Carrying amount – 30 June 2015	–	810	818	–	1,628

13. Taxation

Assets

	2016 \$000	2015 \$000
Non-current		
Deferred tax assets comprise the following temporary differences:		
Make good costs	77	70
Property, plant and equipment	(203)	(242)
Accrued income	(305)	(499)
Accrued expenses	(20)	33
Onerous contract provision/rental straight-lining accrual	449	530
Impairment of trade receivables	133	128
Employee benefits	1,766	1,732
Transaction costs	441	187
Other provisions	285	407
Taxation losses	54	325
Other	(17)	(17)
	2,660	2,654

13. Taxation (continued)

Movements

	Exchange differences on foreign operations \$000	Accrued income \$000	Accrued expenses \$000	Capital assets \$000	Make good costs \$000	Fixed assets \$000	Onerous contract/rent accrual \$000
At 30 June 2014	433	(250)	16	(59)	67	(379)	483
(Charged)/credited to the income statement	(433)	(249)	17	42	3	137	47
At 30 June 2015	–	(499)	33	(17)	70	(242)	530
(Charged)/credited to the income statement	–	154	(13)	–	7	39	(81)
At 30 June 2016	–	(345)	20	(17)	77	(203)	449

Movements (continued)

	Impairment of trade receivables \$000	Employee benefits \$000	Transaction costs \$000	Capital assets \$000	Make good costs \$000	Fixed assets \$000	Onerous contract/rent accrual \$000
At 30 June 2014	55	1,283	–	–	209	–	1,358
(Charged)/credited to the income statement	73	449	187	–	198	325	796
At 30 June 2015	128	1,732	187	–	407	325	2,654
(Charged)/credited to the income statement	5	34	254	–	(122)	(271)	6
At 30 June 2016	133	1,766	441	–	285	54	2,660

Deferred tax assets have been recognised on the basis that there will be future taxable profits against which they can be utilised. The future taxable profits are based on management estimations that sufficient suitable taxable profit will be made against which to offset the deductions. Tax losses recognised relate to the New Zealand jurisdiction.

Current tax assets and liabilities

	2016 \$000	2015 \$000
Current tax assets		
Income tax refundable	–	27
	–	27
Current tax liabilities		
Income tax payable	158	–
	158	–

14. Trade and other payables

Current		
Trade payables	995	1,309
Other creditors and accruals	35,339	21,826
	36,334	23,135

The average credit period on purchases of certain products is 30 days. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

Notes to the Financial Statements

15. Borrowings

	Note	2016 \$000	2015 \$000
CURRENT			
Unsecured liabilities			
Other		–	276
		–	276
Secured liabilities			
Debtor finance facility (net of borrowing costs)	(a)	10,757	13,131
		10,757	13,131
NON-CURRENT			
Unsecured liabilities			
Vendor liability	(b)	874	874
		874	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. At 30 June 2016, this facility attracted interest at a margin over bank reference rates. During the 2016 financial year, the facility has been varied to provide for an increased limit of \$20.9 million (including a facility for bank guarantees).

(b) Vendor liability

This comprises cumulative dividend amounts owing to vendors of acquired business, structured through issuance of special class Series B Redeemable Preference Shares which are redeemable on settlement of dividend payments. The dividends are payable by the Company in priority to any other dividends in respect of any other shares. The holders do not have rights to any other dividends or any entitlement to receive notice of, attend or vote at any general meeting of the Company. The movement in the prior year related to unwinding the present value discount applied to the amount owing. There was no movement during the current year.

(c) Assets pledged as security in respect of secured liabilities

Existing facilities

The debtor finance facility is secured by general security deed over all present and after acquired property of the parent and subsidiaries together with cross guarantees over all entities within the group including the parent entity.

(d) Other facilities

These relate to bank guarantees in respect of rental properties. These bank guarantees are fully cash backed by funds drawn from the debtor finance facility and are secured against any claims, proceedings, losses or liabilities which may arise from these instruments.

15. Borrowings (continued)

(e) Financing arrangements

	2016 \$000	2015 \$000
Credit standby arrangements		
Available		
Other facilities (d)	816	816
Debtor finance facility (a)	20,909	15,000
	21,725	15,816
Used at balance date		
Other facilities (d)	316	441
Debtor finance facility (a)	10,757	13,131
	11,073	13,572
Unused at balance date		
Other facilities (d)	500	375
Debtor finance facility (a)	10,152	1,869
	10,652	2,244

16. Provisions

	2016 \$000	2015 \$000
Current	2,416	2,340
Non-current	721	1,595
	3,137	3,935
Current		
Employee benefits	1,430	1,504
Make good	178	–
Straight-lining of rent provision	121	240
Onerous lease provision	687	596
	2,416	2,340
Non-current		
Employee benefits	214	304
Make good	92	317
Straight-lining of rent provision	325	388
Onerous lease provision	90	586
	721	1,595

(a) Make good provision

The Group is required to restore the leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of leasehold improvements and are amortised over the shorter of the term of the lease or the useful life of the assets.

(b) Straight-lining of rent provision

The Group has office space leases that are recorded as operating leases. A number of the lease contracts have rent-free periods. The total of rent payments due under the lease is being recognised on a straight-line basis in profit or loss. Accordingly, there is a liability recorded for accrued rent equal to the difference between the rent expense charged against income and actual cash payments required under the terms of the lease.

Notes to the Financial Statements

16. Provisions (continued)

(c) Onerous lease provision

The provision for onerous lease contracts represents the present value of the future lease payments that the Group is presently obligated to make under non-cancellable onerous operating lease contracts, less revenue expected to be earned on the lease, including estimated future sub-lease revenue, where applicable. The estimate may vary as a result of changes in the utilisation of the leased premises and sub-lease arrangements where applicable. The unexpired terms of the leases range from 5 months to 3.3 years.

(d) Movement in provisions

Movement in each class of provision during the financial year, other than employee benefits, is set out below:

	Straight-lining of rent		Make good provision		Onerous lease provision	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Carrying amount at beginning of year	628	467	317	329	1,182	1,186
Increase/(decrease) in provision	(182)	161	(47)	(12)	(405)	(4)
Carrying amount at end of year	446	628	270	317	777	1,182

17. Share capital

	2016 \$000	2015 \$000
246,147,315 (2015: 127,222,217) fully paid ordinary shares	70,880	66,123
1,017,201 (2015: 1,017,201) treasury shares	(738)	(738)
	70,142	65,385

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares

	Number of shares	\$000
Balance at 1 July 2015	127,222,217	66,123
Issue of ordinary shares	118,925,098	4,757
Balance at 30 June 2016	246,147,315	70,880
Treasury shares	(1,017,201)	(738)
	245,130,114	70,142

Ordinary shares confer on their holders the right to participate in dividends declared by the Board. Ordinary shares confer on their holders an entitlement to vote at any general meeting of the Company.

18. Reserves

	2016 \$000	2015 \$000
Equity-settled employee benefit reserve (a)	29	29
Foreign currency translation reserve (b)	(1,341)	(362)
	(1,312)	(333)

(a) Equity-settled employee benefit reserve

This reserve is to recognise the value of options recognised to date.

18. Reserves (continued)

(b) Foreign currency translation reserve

This reserve is to recognise the value of translation differences of foreign entities.

The movement in each reserve during the financial year is set out below:

	Equity-settled employee benefit reserve		Foreign currency translation reserve	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000
Balance 1 July	29	67	(362)	175
Share based payments	–	(38)	–	–
Currency translation differences arising during the year	–	–	(979)	(537)
Balance 30 June	29	29	(1,341)	(362)

19. Accumulated losses

	2016 \$000	2015 \$000
Accumulated losses at the beginning of the period	(69,375)	(64,993)
Net loss attributable to members of the parent entity	(7,471)	(4,382)
Balance 30 June	(76,846)	(69,375)

20. Cash flow information

(a) Reconciliation of cash flow from operations to loss after income tax

	2016 \$000	2015 \$000
Net loss for the year	(6,945)	(4,142)
Amortisation of intangible assets	53	116
Depreciation of property, plant and equipment	527	545
Share-based payments benefit	–	(38)
Amortisation of borrowing costs	–	34
Discount unwind on vendor liability	–	101
Impairment of intangible assets	–	718
Adjustment to vendor earn-out liability	–	(13)
Gain on sale of business	–	(501)
Changes in operating assets and liabilities		
Decrease/(increase) in trade and term receivables	2,646	(6,447)
Decrease in other financial assets	412	530
Decrease/(increase) in other assets	236	(413)
(Decrease)/increase in trade payables and accruals	11,943	6,559
Decrease/(increase) income tax payable	185	(109)
Increase in deferred taxes	(6)	(1,229)
(Decrease)/increase in provisions	(797)	91
Cash inflow/outflow from operations	8,254	(4,198)

Notes to the Financial Statements

21. Controlled entities

Name	Country of incorporation	Percentage owned 2016	Percentage owned 2015
Parent entity			
Rubicor Group Limited	Australia	–	–
Subsidiaries of parent entity			
Locher & Associates Pty Limited	Australia	100	100
Locher Holdings Pty Limited	Australia	100	100
ACN 072 437 364 Pty Limited ⁽ⁱ⁾	Australia	100	100
Cadden Crowe Pty Limited	Australia	100	100
James Gall & Associates Pty Limited	Australia	100	100
Apsley Recruitment Pty Limited ⁽ⁱⁱ⁾	Australia	100	100
Cadden Crowe (Victoria) Pty Limited	Australia	100	100
Cadden Crowe (Queensland) Pty Limited	Australia	100	100
Skillsearch Contracting Pty Limited	Australia	100	100
Careers Unlimited Pty Limited	Australia	100	100
SMF Recruitment Pty Limited	Australia	100	100
Xpand Group Pty Limited	Australia	100	100
CIT Professionals Pty Limited	Australia	100	100
Rubicor CRS Pty Limited	Australia	100	100
Gel Gov Group Pty Limited ⁽ⁱⁱⁱ⁾	Australia	100	100
Dolman Group Pty Limited ^(iv)	Australia	100	100
Challenge Recruitment Limited ^(v)	Australia	100	100
Rubicor SW Personnel Pty Limited	Australia	100	100
Rubicor Gemteq Pty Limited	Australia	100	100
Orbis Hospitality Services Pty Limited	Australia	100	100
Ensure Recruitment Pty Limited ^(vi)	Australia	50.1	50.1
Rubicor (T1) Pty Limited	Australia	100	100
Rubicor Services Pty Limited	Australia	100	100
Ensure Health Pty Limited ^(vii)	Australia	50.1	50.1
Rubicor New Zealand Limited ^(viii)	New Zealand	100	100
Wheeler Campbell Consulting Limited ^(ix)	New Zealand	100	100
Health Recruitment NZ Limited ^(x)	New Zealand	100	100
Gaulter Russell NZ Limited	New Zealand	100	100
Numero (NZ) Limited	New Zealand	100	100
Rubicor People (NZ) Limited ^(x)	New Zealand	100	100
Rubicor Group Pte Limited (Singapore)	Singapore	100	100
Rubicor Hong Kong Limited	Hong Kong	100	100
Rubicor UK Limited	United Kingdom	100	100

(i) Formerly known as Gel Group Pty Limited.

(ii) Includes ACN 101254022 Pty Limited and Apsley Recruitment Unit Trust.

(iii) Formerly known as Wizard People Pty Ltd.

(iv) Includes subsidiary Dolman F-Lex Pty Limited, and Dolman Pty Limited.

(v) Includes Choice HR Pty Ltd, Challenge Logistics Pty Ltd, Choice HR (Newcastle) Pty Ltd, Choice HR (Maitland) Pty Ltd, Choice HR (Parramatta) Pty Ltd, Choice HR (Liverpool) Pty Ltd, Choice HR (Penrith) Pty Ltd, Choice HR (Logistics) Pty Ltd, and The Australian Personnel Consortium Pty Ltd.

(vi) Rubicor Group has immediate control over 50.1% of the economic benefits arising from Ensure Recruitment Pty Limited and Ensure Health Pty Limited. Rubicor has control over the strategic running of the Companies and has consolidated the Companies in full and disclosed the non-controlling interest.

(vii) Includes Rubicor Services (NZ) Limited and Recruit Rubicor NZ Limited.

(viii) Includes Wheeler Campbell Management Leasing Limited and Intersearch NZ Limited.

(ix) Includes Rubicor Care NZ Limited (previously Care Direct Limited) and Health Recruitment International Limited.

(x) Name changed to Rubicor People (NZ) Limited (previously Powerhouse People Ltd) during the year ended 30 June 2015.

22. Parent entity disclosures

(a) Financial position

	2016 \$000	2015 \$000
Assets		
Current assets	33,149	125,464
Non-current assets	17,431	17,684
Total assets	50,580	143,148
Liabilities		
Current liabilities	105,348	188,253
Non-current liabilities	924	1,032
Total liabilities	106,272	189,285
Net liabilities	(55,692)	(46,137)
Equity		
Share capital	70,142	65,385
Reserves	124	85
Accumulated losses	(125,958)	(111,607)
Total Equity	(55,692)	(46,137)

(b) Financial performance

	2016 \$000	2015 \$000
Loss for the year	(14,312)	(5,676)
Other comprehensive income	–	–
Total comprehensive loss	(14,312)	(5,676)

(c) Guarantees entered into by the Parent entity in relation to the debts of its subsidiaries

The Parent Entity and Challenge Recruitment Limited were previous parties to a deed of cross-guarantee under which each Company guarantees the debt of the other (refer Note 23). This deed of cross-guarantee ceased during the year ended 30 June 2016.

(d) Contingent liabilities of the Parent Entity

	2016 \$000	2015 \$000
Bank guarantees and deposits in respect of leased premises totaling (refer Note 28):	867	1,286

(e) Commitments for expenditure for the Parent entity

The Parent had nil committed expenditure as at 30 June 2016 and 30 June 2015.

Notes to the Financial Statements

23. Deed of cross-guarantee

Rubicor Group Limited and Challenge Recruitment Pty Limited were parties to a deed of cross-guarantee under which each Company guarantees the debt of the other. By entering into the deed, the wholly owned entities were relieved from the requirement to prepare a financial report and Directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission. This deed of cross-guarantee ceased during the year ended 30 June 2016.

(a) Consolidated statement of profit or loss and other comprehensive income

The above companies represent a 'Closed Group' for the purposes of the Class Order.

Set out below is a consolidated statement of profit or loss and other comprehensive income for the years ended 30 June 2016 and 2015 of the Closed Group consisting of Rubicor Group Limited and Challenge Recruitment Limited.

Statement of profit or loss and other comprehensive income

	2016 \$000	2015 \$000
Revenue	81,886	79,646
On hired labour costs	(74,501)	(71,593)
Employee benefits expense	(6,320)	(6,973)
Rental expense on operating leases	(668)	(483)
Restructure expense	(4,632)	(1,765)
Transaction and capital advisory costs	(394)	(521)
Other expenses	(4,107)	(2,717)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(8,736)	(4,406)
Depreciation of property, plant and equipment	(220)	(185)
Amortisation of intangible assets	(19)	(83)
Finance costs	29,403	(863)
Impairment losses relating to intangible assets	–	(718)
Profit/(loss) before income tax expense	20,428	(6,255)
Income tax (expense)/benefit	(9,074)	1,019
Profit/(loss) for the year	11,354	(5,236)
Other comprehensive income	–	–
Total comprehensive profit/loss for the year	11,354	(5,236)

23. Deed of cross-guarantee (continued)

(b) Statement of financial position

Set out below is a consolidated statement of financial position as at 30 June 2016 and 2015 of the Closed Group consisting of Rubicor Group Limited and Challenge Recruitment Limited.

Statement of financial position

	2016 \$000	2015 \$000
Assets		
Current assets		
Cash and cash equivalents	2,497	2,040
Trade and other receivables	95,659	188,699
Other assets	553	611
Total current assets	98,709	191,350
Non-current assets		
Trade and other receivables	16,159	16,411
Other financial assets	1,008	1,008
Property, plant and equipment	758	743
Deferred tax assets	1,358	1,234
Intangible assets	12	29
Total non-current assets	19,295	19,425
Total assets	118,004	210,775
Liabilities		
Current liabilities		
Trade and other payables	7,794	9,665
Borrowings	160,438	242,521
Provisions	716	907
Total current liabilities	168,948	253,093
Non-current liabilities		
Borrowings	874	874
Provisions	158	253
Total non-current liabilities	1,032	1,127
Total liabilities	169,980	254,220
Net liabilities	(51,976)	(43,445)
Equity		
Share capital	70,142	65,385
Reserves	124	85
Accumulated losses	(122,242)	(108,915)
Total Equity	(51,976)	(43,445)

24. Commitments for expenditure

The Group had nil committed expenditure as at 30 June 2016 and 30 June 2015.

Notes to the Financial Statements

25. Segment information

The Group's internal reporting systems produce 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 the 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; and
- 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 minor operating segments for the Group's activities in supplying recruitment services in Singapore, Hong Kong and the United Kingdom.

There have been no changes in basis of segmentation or basis of segmental profit or loss since the previous financial report.

Segment revenues and results

The following is an analysis of the Group's revenue and result by reporting operating segment for the reporting period.

	Australia		New Zealand		Other		Unallocated		Economic entity	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000
(a) Revenue	196,249	191,441	6,478	11,648	3,805	1,225	–	403	206,532	204,717
Total segment revenue:	196,249	191,441	6,478	11,648	3,805	1,225	–	403	206,532	204,717

25. Segment information (continued)

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2015: nil).

	Australia		New Zealand		Other		Unallocated		Economic entity	
	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000	2016 \$000	2015 \$000
(b) Result										
Segment results before depreciation and amortisation	4,319	5,063	2,005	660	133	(582)	–	403	6,457	5,544
Central administration costs and directors' salaries							(5,729)	(3,911)	(5,729)	(3,911)
Restructuring expense							(3,834)	(2,500)	(3,834)	(2,500)
Transaction and capital advisory costs							(394)	(521)	(394)	(521)
Interest revenue							17	32	17	32
EBITDA	4,319	5,063	2,005	660	133	(582)	(9,940)	(6,497)	(3,483)	(1,356)
Depreciation	(431)	(5,451)	(46)	(52)	(50)	(42)	–	–	(527)	(545)
Segment results after depreciation and before amortisation	3,888	4,612	1,959	608	83	(624)	(9,940)	(6,497)	(4,010)	(1,901)
Amortisation							(53)	(116)	(53)	(116)
Finance costs							(2,458)	(2,254)	(2,458)	(2,254)
Discount unwind on vendor liability							–	(101)	–	(101)
Impairment losses							–	(718)	–	(718)
(Loss)/profit before tax	3,888	4,612	1,959	608	83	(624)	(12,451)	(9,686)	(6,521)	(5,090)
Income tax benefit/(expense)							(424)	948	(424)	948
(Loss)/profit after tax	3,888	4,612	1,959	608	83	(624)	(12,875)	(8,738)	(6,945)	(4,142)
Non-current assets¹	2,359	2,125	226	251	47	92	–	–	2,632	2,468

¹ Excluding deferred tax assets.

(c) Segment liabilities

The Group does not report information regarding segment liabilities to the CODM for the purpose of assessing performance and making resource allocation decisions, and accordingly, this information is not shown.

(d) Information about major customers

Included in revenues are revenues of \$29.3 million (2015: \$31.7 million), which arose from sales to one (2015: one) of the Group's customers whose individual revenue exceeds 10% of total revenue in the Australian segment.

Notes to the Financial Statements

26. Related party transactions

Group/Company transactions with related parties outside the Group

There have been no transactions with related parties outside the Group during the financial years ended 30 June 2016 and 30 June 2015, other than key management personnel disclosures in Note 6.

27. Secured liabilities

The debtor finance facility (refer Note 15(a)) is secured by general security deed over all present and after acquired property of the parent and subsidiaries together with cross guarantees over all entities within the group including the parent entity.

28. Contingent liabilities

The Group had contingent liabilities at 30 June 2016 in respect of bank guarantees for leases (refer to Note 30), as set out below:

	2016 \$000	2015 \$000
Contingent liabilities		
Bank guarantees and deposits in respect of leased premises totaling:	1,358	1,984
	1,358	1,984

The bank guarantees are fully cash backed by funds drawn from the debtor finance facility (refer Note 9) and are secured against any claims, proceedings, losses or liabilities which may arise from these instruments.

29. Financial instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

(b) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Note 15, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves, other equity and retained earnings (accumulated losses) as disclosed in Notes 17, 18 and 19 respectively.

(c) Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the Group's financial management framework. The Board has an established Audit and Risk Management Committee which is responsible for developing and monitoring the Group's financial management policies. The committee provides regular reports to the Board of Directors on its activities.

The Audit and Risk Management Committee oversees how management monitors compliance with risk management

policies and procedures and reviews the adequacy of the risk management framework in relation to the risks.

The main risks arising from the Group's financial instruments are market risk (including currency risk and interest rate risk), credit risk, and liquidity risk. The Board reviews and approves policies for managing each of these risks.

(d) Market risk

The Board has approved written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The Audit and Risk Management Committee oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group may enter into a variety of derivative financial instruments to manage its exposure to interest rate and foreign currency risk, including:

- foreign exchange forward contracts to hedge the exchange rate risk arising from transactions not recorded in an entity's functional currency; and
- interest rate swaps to mitigate the risk of rising interest rates.

(e) Foreign currency risk management

The Group from time-to-time undertakes certain transactions denominated in foreign currencies that are different to the functional currencies of the respective entities undertaking the transactions, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters including, where

29. Financial instruments (continued)

considered appropriate, utilising forward foreign exchange contracts. No foreign exchange contracts were considered necessary to manage this risk during the year.

The carrying amount of the Group's foreign currency denominated assets and liabilities at the reporting date that are denominated in a currency that is different to the functional currency of the respective entities within the Group is nil (2015: nil).

(f) Interest rate risk management

The Group is exposed to interest rate risk associated with borrowed funds at floating interest rates. During the financial year, risks associated with interest rate movements were monitored by the Board; however, no hedging instruments were considered necessary to manage this risk.

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's only exposure to interest rate risk on financial assets relates to its cash at bank balance on which average interest of 0.7% was earned during the reporting period.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

If throughout the reporting period interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's loss before tax would decrease/increase by \$0.12 million (2015: loss before tax decrease/increase by \$0.10 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

(g) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The carrying value of trade receivables recorded in the financial statements, net of any impairment allowances, represents the Group's maximum exposure to credit risks.

Other than as noted in Note 25(d), the Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The maximum credit risk exposure of financial assets is their carrying amount in the financial statements.

(h) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the CEO and Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously forecasting and comparing actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 15(e) is a listing of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been presented based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group may be required to pay. The table includes both interest and principal cash flows.

Notes to the Financial Statements

29. Financial instruments (continued)

Financial liabilities

2016	Weighted average effective interest rate %	0-3 months \$000	3 months to 1 year \$000	1-5 years \$000	5+ years \$000	Total \$000
Trade and other payables	–	22,592	–	–	–	22,592
Debtor finance facility	7.64	10,757	–	–	–	10,757
Preference share dividend entitlement	12.50	–	–	874	–	874
Other	–	–	–	–	–	–
Total		33,349	–	874	–	34,223

2015	Weighted average effective interest rate %	0-3 months \$000	3 months to 1 year \$000	1-5 years \$000	5+ years \$000	Total \$000
Trade and other payables	–	11,240	–	–	–	11,240
Debtor finance facility	7.83	13,131	–	–	–	13,131
Preference share dividend entitlement	12.50	–	–	874	–	874
Other	4.50	118	158	–	–	276
Total		24,489	158	874	–	25,521

Net fair values of financial assets and liabilities measured at fair value

The carrying amount of the consolidated entity's identified financial assets and liabilities represents materially their net fair value.

30. Operating lease arrangements

Leases as lessee

Non-cancellable operating lease rentals are payable as follows:

	2016 \$000	2015 \$000
Leases as lessee		
Less than one year	2,379	2,807
Between one and five years	4,322	4,650
Total	6,701	7,457

The Group leases a number of offices under operating leases. The leases run over varying periods of up to 5 years, some with option periods. Some of the leases have fixed rate rental periods, and some have market rate rental adjustments.

31. Events subsequent to balance date

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

Christopher Baskerville, Sule Amautovic, Kimberley 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 employees' entitlements and liabilities;
- Rubicor's assumption of all obligations relating to the group finance facility with Scottish Pacific;

31. Events subsequent to balance date (continued)

- Indemnification of the voluntary administration for their trading liabilities; and
- Payment of an aggregate amount of \$1.8 m to settle all unsecured claims.

The accounting for the restructure is complex and not yet complete. Whilst the Directors believe that there will be a positive net increase to the considered net assets of Rubicor as a result of the restructure, until the accounting and taxation aspects of the restructure are finalised, the financial impact cannot yet be reliably determined.

Other than the above, there has not been any matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

32. Share-based payments

Employee Share Option Plan

In the 2006 financial year, Rubicor Group Limited established the Key Employee Share Option Plan (the Plan). The Plan was established to retain and motivate eligible persons whose present and potential contributions are important to the success of the parent and its controlled entities by offering them an opportunity to participate in the Group's future performance through the awarding of share options. Eligible persons are full-time or part-time employees of the consolidated entity or other such persons as approved by the Board of Directors.

Vesting of the share options awarded takes place over a five-year period, with the first of the options vesting after two years and the rest vesting in tranches thereafter. The options cannot be exercised until the occurrence of a specified liquidity event.

On exercise, each share option entitles the eligible person holding that option to one ordinary share in the parent entity, ranking equally with all other shares. The exercise price of an option will be determined by the Board of Directors and set out in the Award Invitation.

The maximum number of shares to be issued to eligible persons on exercise of the share options is 5% of the issued share capital of the parent entity on a diluted basis at the valuation date.

The expiry date of the options is the earlier of:

- five years following the vesting period for options issued before July 2011, and 30 June 2017 for options issued from July 2011;
- the expiration date set out in the relevant Award Invitation;

32. Share-based payments (continued)

Employee Share Option Plan (continued)

- the date on which any condition relating to the exercise of the options can no longer be satisfied; or
- the date that the relevant participant ceased to be employed or engaged by the consolidated entity.

The fair value at grant date is independently determined using a Monte Carlo option pricing model.

The key model inputs for options granted before July 2010 include:

- (a) Options were granted for no consideration, vest over a five year period, with 40% vesting after two years, and the rest vesting in three equal tranches.
- (b) The grant dates were 27 May 2008, 28 April 2008, 31 August 2006 and 31 October 2005.
- (c) Expected dividend yield of 6%.
- (d) Risk-free interest rate varied between 5.34% and 5.48%.
- (e) Expected price volatility of the Company's shares of 45%, based on historical experience of similar companies.

The key model inputs for options granted in July 2010 include:

- (a) Options granted for no consideration, and vest 3 years from the grant date.
- (b) The grant date was 1 July 2010.
- (c) The expected dividend yield is 0%.
- (d) The risk-free interest rate varied between 5.10% and 5.48%.
- (e) The expected price volatility of the Company's shares is 65%, based on historical experience of similar companies.

The key model inputs for options granted in July 2011 include:

- (a) Options are granted for no consideration, and will vest 3 years from the grant date.
- (b) The grant date was 1 July 2011.
- (c) The expected dividend yield is 0%.
- (d) The risk-free interest rate varied between 5.52% and 5.56%.
- (e) The expected price volatility of the Company's shares is 69%, based on historical experience of similar companies.

Nil gain or loss has been recognised as a share-based payment true up adjustment on a graded vesting pattern for the year ended 30 June 2016 (2015: gain of \$37,922). 10,379 options were exercised during the year (2015: 14,830) (refer to Note 18).

Notes to the Financial Statements

32. Share-based payments (continued)

The following share-based payment arrangements were in existence during the current and comparative reporting periods:

Options series	Number	Grant date	Expiry date	Exercise price \$	Fair value at grant date \$
Issued October 2005	1,847,459	October 2005	December 2015	Nil	0.37
Issued August 2006	1,028,843	August 2006	December 2015	Nil	0.58
Issued April 2008	957,415	April 2008	December 2018	0.37	0.11
Issued May 2008	170,000	May 2008	December 2018	0.26	0.04
Issued July 2011	1,626,240	July 2011	June 2018	0.05	0.01

The following table reconciles the outstanding share options granted under the Employee Share Option Plan at the beginning and end of the financial year:

	2016		2015	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of the financial year	176,636	0.21	1,929,997	0.07
Granted during the year	–	–	–	–
Exercised during the financial year ⁽ⁱ⁾	(10,379)	–	(14,830)	–
Expired during the financial year	(71,774)	–	(1,738,531)	–
Balance at end of the financial year ⁽ⁱⁱ⁾	94,483	0.26	176,636	0.21
Exercisable at end of the financial year	94,483	0.26	176,636	0.21

(i) Exercised during the financial year

10,379 share options granted under the Employee Share Option Plan were exercised during the financial year.

(ii) Balance at the end of the financial year

The share options outstanding at the end of the financial year had an average exercise price of \$0.26 (2015: \$0.21), and a weighted average remaining contractual life of 1.8 years (2015: 2.2 years).

33. Loss per share

	2016 cents	2015 cents
(a) Basic loss per share		
Loss attributable to the equity holders of the Parent	(3.1)	(3.8)
(b) Diluted loss per share		
Loss attributable to the equity holders of the Parent	(3.1)	(3.8)

	2016 Number	2015 Number
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	164,365,946	127,222,217
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	164,365,946	127,222,217

(d) Information concerning the classification of securities

(i) Options

Options granted to employees under the Employee Share Option Plan are considered to be potential ordinary shares and have not been included in the determination of diluted earnings per share as they would be anti-dilutive. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 32.

34. Dividends

(a) Ordinary shares

	2016 Cents per share	2016 Total \$000	2015 Cents per share	2015 Total \$000
Ordinary shares				
Granted during the year	—	—	—	—
Franked to 100%				

(b) Series B redeemable preference shares

No dividends were paid during the year (2015: nil).

(c) Franking credits

	2016 \$000	2015 \$000
Franking credits available for subsequent financial years based on a tax rate of 30% (2015: 30%)	10,752	10,553

The balance of the franking account includes:

- (i) franking credits that arose from the payment of the amount of the provision for income tax;
- (ii) franking debits that arose from the refund of the amount of the provision for income tax;
- (iii) franking debits that arose from the payment of dividends recognised as a liability at the reporting date; and
- (iv) franking credits that arose from the receipt of dividends recognised as receivables at the reporting date.

35. Comparative information

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

Shareholder Information

As at 9 September 2016

Number of security holders and securities on issue

Quoted equity securities

Rubicor has 246,147,315 fully paid ordinary shares on issue which are held by 674 shareholders.

Unquoted equity securities

Rubicor has 46 Series B redeemable preference shares on issue which are held by 12 shareholders.

Rubicor has 73,988 options on issue under the Employee Option Plan and these are held by 5 option holders.

Voting rights

Quoted equity securities

The voting rights attached to fully paid ordinary shares are that on a show of hands, every member present, in person or proxy, has one vote and upon a poll, each share shall have one vote.

Unquoted equity securities

There are no voting rights attached to Series B redeemable preference shares.

Option holders do not have any voting rights on the options held by them.

Distribution of security holders

Quoted equity securities

Fully paid ordinary shares

Holding	Number of shareholders	Number of shares	%
1 – 1,000	21	9,830	3.12
1,001 – 5,000	144	531,818	21.36
5,001 – 10,000	105	948,036	15.58
10,001 – 100,000	260	9,560,810	38.58
100,001 and over	144	235,096,821	21.36
Total	674	246,147,315	100

Unmarketable parcel of shares

The number of shareholders holding less than a marketable parcel of fully paid ordinary shares is 190.

7,693 fully paid ordinary shares comprise a marketable parcel at Rubicor's closing share price of \$0.065 on 9 September 2016.

Substantial shareholders

The number of securities held by substantial shareholders and their associates are set out below:

Fully paid ordinary shares

Name	Number of shares	Current interest	Notice Date
Cashel Capital Partners Fund 1 Pte Ltd	50,601,724	20.56%	08/03/2016
Carthona Capital FS Pty Ltd	33,188,404	13.50%	14/03/2016
Hatch Investments Pty Ltd	12,823,794	5.21%	10/03/2016
VBS Exchange Pty Limited	12,500,000	5.08%	08/03/2016

Unquoted equity securities

Series B redeemable preference shares

There are 46 Series B redeemable preference shares on issue to 12 shareholders.

Mr Michael Crowe holds 11 Series B redeemable preference shares; a 23.91% interest in the total number of Series B redeemable preference shares on issue.

On-market buy-back

There is no current on-market buy-back.

Twenty largest shareholders

Fully paid ordinary shares

Details of the 20 largest shareholders of quoted securities (grouped) by registered shareholding are:

	Name	Number of shares	%
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	51,656,724	20.99
2	CARTHONA CAPITAL FS PTY LTD	33,188,404	13.48
3	VBS EXCHANGE PTY LIMITED	12,500,000	5.08
4	TORRENS CAPITAL PARTNERS PTY LTD	8,750,000	3.55
5	RIA SUPER PTY LTD	7,608,397	3.09
6	HATCH INVESTMENTS PTY LTD	6,000,000	2.44
7	PATHOLD NO 107 PTY LIMITED	5,799,958	2.36
8	GALIBIER INVESTMENTS PTY LTD	5,000,000	2.03
9	DASI INVESTMENTS PTY LTD	4,850,000	1.97
10	MR DAVID GRAHAM HUTCHISON	4,750,000	1.93
11	MS SAMANTHA KAYE STINES	3,750,000	1.52
11	GIGI (QLD) PTY LTD	3,750,000	1.52
13	MR JAKIN SMITH	3,180,000	1.42
14	SCINTILLA STRATEGIC INVESTMENTS LIMITED	2,991,200	1.22
15	MRS RUTH WINIFRED CHAPMAN	2,967,864	1.21
16	MR MICHAEL SHAUN MCLAGAN & MRS PATRICIA ANN MCLAGAN & MR SHAUN MCLAGAN	2,775,400	1.13
17	MS NICOLA JANE WILSON & MR DAVID JONATHAN WILSON & MR CHRISTOPHER ELLIOT RITCHIE	2,645,793	1.07
18	MRJ CAPITAL PTY LIMITED	2,550,000	1.04
19	PETSAL PTY LIMITED	2,509,590	1.02
20	NAVEED ALAM PTY LTD	2,500,000	1.02
Total		174,601,205	70.93

Corporate Directory

Directors

Executive Directors

David Hutchison, Chief Executive Officer
Sharad Loomba, General Counsel

Non-Executive Director

Angus Mason

Company Secretaries

Sharad Loomba
Nathan Bartrop

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110 913 365

Australian Business Number

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