

Preliminary Final Report and Appendix 4E

Rubik Financial Limited
(ABN 51 071 707 232)

Results for Announcement to the Market

This Preliminary Final Report of Rubik Financial Limited is provided to the Australian Securities Exchange (**ASX**) under ASX listing Rule 4.3A.

1 Reporting Period Details

Current Reporting Period: Financial Year Ended 30 June 2014 (**FY2014**)

Previous Corresponding Period: Financial Year Ended 30 June 2013 (**FY2013**)

2 Results

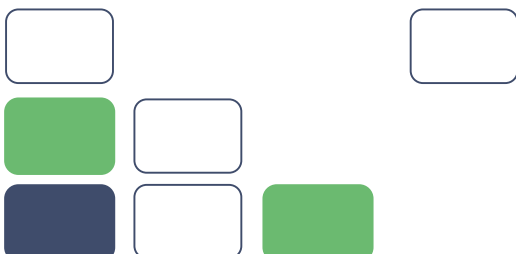
Unaudited Results <i>Continuing operations</i>	Percentage Change %	30 June 2014 \$'000	30 June 2013 (restated) ¹ \$'000
Revenue	Up 33%	30,466	22,898
Segment profits (Underlying Operating EBITDA)*	Up 24%	8,164	6,567
Net profit after tax attributed to members	Up >100%	6,346	310
Significant items*	Up >100%	6,657	(2,171)
Earnings per share – basic (segment profits)*	Up 9%	2.91 cents	2.67 cents
Earnings per share – basic (NPAT)	Up >100%	2.26 cents	(0.08) cents
Net tangible assets per share	Up >13%	(3.56) cents	(4.09) cents

* = Non-AIFRS item (see section 3)

Notes:

1. FY2013 results have been restated for an error in the treatment of bonus expenses as well as the finalisation of provisional purchase price allocations. See section 9 below for further details.

No final or interim dividend per share has been declared or paid for the period.



3 Profit Summary

The reported revenues for the full year ended 30 June 2014 have increased by 33% to \$30.5m (FY2013: \$22.9m), with underlying segment profits (being the operating result of the group before significant items and reinvestment of profits into new or existing businesses) increasing by 24% to \$8.2m (FY2013: \$6.6m). Recurring revenues were up 46% year on year.

The reported net profit after tax for the year ended 30 June 2014 was \$6.3m (FY2013: \$0.3m). Underlying net loss before significant items is \$0.3m (FY2013: \$2.5m profit). Significant items are detailed in section 5 below.

The reported revenues and segment profits contributions for year ended 30 June 2014 reflect an increase resulting from the full year impact of the COIN acquisition in FY2013, but are yet to fully reflect the uplift from recent growth investments, and migration of key accounts to a hosted solution for COIN.

Consistent with Rubik's strategy and operating model, management and the Board consider investment decisions in both acquisitions (buy) and research and development (build) through a central Portfolio Management Committee. As such, the Company has moved a level of responsibility regarding investment decisions away from divisional MDs and into this central committee. In line with this change, the Company's financial segment reporting has been amended to consider divisional results before R&D investment.

This is a non-AIFRS measure, however the Directors believe the disclosing of this measure is useful to readers of the company's financial results as it assists with their understanding of the underlying business of the Company, is better aligned with peer disclosures, and is consistent with equity valuation and investment research methodologies generally adopted in Australia.

The table set out on the following page outlines the Company's results in more detail than is provided in the attached Preliminary Final Report and, in doing so, reconciles the AIFRS based profit results included in the Statement of Profit or Loss and Other Comprehensive Income to the Company's segment profits measure.

Performance (A\$ 000's)	FY14	FY13 (restated) ¹	Var %
Recurring revenues	24,063	16,501	↑ 45.8%
Non-recurring revenues	6,403	6,397	↑ 0.1%
Total operating revenues	30,466	22,898	↑ 33.1%
Segment profits (underlying EBITDA) *	8,164	6,567	↑ 24.3%
R&D expensed *	(3,125)	(1,281)	↑ >100%
Investment amortisation	(4,017)	(2,089)	↑ 92.3%
Share based payment expense	(287)	(11)	↑ >100%
Depreciation and operating amortisation	(529)	(348)	↑ 51.7%
EBIT before significant items *	206	2,838	↓ 92.7%
Net interest income/(expense)	(859)	(358)	↑ >100%
Profit/(Loss) before tax and significant items *	(653)	2,480	↓ >100%
Income tax benefit – current year	342	1	↑ >100%
NPAT before significant items *	(311)	2,481	↓ 59.9%
Significant items:			
- Income tax benefit on initial recognition of DTA	9,691	-	n/a
- Transaction costs	(2,329)	(1,887)	↑ 23.4%
- Transition costs *	(705)	(787)	↓ 10.4%
- Profit on disposal of Shelf business	-	503	n/a
NPAT as reported	6,346	310	↑ >100%

* = Non-AIFRS item

Notes:

1. FY2013 results have been restated for an error in the treatment of bonus expenses as well as the finalisation of provisional purchase price allocations. See section 9 below for further details.

4 Review of Operations per Segment

Company operations are reported as three operating segments, referred to internally as 'Strategic Business Units' (SBUs). These are:

- Wealth** Development and provision of advice software and services to the financial planning industry;
- Banking** Provision of software and related services to the banking sector; and
- Mortgages** Development and provision of software solutions to the Australian mortgage broking industry. This segment was created with the acquisitions of Stargate and Infinitive in June 2014.

Supporting these three SBUs is the corporate and shared services team, which includes the provision of hosting infrastructure and corporate support to the SBUs. Corporate and shared services costs are reported separate from each segment, and the group does not currently charge SBUs for the use of these central services.

The segment results for the Rubik Group were as set out below.

Review of Operations - Segment Analysis	Full Year Revenue			Segment Profits (Underlying EBITDA)		
	FY14	FY13	Var %	FY14	FY13	Var %
Banking	9,859	10,258	-3.9%	2,385	3,218	-25.9%
Wealth	20,099	12,640	59.0%	9,168	7,047	30.1%
Mortgages	508	-	-	265	-	-
SBU Results	30,466	22,898	33.1%	11,818	10,265	15.1%
SBU Segment Profits/Revenue Margin %				38.8%	44.8%	
Corporate & Shared Services Expenses	-	-		(3,654)	(3,698)	-1.2%
Consolidated Segment Results	30,466	22,898	33.1%	8,164	6,567	24.3%
Segment Profits/Revenue Margin %				26.8%	28.7%	

The Wealth SBU contributed revenues of \$20.1m and a segment profit of \$9.2m for the year. The revenue growth of 59% was achieved through a combination of client acquisitions, increased sales to existing clients and full year ownership of the COIN Software business.

Banking SBU revenues decreased by 4% to \$9.9m and segment profit contribution decreased by 26% to \$2.4m over the period as a consequence of significant investment into core banking tenders, and no new implementation projects in the second half of the year.

The Mortgage SBU revenue of \$0.5m and segment profit contribution of \$0.3m reflects one month of trading.

5 FY2014 Significant Items

5.1 Transaction Costs

Transaction costs are fees paid to third party advisors and are directly related to the acquisitions undertaken during the financial year.

Transaction Costs (A\$ 000's)	FY14	FY13
Financial advice and due diligence	1,328	1,104
Legal advice and due diligence	879	548
Stamp duty paid	2	159
Other	120	76
Total	2,329	1,887

5.2 Transition Costs

Transition costs of \$0.7m (FY2013: \$0.8m) are one off costs associated with the integration of new businesses acquired, and include the costs of external integration consultants, as well as an allocation of internal staff time to assist with transition and integration.

Transition Costs (A\$ 000's)	FY14	FY13
Salaries of integration teams and redundancies	523	329
Rent - transitional premises	-	204
IT and systems integration	5	127
Other	177	127
Total	705	787

5.3 Initial Recognition of Deferred Tax Asset

Given the improving profit position of Rubik, the Directors are now confident that the business will make future taxable profits sufficient to utilise the group's carry forward tax losses from FY2013 and prior. As such, a Deferred Tax Asset has been recognised in the FY2014 accounts, creating a \$9.7m one-off item.

6 Growth Investments

Rubik has made \$38.8m in growth investments during the year to 30 June 2014, a 18% increase on prior 12 months (FY2013: \$32.9m). This has been invested in the following items.

AUD \$000	R&D Expensed	R&D Capitalised	Businesses Acquired	Other Capex	Total Growth Investments FY2014
Software	3,125	1,717	11,434	327	16,603
Customer Contracts	-	-	1,912	-	1,912
Goodwill	-	-	20,287	-	20,287
Other Intangibles	-	-	-	(19)	(19)
Total	3,125	1,717	33,633	308	38,783

Research & Development Investment – during FY2014 Rubik significantly increased its level of investment into software development, including investments to integrate the products of acquired businesses into the Rubik software portfolio. In addition to this, the Directors have considered the appropriate level of software capitalisation for internally developed software assets, and have sought to apply conservative assumptions regarding such capitalisation. As a result, Rubik has invested \$4.8m in software R&D during FY2014, of which \$3.1m was expensed (FY2013: \$2.1m of which \$1.3m was expensed).

Some of the key projects funded during the year include:

- **Coin Connect** – Redevelopment of the COIN user interface to allow end customer access to specific portions of the product, and facilitate future online access.
- **Inc** – Redevelopment of the COIN insurance advice module, including an extensive list of new features.
- **SaaS** – Providing a more flexible and dynamic access model, allowing COIN clients to dial up or down the various components they wish to use, without the restrictions of set user license types.
- **Data feeds** – Increasing the number of data feeds available within the COIN software.
- **Stargate Integration** – Integration of the Stargate mortgage broking system into COIN.

Acquisitions – As noted to the market, the Company has purchased three new businesses during the year, being AMEE, Stargate and Infinitive (see note 25 of the Preliminary Final Report for further details). The Mortgage division (comprising Stargate and Infinitive) constitutes the ‘third leg’ for future business growth, complementing the existing Banking and Wealth businesses. The Mortgage division’s contribution to revenues and operating profits for the year ended 30 June 2014 was limited due to the timing of acquisitions (completed in June 2014). The full revenue and earnings run rate potential of these acquisitions is expected to be realised in FY2015, with further substantial synergies expected from Stargate’s distribution flow through into Infinitive’s mortgage gateway (eLodge+).

These investments have translated in to the following profit and balance sheet impacts.

AUD \$000	Amortised Balance June 2013	Total Growth Investments FY2014	R&D Expensed	Investment Amortisation	Amortised Balance June 2014
Software	22,299	16,603	(3,125)	(3,192)	32,585
Customer Contracts	2,787	1,912	-	(802)	3,897
Goodwill	10,919	20,287	-	-	31,206
Other Intangibles	294	(19)	-	(23)	252
Total	36,299	38,783	(3,125)	(4,017)	67,940

Refer to note 14 of the Preliminary Final Report for further details.

Whilst these growth investment costs have been incurred during the year ended 30 June 2014, the associated benefits to revenues and earnings will be realised in subsequent years.

7 Cash Flow

During the year Rubik improved operating cash flow by \$2.0m (30%) before expensed R&D investments, and by \$0.1m (2%) post expensed R&D investments. Rubik also invested significantly in the Group's future growth, with the acquisitions of AMEE, Stargate and Infinitive. The initial investments in these businesses were predominantly funded via the issue of additional equity during the year.

At 30 June 2014 the Rubik group's cash position had improved by \$5.7m as compared to the same time last year.

Cash Flow (A\$ 000's)	FY14	FY13
Operating Cash Flow (pre R&D)	8,466	6,508
R&D Investment expensed ¹	(3,125)	(1,281)
Operating Cash Flow (post R&D)	5,341	5,227
<u>Investing Cash Flow:</u>		
R&D Investment capitalised ¹	(1,717)	(856)
Acquisitions	(28,285)	(25,892)
Disposal of business	-	830
Other capex	(1,086)	(1,879)
Total Investing Cash Flow	(31,088)	(27,797)
<u>Financing Cash Flow:</u>		
Debt	(500)	7,180
Equity	31,941	2,990
Distributions	-	-
Total Financing Cash Flow	31,441	10,170
Change in cash & cash equivalents	5,694	(12,400)
Opening cash balance	3,777	16,177
Ending cash balance	9,471	3,777

Notes:

1. Capitalised R&D outflows have been reallocated to investing, rather than operating, cash flows.

8 Funding

Funding Summary (A\$ 000's)	FY14	FY13
Cash	9,471	3,777
Borrowings	(6,671)	(7,180)
Net Cash/(Debt)	2,800	(3,403)
Total Equity	66,200	25,617
Gearing % (UNAUDITED)	N/A	12%

Gearing = Net Debt/(Net Debt + Shareholder Funds)

During FY2014 the Directors significantly improved Rubik's balance sheet position through the issue of additional equity. This was achieved through an institutional equity placement in two tranches, raising \$25m (56.8m shares sold at \$0.44 per share), and a share placement plan offering to existing shareholders, which raised a further \$8m (18.2m shares sold at \$0.44 per share). After payment of expenses, total equity raised of \$31.9m was used to invest in the Stargate and Infinitive businesses, pay down a small amount of outstanding debt, and improve working capital.

9 Restatement of June 2013 Full Year Result

During the preparation of the June 2014 full year result it was discovered that \$0.5m in bonus payments made in August and September 2013 should have been recorded as an expense in the Company's FY2013 results. These amounts mainly related to the newly created bonus pool in the wealth divisions, which was established in FY2013 as part of the group's acquisition of COIN from Macquarie Group Ltd.

Although these bonuses were not finalised at balance sheet date (30 June 2013), they could be reliably estimated at the time of approving the FY2013 Annual Report and therefore, under Australian Accounting Standards, should have been included in the FY2013 full year results. The impact of this error on the FY2013 results is as follows.

Line Item	Previously Reported FY2013 Amount	Amendment	Restated FY2013 Amount
<u>Impacts on Statement of Profit or Loss</u>			
Employee benefits expense (A\$ 000's)	12,724	547	13,271
Impact on FY2013 NPAT (A\$ 000's)	857	(547)	310
EPS from continuing operations			
- Basic EPS (cents)	0.15	(0.23)	(0.08)
- Diluted EPS (cents)	0.15	(0.23)	(0.08)
EPS attributable to owners			
- Basic EPS (cents)	0.36	(0.23)	0.13
- Diluted EPS (cents)	0.36	(0.23)	0.13
<u>Impacts on Statement of Financial Position</u>			
Trade and other payables – current (A\$ 000's)	4,531	547	5,078
Accumulated losses (A\$ 000's)	(7,500)	(547)	(8,047)
Impact on FY2013 Net Assets/Equity (A\$ 000's)	26,164	(547)	25,617
<u>Impacts on Statement of Cash Flow</u>			
Nil			

Throughout this Appendix 4E, including the attached Preliminary Financial Report, Rubik has restated its FY2013 results and financial position in line with the above summary.

Note that, as required in the ordinary course of finalising business combinations under Australian Accounting Standards, the FY2013 balances disclosed in the attached Preliminary Financial Report have also been amended to take account of the finalisation of purchase price allocations for business combinations completed during FY2013.

10 Audit Status or Review

The accounts are in the process of being audited. As such information set out in this Appendix 4E is unaudited.

Although the FY2014 audit is not yet completed, the company's auditors (KPMG) currently expect to include an "emphasis of matter" in their 2014 audit opinion in relation to the FY2013 restatement adjustment noted in section 9 above. Other than this, the Directors are not currently aware of any other matters that may impact on the FY2014 audit opinion.

11 Attachments

The Directors attach the following documents:

- The Preliminary Final Report of Rubik Financial Limited for the year ended 30 June 2014.
- A FY2014 Results investor presentation for discussion on the upcoming briefing call.

Signed:

Date: 29 August 2014

A handwritten signature in blue ink, appearing to read "Craig Coleman".

Craig Coleman

Chairman

Rubik Financial Limited

ABN 51 071 707 232

Preliminary Final Report – 30 June 2014

Rubik Financial Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014

	Note	Consolidated 2014 \$'000	2013 \$'000 Restated
Revenue from continuing operations	3	30,466	22,898
Other income	4	475	4
Net expense	5	(859)	(358)
Expenses			
Product licence and holding fees		(1,842)	(1,225)
Employee benefits expense		(18,486)	(13,271)
Share-based payments expense		(287)	(11)
Depreciation and amortisation expense		(4,546)	(2,437)
Professional fees	6	(2,623)	(1,737)
Marketing expenses		(474)	(281)
Premises and establishment expenses		(1,380)	(1,105)
Telecommunications		(533)	(533)
Costs relating to acquisition activities		(2,329)	(1,887)
Other expenses		(1,269)	(251)
Loss before income tax benefit from continuing operations		(3,687)	(194)
Income tax benefit		10,033	1
Income (loss) after income tax benefit from continuing operations		6,346	(193)
Profit after income tax (expense)/benefit from discontinued operations	7	-	503
Profit after income tax benefit for the year attributable to the owners of Rubik Financial Limited		6,346	310
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(3)	(50)
<i>Items that will not be reclassified to profit or loss</i>			
Net change in fair value of investments		524	112
Other comprehensive income for the year, net of tax		521	62
Total comprehensive income for the year attributable to the owners of Rubik Financial Limited		<u>6,867</u>	<u>372</u>
Total comprehensive income for the year is attributable to:			
Continuing operations		6,867	(131)
Discontinuing operations		-	503
		<u>6,867</u>	<u>372</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Rubik Financial Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2014

	Consolidated	
	2014	2013
	Cents	Cents
		Restated
Earnings per share for profit/(loss) from continuing operations attributable to the owners of Rubik Financial Limited		
Basic earnings per share	2.26	(0.08)
Diluted earnings per share	2.25	(0.08)
Earnings per share for profit from discontinued operations attributable to the owners of Rubik Financial Limited		
Basic earnings per share	-	0.20
Diluted earnings per share	-	0.20
Earnings per share for profit attributable to the owners of Rubik Financial Limited		
Basic earnings per share	2.26	0.13
Diluted earnings per share	2.25	0.13

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Rubik Financial Limited
Statement of financial position
As at 30 June 2014

	Note	Consolidated 2014 \$'000	2013 \$'000 Restated
Assets			
Current assets			
Cash and cash equivalents	8	9,471	3,777
Trade and other receivables	9	6,420	5,743
Inventories	10	4	15
Other	11	529	605
Total current assets		16,424	10,140
Non-current assets			
Other financial assets	12	1,266	742
Property, plant and equipment	13	1,810	1,181
Intangibles	14	67,940	36,299
Deferred tax assets		10,409	-
Total non-current assets		81,425	38,222
Total assets		97,849	48,362
Liabilities			
Current liabilities			
Trade and other payables	15	7,876	5,299
Borrowings	16	2,000	7,180
Employee benefits	17	1,573	766
Provisions	18	3,529	2,812
Revenue received in advance		2,894	2,458
Total current liabilities		17,872	18,515
Non-current liabilities			
Borrowings	19	4,671	-
Employee benefits	20	397	122
Provisions	21	8,509	4,108
Others		200	-
Total non-current liabilities		13,777	4,230
Total liabilities		31,649	22,745
Net assets		66,200	25,617
Equity			
Issued capital	22	68,046	34,617
Reserves	23	(145)	(953)
Accumulated losses		(1,701)	(8,047)
Total equity		66,200	25,617

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

Rubik Financial Limited
Statement of changes in equity
For the year ended 30 June 2014

Consolidated	Issued capital \$'000	Fair value reserve \$'000	Foreign currency reserve \$'000	Options reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2012	99,474	(1,032)	6	2,423	(79,000)	21,871
Profit after income tax benefit for the year (restated)	-	-	-	-	310	310
Other comprehensive income for the year, net of tax	-	112	(50)	-	-	62
Total comprehensive income for the year	-	112	(50)	-	310	372
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs (note 22)	3,363	-	-	-	-	3,363
Share-based payments	-	-	-	11	-	11
Cancellation of old share options scheme	-	-	-	(2,423)	2,423	-
Cancellation of accumulated losses	(68,220)	-	-	-	68,220	-
Balance at 30 June 2013 (restated)	<u>34,617</u>	<u>(920)</u>	<u>(44)</u>	<u>11</u>	<u>(8,047)</u>	<u>25,617</u>
Consolidated	Issued capital \$'000	Fair value reserve \$'000	Foreign currency reserve \$'000	Options reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2013 (restated)	34,617	(920)	(44)	11	(8,047)	25,617
Income after income tax benefit for the year	-	-	-	-	6,346	6,346
Other comprehensive income for the year, net of tax	-	524	(3)	-	-	521
Total comprehensive income for the year	-	524	(3)	-	6,346	6,867
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs and tax (note 22)	32,198	-	-	-	-	32,198
Share-based payments	-	-	-	287	-	287
Issuance of shares relative to acquisition, net of transaction cost	1,231	-	-	-	-	1,231
Balance at 30 June 2014	<u>68,046</u>	<u>(396)</u>	<u>(47)</u>	<u>298</u>	<u>(1,701)</u>	<u>66,200</u>

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

Rubik Financial Limited
Statement of cash flows
For the year ended 30 June 2014

		Consolidated	
	Note	2014 \$'000	2013 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		34,428	27,267
Payments to suppliers and employees (inclusive of GST)		(28,659)	(21,437)
		5,769	5,830
Interest received		68	175
Interest and other finance costs paid		(478)	(778)
Income taxes paid		(18)	-
Net cash from operating activities		5,341	5,227
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	25	(28,285)	(25,892)
Payments for property, plant and equipment		(1,086)	(1,010)
Payments for intangibles		(1,717)	(1,725)
Proceeds from sale of business		-	830
Net cash used in investing activities		(31,088)	(27,797)
Cash flows from financing activities			
Proceeds from issue of shares	22	31,941	2,990
Net proceeds from borrowings		(500)	7,180
Net cash from financing activities		31,441	10,170
Net increase/(decrease) in cash and cash equivalents		5,694	(12,400)
Cash and cash equivalents at the beginning of the financial year		3,777	16,177
Cash and cash equivalents at the end of the financial year	8	9,471	3,777

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Going Concern

As at 30 June 2014, the consolidated entity had net assets of \$66,200,000 but net current liabilities of \$1,448,000.

The following matters have been considered by the directors in determining the appropriateness of the going concern basis of preparation in the financial statements:

- \$2,894,000 relates to revenue received in advance which will not crystallise as a cash outflow in the next 12 months, giving an adjusted net current assets of \$1,446,000;
- the consolidated entity has access to undrawn and available financing facilities of \$2,250,000; and
- the consolidated entity generated net operating cash inflows of \$5,341,000 for the financial year ended 30 June 2014.

As a consequence of the above, the directors believe that the consolidated entity will be able to continue as a going concern and, accordingly, the financial statements have been prepared on a going concern basis. The financial statements do not include any adjustments relating to recoverability and classification of recorded assets or amounts or the amount and classification of liabilities that might not be necessary should the group not continue as a going concern.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity is organised into three operating segments: Wealth, Banking and Mortgages. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors, which has been identified as the Chief Operating Decision Maker ('CODM'), in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews segment profits (underlying operating EBITDA). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Wealth	Development and provision of advice software and services to the financial planning industry
Banking	Provision of software and related services to the banking sector
Mortgages	Development and provision of software solutions to the Australian mortgage broking industry

Intersegment transactions

There are no intersegment transactions in the statement of profit or loss.

Note 2. Operating segments (continued)

Operating segment information

	Wealth \$'000	Banking \$'000	Mortgages \$'000	Corporate and Other Segments/ Unallocated \$'000	Total \$'000
Consolidated - 2014					
Revenue					
Sales to external customers	20,099	9,859	508	-	30,466
Total revenue	20,099	9,859	508	-	30,466
Underlying Operating EBITDA	9,168	2,385	265	(3,654)	8,164
R and D Expensed	(2,522)	(568)	(35)	-	(3,125)
Underlying EBITDA	6,646	1,817	230	(3,654)	5,039
Share-based payments				(287)	(287)
Depreciation and amortisation	(3,358)	(697)	(102)	(389)	(4,546)
Net finance expense	-	-	-	(859)	(859)
Costs relating to acquisition activities	-	-	-	(2,329)	(2,329)
Transition costs	-	-	-	(705)	(705)
Profit/(loss) before income tax expense	3,288	1,120	128	(8,223)	(3,687)
Income tax benefit					10,033
Profit after income tax benefit					6,346

	Wealth \$'000	Banking \$'000	Shelf Company * (discontinued) \$'000	Corporate and Other Segments/ Unallocated \$'000	Total \$'000
Consolidated – 2013 (Restated)					
Revenue					
Sales to external customers	12,640	10,258	1,893	-	24,791
Total revenue	12,640	10,258	1,893	-	24,791
Underlying Operating EBITDA	7,047	3,218	12	(3,698)	6,579
R and D Expensed	(860)	(421)	-	-	(1,281)
Underlying EBITDA	6,187	2,797	12	(3,698)	5,298
Share-based payments				(11)	(11)
Depreciation and amortisation	(1,687)	(433)	(25)	(317)	(2,462)
Net finance expense	-	-	(69)	(358)	(427)
Costs relating to acquisition activities	-	-	-	(1,887)	(1,887)
Transition costs	-	-	-	(787)	(787)
Discontinued operations	-	-	585	-	585
Profit/(loss) before income tax benefit	4,500	2,364	503	(7,058)	309
Income tax benefit					1
Profit after income tax benefit					310

*Refer to note 7 for further information on discontinued operations.

Note 2. Operating segments (continued)

Geographical information

	Sales to external customers		Geographical non-current assets	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Australia	28,298	23,434	69,713	37,471
Middle East and Rest of World	2,168	1,357	37	9
	<u>30,466</u>	<u>24,791</u>	<u>69,750</u>	<u>37,480</u>

The geographical non-current assets above are exclusive of, where applicable, financial instruments, deferred tax assets, post-employment benefits assets and rights under insurance contracts.

Note 3. Revenue

	Consolidated	
	2014 \$'000	2013 \$'000
From continuing operations		
Recurring Revenue - licence and service fees	24,063	16,501
Nonrecurring Revenue - licence and service fees	6,403	6,397
	<u>30,466</u>	<u>22,898</u>

Note 4. Other income

	Consolidated	
	2014 \$'000	2013 \$'000
Government grants	94	4
Others	381	-
	<u>475</u>	<u>4</u>

Government grants relate to Job Action Plan rebates received from the NSW Government and Export Market Development Grant.

Others includes income recognised on the final settlement of COIN Software Pty Ltd contingent consideration.

Note 5. Net finance (expense)/income

	Consolidated	
	2014	2013
	\$'000	\$'000
Interest income	68	175
Merchant fees and bank charges	(37)	(31)
Foreign exchange gain/(loss)	(35)	108
Interest expense	(855)	(709)
Other financing income/(expense)	-	99
	<u>(859)</u>	<u>(358)</u>

Note 6. Professional fees

	Consolidated	
	2014	2013
	\$'000	\$'000
Consulting fees	2,044	1,075
Directors' fees	311	320
Audit and accounting fees	153	177
Other	115	165
	<u>2,623</u>	<u>1,737</u>

Note 7. Discontinued operations

Description

On 30 April 2013, Rubik Financial Limited disposed of its subsidiary Shelf Companies Australia Pty Limited for consideration of \$830,000 resulting in a gain on sale of \$585,000. The directors determined that it did not fit into the consolidated entity's long term strategy and resolved to dispose of it.

Note 7. Discontinued operations (continued)

Financial performance information

	Consolidated	
	2014	2013
	\$'000	\$'000
Revenue - service fees	-	1,893
Total revenue	-	1,893
Net finance (expense)/income	-	(69)
Total other income	-	(69)
Regulatory fees	-	(1,141)
Employee benefits expense	-	(408)
Depreciation and amortisation expense	-	(25)
Professional fees	-	(15)
Marketing expenses	-	(34)
Premises and establishment expenses	-	(105)
Telecommunications	-	(14)
Other expenses	-	(164)
Total expenses	-	(1,906)
Loss before income tax expense	-	(82)
Income tax expense	-	-
Loss after income tax expense	-	(82)
Gain on disposal before income tax	-	585
Income tax expense	-	-
Gain on disposal after income tax expense	-	585
Profit after income tax (expense)/benefit from discontinued operations	-	503

Cash flow information

	Consolidated	
	2014	2013
	\$'000	\$'000
Net cash used in operating activities	-	(57)
Net cash from investing activities	-	830
Net increase in cash and cash equivalents from discontinued operations	-	773

Note 7. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated	
	2014	2013
	\$'000	\$'000
Trade and other receivables	-	140
Other current assets	-	7
Property, plant and equipment	-	18
Intangibles	-	160
Total assets	-	325
Trade and other payables	-	34
Employee benefits	-	34
Other liabilities	-	12
Total liabilities	-	80
Net assets	-	245

Details of the disposal

	Consolidated	
	2014	2013
	\$'000	\$'000
Total sale consideration	-	830
Carrying amount of net assets disposed	-	(245)
Gain on disposal before tax income	-	585
Income tax expense	-	-
Gain on disposal after income tax	-	585

Note 8. Current assets - cash and cash equivalents

	Consolidated	
	2014	2013
	\$'000	\$'000
Cash at bank	9,471	3,777

As at 30 June 2014, cash and cash equivalents of \$51,000 were held as collateral for bank guarantees. NIL as at 30 June 2013.

Note 9. Current assets - trade and other receivables

	Consolidated	
	2014	2013
	\$'000	\$'000
Trade receivables	4,403	4,779
Less: Provision for impairment of receivables	(293)	(131)
	<u>4,110</u>	<u>4,648</u>
Other receivables	1,554	(47)
Accrued revenue	756	1,142
	<u>6,420</u>	<u>5,743</u>

Note 10. Current assets - inventories

	Consolidated	
	2014	2013
	\$'000	\$'000
Finished goods - at cost	46	58
Less: Provision for impairment	(42)	(43)
	<u>4</u>	<u>15</u>

Note 11. Current assets - other

	Consolidated	
	2014	2013
	\$'000	\$'000
Prepayments	468	355
Other current assets	61	250
	<u>529</u>	<u>605</u>

Note 12. Non-current assets - other financial assets

	Consolidated	
	2014	2013
	\$'000	\$'000
Shares in listed entity - at fair value	1,115	591
Shares in unlisted entity - at fair value	151	151
	<u>1,266</u>	<u>742</u>

For the above financial assets, fair value movements are recognised in other comprehensive income through the fair value reserve in equity.

Shares in listed entity at 30 June 2014 relate to Finzsoft Solutions Limited (NZSX: FIN). The remaining equity investment relates to CCK Financial Solutions Ltd.

Note 13. Non-current assets - property, plant and equipment

	Consolidated	
	2014	2013
	\$'000	\$'000
Plant and equipment - at cost	3,690	2,509
Less: Accumulated depreciation	(1,880)	(1,328)
	<u>1,810</u>	<u>1,181</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Total
	\$'000
Balance at 1 July 2012	247
Additions	1,270
Additions through business combinations (note 25)	39
Disposals	(25)
Exchange differences	(2)
Depreciation expense	(348)
Balance at 30 June 2013	1,181
Additions	1,137
Additions through business combinations (note 25)	21
Depreciation expense	(529)
Balance at 30 June 2014	<u>1,810</u>

Note 14. Non-current assets - intangibles

	Consolidated	
	2014	2013
	\$'000	\$'000
Goodwill - at cost	31,206	10,919
Customer contracts and relationships - at cost	6,864	4,952
Less: Accumulated amortisation	(2,967)	(2,165)
	<u>3,897</u>	<u>2,787</u>
Software - at cost	46,065	32,606
Less: Accumulated amortisation	(4,959)	(1,786)
Less: Impairment	(8,521)	(8,521)
	<u>32,585</u>	<u>22,299</u>
Other intangible assets - at cost	294	294
Less: Accumulated amortisation	(42)	-
	<u>252</u>	<u>294</u>
	<u>67,940</u>	<u>36,299</u>

Useful life of intangible software assets

During the financial year the Directors have reviewed the useful lives of the company's software assets and, following this review, have determined to apply a maximum useful life of seven (7) years to such assets, effective from 1 January 2014 (2013: 12 years). No other changes in amortisation policy have been applied during the period.

Note 14. Non-current assets - intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$'000	Customer contracts and relationships \$'000	Software \$'000	Other intangibles \$'000	Total \$'000
Balance at 1 July 2012	5,935	654	194	-	6,783
Additions *	-	-	2,625	-	2,625
Additions through business combinations (note 25)	4,984	3,052	20,830	294	29,160
Disposals	-	(180)	-	-	(180)
Amortisation expense	-	(739)	(1,350)	-	(2,089)
Balance at 30 June 2013	10,919	2,787	22,299	294	36,299
Additions	-	-	2,025	-	2,025
Additions through business combinations (note 25)	20,287	1,912	11,434	-	33,633
Transfers in/(out)	-	-	19	(19)	-
Amortisation expense	-	(802)	(3,192)	(23)	(4,017)
Balance at 30 June 2014	<u>31,206</u>	<u>3,897</u>	<u>32,585</u>	<u>252</u>	<u>67,940</u>

* Includes an accrued amount of \$1,101,000 payable to a third party in respect of a software licence. The amount of \$901,000 is recorded in trade payables and is due within 1 year and the balance of \$200,000 is recorded in non-current liabilities and is due in more than 1 year.

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2014 \$'000	2013 \$'000
Trade payables	1,930	1,604
Other payables and accruals	5,946	3,695
	<u>7,876</u>	<u>5,299</u>

Trade payables are recognised when incurred, are non-interest bearing and generally subject to 30 day terms. Due to the short-term nature of these payables, their carrying value is assumed to approximate their fair value.

Note 16. Current liabilities - borrowings

	Consolidated	
	2014 \$'000	2013 \$'000
Commercial bills	<u>2,000</u>	<u>7,180</u>

Assets pledged as security

The commercial bills are secured by a first mortgage over the consolidated entity's assets.

Note 17. Current liabilities - employee benefits

	Consolidated	
	2014	2013
	\$'000	\$'000
Annual leave	1,312	641
Long service leave	261	125
	<u>1,573</u>	<u>766</u>

Note 18. Current liabilities - provisions

	Consolidated	
	2014	2013
	\$'000	\$'000
Contingent consideration (refer to business combinations)	3,412	2,702
Warranties	117	110
	<u>3,529</u>	<u>2,812</u>

Warranties

This provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Contingent consideration \$'000	Warranties \$'000
Consolidated - 2014		
Carrying amount at the start of the year	2,702	110
Additional provisions recognised	3,412	7
Amounts used	<u>(2,702)</u>	<u>-</u>
Carrying amount at the end of the year	<u>3,412</u>	<u>117</u>

Note 19. Non-current liabilities - borrowings

	Consolidated	
	2014	2013
	\$'000	\$'000
Commercial bills	<u>4,671</u>	<u>-</u>

Total secured liabilities

The total secured liabilities (current and non-current) are as follows:

	Consolidated	
	2014	2013
	\$'000	\$'000
Commercial bills	<u>6,671</u>	<u>7,180</u>

Assets pledged as security

The commercial bills are secured by a first mortgage over the consolidated entity's assets.

Note 20. Non-current liabilities - employee benefits

	Consolidated	
	2014	2013
	\$'000	\$'000
Long service leave	397	122

Note 21. Non-current liabilities - provisions

	Consolidated	
	2014	2013
	\$'000	\$'000
Contingent consideration	8,239	3,848
Lease make good	270	260
	8,509	4,108

Note 22. Equity - issued capital

	Consolidated			
	2014	2013	2014	2013
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	340,999,914	261,263,035	68,046	34,617

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2012	229,129,415		99,474
Cancellation of accumulated losses	27 November 2012	-	\$0.00	(68,220)
Issuance of shares	22 February 2013	30,000,000	\$0.10	2,990
Issuance of shares relating to business acquisitions	28 June 2013	2,133,620	\$0.17	373
Balance	30 June 2013	261,263,035		34,617
Issuance of shares relating to business acquisitions	3 December 2013	4,735,572	\$0.26	1,231
Issuance of shares relative to capital raising - 1st Tranche	17 April 2014	24,400,000	\$0.44	10,736
Issuance of shares relative to capital raising - SPP	22 May 2014	18,183,125	\$0.44	8,000
Issuance of shares relative to capital raising - 2nd Tranche	4 June 2014	32,418,182	\$0.44	14,264
Share issue transaction costs, net of tax		-	\$0.00	(802)
Balance	30 June 2014	340,999,914		68,046

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Note 22. Equity - issued capital (continued)

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

On 3 December 2013, 4,735,572 shares were issued as part consideration for the acquisition of Provisio Software which was announced on 17 June 2013.

On 10 April 2014, Rubik announced a capital raising comprising of an institutional placement in two tranches and a Share Placement Plan. Total funds raised under the capital raising will be used to fund current and future acquisition opportunities. Total number of shares issued were 75,001,307.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements covenants, including gearing ratio, interest and debt service cover. Meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2013 Annual Report.

Note 23. Equity - reserves

	Consolidated	
	2014	2013
	\$'000	\$'000
Fair value reserve	(396)	(920)
Foreign currency reserve	(47)	(44)
Options reserve	298	11
	<u>(145)</u>	<u>(953)</u>

Note 23. Equity - reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Fair value \$'000	Foreign currency \$'000	Options \$'000	Total \$'000
Balance at 1 July 2012	(1,032)	6	2,423	1,397
Foreign currency translation	-	(50)	-	(50)
Net change in fair value of investments	112	-	-	112
Cancellation of old share option scheme	-	-	(2,423)	(2,423)
Share based payments	-	-	11	11
Balance at 30 June 2013	(920)	(44)	11	(953)
Foreign currency translation	-	(3)	-	(3)
Options	-	-	287	287
Net change in fair value of investments	524	-	-	524
Balance at 30 June 2014	<u>(396)</u>	<u>(47)</u>	<u>298</u>	<u>(145)</u>

Note 24. Contingent liabilities

The consolidated entity granted certain securities in favour of Westpac Banking Corporation as part of entering into the Facility Agreement.

	Consolidated	
	2014	2013
	\$'000	\$'000
Bank guarantees	<u>647</u>	<u>754</u>

Rubik Financial Limited
Notes to the financial statements
30 June 2014

Note 25. Business combinations

COIN Software Pty Limited

On 8 August 2012, Rubik Financial Limited acquired 100% of the share capital of COIN Software Pty Limited for total consideration transferred of \$26,452,000. Contingent consideration of \$2,702,000 represents the completion net assets which was payable 12 months after the acquisition in accordance with the executed sale agreement. The acquisition expanded Rubik's product offering in wealth management. The acquired business contributed revenues of \$12,371,000 and profit after tax of \$4,745,000 to the consolidated entity for the period from 8 August 2012 to 30 June 2013. If the acquisition occurred on 1 July 2012, the full year contributions would have been revenues of \$13,837,000 and profit after tax of \$5,501,000. The values identified in relation to the acquisition of COIN Software Pty Limited were final as at 30 June 2013.

On 4 October 2013, Rubik settled the above contingent consideration.

Details of the acquisition are as follows:

	Final Fair Value \$'000
Trade receivables	2,629
Accrued revenue	650
Customer contracts and relationships	2,540
Software	17,493
Other intangibles	294
Other payables	(157)
Other provisions	(437)
Accrued expenses	(99)
Revenue received in advance	(22)
	<hr/>
Net assets acquired	22,891
Goodwill	3,561
	<hr/>
Acquisition date fair value of the total consideration transferred	<u><u>26,452</u></u>
Representing:	
Cash paid or payable to vendor	23,750
Contingent consideration	2,702
	<hr/>
	<u><u>26,452</u></u>

Note 25. Business combinations (continued)

COIN (Independent Financial Advisors, IFA)

On 31 May 2013, Rubik Financial Limited acquired COIN IFA financial planning software from Macquarie's Banking and Financial Services Group for total consideration of \$217,000. The acquired business contributed revenues of \$269,000 and profit after tax of \$120,000 to the consolidated entity for the period from 31 May 2013 to 30 June 2013. The values identified in relation to the acquisition of COIN IFA were final as at 30 June 2013.

Details of the acquisition are as follows:

	Final Fair Value \$'000
Trade receivables	340
Employee benefits	(164)
Revenue received in advance	(7)
	<hr/>
Net assets acquired	169
Goodwill	48
	<hr/>
Acquisition date fair value of the total consideration transferred	<u><u>217</u></u>
Representing:	
Cash paid or payable to vendor	<u><u>217</u></u>

Note 25. Business combinations (continued)

Provisio Technologies Pty Limited (Provisio)

On 28 June 2013, Rubik Financial Limited acquired 100% of the share capital of Provisio Technologies Pty Limited for total consideration of \$4,463,000 (including contingent consideration with a net present value at acquisition date of \$3,848,000). Contingent consideration is calculated as three times the best estimate of final year FY15 EBITDA, adjusted for specific contracts as set out in the Sale and Purchase Agreement, discounted to acquisition date. Contingent consideration is capped at \$20 million. Provisio is a market leader in the scaled and online advice markets. This acquisition expanded Rubik's product suite in the growing scaled advice market and broadened our leadership position in the institutional wealth market. The acquired business did not contribute any revenue or profit to the consolidated entity for the period from 28 June 2013 to 30 June 2013. If the acquisition occurred on 1 July 2012, the full year contributions would have been revenues of \$1,508,000 and profit after tax of \$55,000.

During FY 2014, Rubik reviewed the provisional purchase price allocation as provided for under the Australian Accounting Standard. The adjustments made following this review are set out below and have been included in the FY 2013 numbers presented throughout this report. The adjusted values identified in relation to the acquisition of Provisio are final as at 30 June 2014.

Details of the acquisition are as follows:

	Provisional Fair Value \$'000	Adjustments \$'000	Final Fair Value \$'000
Trade receivables	32	(8)	24
Other receivables	176	(52)	124
Plant and equipment	39		39
Customer contracts	512		512
Software	3,337		3,337
Other payables	(221)	(221)	(442)
Employee benefits	(26)		(26)
Revenue received in advance	(360)	(120)	(480)
Net assets acquired	3,489	(401)	3,088
Goodwill	974	401	1,375
Acquisition date fair value of the total consideration transferred	4,463		4,463
Representing:			
Cash paid or payable to vendor	287		287
Rubik Financial Limited shares issued to vendor	373		373
Contingent consideration	3,848		3,848
Receivable from Trustee	(45)		(45)
	4,463		4,463

Note 25. Business combinations (continued)

AMEE Easy Software Solutions Pty Limited & AMEE IP Holdings Pty Limited

On 28 March 2014, Rubik completed its acquisition of AMEE Easy Software Solutions Pty Ltd and AMEE IP Holdings Pty Ltd (and all of the units in the AMEE IP Unit Trust) for a consideration of \$3,233,000. AMEE provides revenue and commission software for Australian Financial Services Licensees and financial planning practices. This acquisition provides Rubik with greater exposure to financial planners that are not currently Rubik customers. The acquired business contributed revenues of \$289,000 and profit before tax of \$163,000 to the consolidated entity for the period 28 March 2014 to 30 June 2014. If the acquisition occurred on 1 July 2013, the full year contributions would have been revenues of \$1,103,000 and profit after tax of \$410,000. The values identified in relation to the acquisition of AMEE are provisional as at 30 June 2014.

Details of the acquisition are as follows:

	Provisional Fair value \$'000
Cash and cash equivalents	101
Trade receivables	384
Other receivables	645
Plant and equipment	3
Customer contracts and relationships	277
Software	2,074
Trade payables	(13)
Other payables	(160)
Employee benefits	(17)
Revenue received in advance	(476)
	<hr/>
Net assets acquired	2,818
Goodwill	415
	<hr/>
Acquisition date fair value of the total consideration transferred	<u><u>3,233</u></u>
Representing:	
Cash paid or payable to vendor	<u><u>3,233</u></u>

Note 25. Business combinations (continued)

Stargate Information Systems Pty Ltd

On 4 June 2014, Rubik acquired Stargate Information Systems Pty Ltd "Stargate" for a consideration of \$22,685,000 (including contingent consideration with a net present value of \$5,785,000). Contingent consideration is calculated as a multiple of contributed EBITDA in FY 2015 and FY 2016, adjusted for certain items as per the Sale and Purchase Agreement. Contingent consideration is capped at a maximum of \$15 million. Stargate is amongst the largest independent mortgage technology service providers in the Australian mortgage broking market. The acquired business contributed revenues of \$419,000 and profit after tax of \$131,000 to the consolidated entity for the period 4 June 2014 to 30 June 2014. There are no reliable estimates of a full year contribution given the short period of ownership. The values identified in relation to the acquisition of Stargate are provisional as at 30 June 2014.

Details of the acquisition are as follows:

	Provisional Fair Value \$'000
Other current assets	56
Customer contracts	1,300
Software	7,800
Other payables	(1,910)
Employee benefits	(526)
Revenue received in advance	(235)
	<hr/>
Net assets acquired	6,485
Goodwill	16,200
	<hr/>
Acquisition date fair value of the total consideration transferred	<u>22,685</u>
Representing:	
Cash paid or payable to vendor	19,375
Less: Liabilities assumed*	(1,911)
	<hr/>
Cash paid to vendor at completion	17,464
Contingent consideration – Earn-out	5,785
Net working capital adjustment received or receivable from vendor	(564)
	<hr/>
	<u>22,685</u>

**Debt repaid immediately following completion*

Note 25. Business combinations (continued)

Infinitive Pty Ltd

On 24 June 2014, Rubik completed its acquisition of Infinitive Pty Ltd for a consideration of \$2,959,000 (including contingent consideration with a net present value of \$3,412,000). As per the Sale and Purchase Agreement, the earn-out amount is capped at \$14.1million. Infinitive is a leading provider of e-commerce solutions to the Australian mortgage industry and is one of only two mortgage gateways. The acquired business contributed revenues of \$89,000 and profit after tax of \$0 for the period 24 June 2014 to 30 June 2014. There are no reliable estimates of a full year contribution given the short period of ownership. The values identified in relation to the acquisition of Infinitive are provisional as at 30 June 2014.

Details of the acquisition are as follows:

	Provisional Fair Value \$'000
Cash and cash equivalents	566
Trade receivables	268
Other receivables	28
Other current assets	4
Plant and equipment	18
Customer contracts	335
Software	1,560
Trade payables	(255)
Other payables	(2,738)
Employee benefits	(499)
	<hr/>
Net liabilities acquired	(713)
Goodwill	3,672
	<hr/>
Acquisition date fair value of the total consideration transferred	<u>2,959</u>
Representing:	
Cash paid or payable to vendor	2,400
Less: Liabilities assumed – Convertible note*	(1,387)
Less: Liabilities assumed – Others	(508)
	<hr/>
Cash paid to vendors at completion	505
Net working capital amount received or receivable from vendors	(958)
Contingent consideration	3,412
	<hr/>
	<u>2,959</u>

**Debt repaid immediately following completion*

The acquisition of Stargate and Infinitive expands Rubik's product portfolio to include mortgage desktop applications (including CRM) and transactional gateway platforms. These mortgage platforms complement Rubik's existing Wealth and Banking platforms, especially after the systems are integrated.

Note 26. Events after the reporting period

No matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.