Half Year Report and Appendix 4D

Rubik Financial Limited

(ABN 51 071 707 232)

Results for Announcement to the Market

This interim 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: Half Year Ended 31 December 2015 (**H1-FY2016**)

Previous Corresponding Period: Half Year Ended 31 December 2014 (**H1-FY2015**)

2. Results

Results *Continuing operations*	**Percentage Change %**		**H1-FY2016 31 Dec 2015 $'000**	**H1-FY2015 31 Dec 2014 $'000**
Revenue	Up	5%	20,825	19,771
Underlying EBITDA*	Up	17%	2,627	2,245
Net loss after tax attributed to members	Up	57%	(2,236)	(5,224)
Significant items*	Up	67%	(1,076)	(3,243)
Earnings per share – basic (NPAT)	Up	53%	(0.7) cent	(1.5) cents
Net tangible assets per share	Down	6%	(3.3) cents	(3.2) cents

* = Non-AIFRS measure

No interim dividend was paid or proposed for the period.

Note:

The information contained in this Appendix, and the attached Half Year Financial Report, do not include all the notes of the type normally included in annual financial statements. Accordingly, these reports are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

3. Summary

Overall revenue of the Rubik Financial Ltd consolidated group ("Rubik Group" or "the Company") for H1-FY2016 was $20.8m, a $1.1m, or 5% increase from H1- FY2015. The Wealth products contributed 48% to total revenue, the Banking products contributed 34% and the Mortgages products contributed 18% to total revenues.

Recurring revenue contributed 76% to total revenues this half year compared to 81% in the prior corresponding period.

The Underlying EBITDA result of the group was up 17% to $2.6m (H1-FY2015: $2.2 m). This is mainly due to an increase in professional service fee revenues in the Banking products.

The reported net loss after tax for the half year ended 31 December 2015 was $2.2m (H1-FY2015: $5.2m loss). The primary drivers of the loss were depreciation and amortisation charges and one-off restructuring costs. This has been partially offset by the positive Underlying EBITDA result.

The table below sets out the Company's results in more detail than is provided in the attached Half Year Financial 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 Underlying EBITDA measure.

Performance ($'000)	H1-FY2016	H1-FY2015		Var %
Recurring revenues	15,838	15,970	↓	0.8%
Non-recurring revenues	4,987	3,801	↑	31.2%
Total operating revenues	**20,825**	**19,771**	↑	**5.3%**
Underlying EBITDA*	**2,627**	**2,245**	↑	**17.0%**
Investment amortisation	(3,036)	(3,127)	↓	2.9%
Share based payment expense	(233)	(435)	↓	46.4%
Depreciation and operating amortisation	(654)	(518)	↑	26.3%
EBIT before significant items *	**(1,296)**	**(1,835)**	↑	**29.4%**
Fx gain/(loss)	35	-	-	n/a
Net interest expense	(136)	(152)	↓	10.5%
Interest on unwinding of discount	(528)	(800)	↓	34.0%
Profit before tax and significant items *	**(1,925)**	**(2,787)**	↑	**30.9%**
Income tax benefit – current year	765	806	↓	5.1%
NPAT before significant items *	**(1,160)**	**(1,981)**	↑	**41.4%**
Significant items: *				
- Restructuring costs	(1,541)	(475)	↑	>100%
- Transaction & Integration costs	(43)	(1,104)	↓	96.1%
- Movement in earn-out provisions	5,808	(1,664)	↓	>100%
- Impairment of Mortgage division	(5,300)	-	-	n/a
NPAT as reported	**(2,236)**	**(5,224)**	↑	**57.2%**

* = Non-AIFRS measure

4. Review of Operations

For half year ended 31 December 2015, Rubik Group operated under one segment and reported to the Board along functional lines related to common services, broadly being Sales and Product, Operations (including the development and client consulting functions) and Shared Services. However, revenue is still reported under three main product sets.

Banking Provision of software and related services to the banking sector;

Wealth Development and provision of advice software and services to the financial planning industry; and

Mortgages Development and provision of software solutions to the Australian mortgage broking industry.

The segment result for the Rubik Group were as set out below:

Review of Operations - Segment Analysis	H1-FY2016	H1-FY2015	Var %
Banking	7,148	5,706	25.3%
Wealth	10,067	10,995	-8.4%
Mortgages	3,610	3,070	17.6%
Group Revenue	**20,825**	**19,771**	**5.3%**
Group Operating Expenses	(18,198)	(17,526)	3.8%
Group Underlying EBITDA	**2,627**	**2,245**	**17.0%**
Group Underlying EBITDA/Revenue Margin %	**12.6%**	**11.4%**	

Banking revenues increased by 25% or $1.4m to $7.1m over the period as a consequence of an increased focus on service fees on select banking products (CWX and DriveOnline).

Wealth revenues of $10.1m was an 8% decrease on the prior corresponding period. This is mainly due to the transition of Coin from a license software model to a SaaS subscription model by a major financial institution.

Mortgages revenue of $3.6m was an 18% or $0.5m increase over the prior corresponding period mainly as a result of service fees on Anti-Money Laundering projects related to our eLodge+ product.

After Group Operating Expenses, the Group Underlying EBITDA to Revenue margin has increased from 11.4% to 12.6%.

Note that, although the product sets above have the same name as the previous operating segments, the product components have changed in some cases. Therefore segment revenue in the prior period has been restated to align to the current product groupings used by the consolidated entity.

5. Significant Items

5.1 Impairment of the Mortgages CGU

Under Australian Accounting Standards, the Rubik Group must assess the recoverable amount of each of its Cash Generating Units ("CGU's") on an annual basis. This recoverable amount is determined based on a value in use calculation, where value is determined by discounting the future cash flows expected to be generated from the continuing use of the CGU, after an allocation of central costs and working capital.

Based on this analysis, an impairment loss of $5.3m has been recognised for the Mortgages CGU, as the expected future cash flows from this business unit were insufficient to support the carrying values of its intangible and other assets. By booking this impairment amount, the Rubik Group is taking a conservative view of the future benefits available from this business, in its current form.

The Mortgages CGU impairment is allocated against goodwill and relates predominantly to the Group's investment in Stargate Information Systems Pty Ltd, which has also resulted in a reduction in the earn-out provision related to that acquisition. See section 5.4.

5.2 Transaction and Integration Costs

Transaction and integration costs incurred in the prior corresponding period included amounts directly related to the acquisitions undertaken during the 2014 financial year, as well as external advisor fees and an allocation of internal staff time to assist with the transition and on-boarding of acquired businesses.

H1- FY2016 transaction costs related to possible acquisitions that did not materialise.

Transaction and Integration Costs ($'000)	H1-FY2016	H1-FY2015
Financial and legal advice and due diligence	43	512
Integration costs	-	423
Other	-	134
Stamp duty paid	-	35
Total	**43**	**1,104**

5.3 Restructuring Costs

Restructuring ($'000)	H1-FY2016	H2-FY2015	H1-FY2015	Total
Off-Shore Development Centre (OSDC)	603	1,170	-	1,773
Redundancies and related costs (non OSDC)	354	1,343	475	2,172
Data centre consolidation	302	112	-	414
Early termination of lease	159	-	-	159
Legal fees	123	62	-	185
Consulting	-	134	-	134
Total	**1,541**	**2,821**	**475**	**4,837**

Restructuring costs of $1.5m were booked during H1-FY2016 (H1-FY2015: $0.5m). These represent costs incurred in restructuring the operations of the Rubik Group, and are predominantly related to redundancy costs, data centre consolidation and amounts incurred in the creation of the Group's Off-Shore Development Centre ("OSDC"). These costs were necessary in order for the Group to increase operational and cost efficiencies, greater ability to scale and to standardise application deployment. The benefits of these efforts are expected to commence in H2-FY2016 and provide approximately $2.0m in annualised benefits from FY2017.

Total restructuring program costs of $4.8m was $0.2m less than the $5.0m originally expected.

Rubik does not expect further restructure costs to continue into H2-FY2016.

5.4 Movement in Earn-out Provisions

This item represents the net movement in expected contingent consideration for earn-out payments related to the Stargate Information Systems Pty Ltd ("Stargate") acquisition.

Contingent Consideration ($'000)	Stargate
Carrying amount at the start of the year	**7,280**
Unwinding of discount	528
Amount reversed in profit or loss	(5,808)
Carrying amount at the end of the year	**2,000**

Under the accounting standards, contingent consideration must be discounted to a present value figure on initial recognition of the likely future payment. As time passes between initial recognition and the actual payment date, this discount is unwound and recognised as an interest expense. During the period, $0.5m was recognised as an interest expense related to the unwinding of discounts. Note that this unwinding of discount is a non-cash item.

The potential future earn-out payment to the vendors of Stargate has been reassessed and reduced to $2.0m (FY2015: $7.3m).

Note that the calculation of any earn-out amount payable in relation to FY2015 has been referred to an Independent Accountant for review and while Rubik believes there will be no amount payable for FY2015, a conservative position with respect to FY2016 result is being held on the balance sheet.

The final earn-out amount, if any, is due to be paid in early FY2017.

6. Growth Investments

Growth Investments ($'000)	R&D Expensed	R&D Capitalised	Other Capex	Total Invested
Software	185	640	3,850	4,675
Total	**185**	**640**	**3,850**	**4,675**

During H1-FY2016, the Rubik Group committed $3.9m in licensing costs and other capex to acquire access to the Temenos edgeConnect product until September 2025. This software is a user experience platform (UXP) that functions across multiple distribution channels, for any product, any user, in any language and is optimised for each device type. First invoices for the sale of this product have been raised and we expect to announce future contracts in H2-FY2016.

This new license arrangement will also allow the business to quickly build and deploy multiple versions of a single banking product, improving productivity and increasing speed to market.

H1-FY2016 Research & Development (R&D) spend of $0.8m was largely as a result of the Coin product upgrade, integration of acquisitions and development costs incurred in relation to Temenos edgeConnect. Of this amount, 77% was capitalised. This was a higher proportion compared to prior periods (H1-FY2015: 42%), reflecting the development of the existing Temenos platform, rather than initial research efforts (which are expensed).

Total R&D costs were significantly down in H1-FY2016 against our normalised target of 15% of revenues, as the business focused on restructuring efforts and the license investment noted above. R&D is expected to increase in H2-FY2016 to normal levels, with the proportion capitalised to remain higher than historical rates until the Temenos project is complete in late H1-FY2017.

7. Cash Flow

Cash Flow ($'000)	H1-FY2016	H1-FY2015
Operating Cash Flow	**(1,339)**	**(187)**
Investing Cash Flow:		
Intangibles and R&D capitalised	(1,706)	(1,712)
Acquisitions (including earn-out payments)	(966)	(3,653)
Other CAPEX	(67)	(857)
Total Investing Cash Flow	**(2,739)**	**(6,222)**
Financing Cash Flow:		
Payment of share placement fee	-	(100)
Proceeds from exercise of options	-	40
Proceeds from borrowings	1,453	730
Total Financing Cash Flow	**1,453**	**670**
Change in cash & cash equivalents	**(2,625)**	**(5,739)**
Opening cash balance	**4,319**	**9,471**
Ending cash balance	**1,694**	**3,732**

Operating cash flows were down by $1.2m in H1-FY2016 as compared to H1-FY2015, due mainly to one-off restructuring costs and increased working capital requirements. The table below reconciles Underlying EBITDA to operating cash flow.

Underlying EBITDA to Operating cash flow ($'000)	H1- FY2016
Underlying Operating EBITDA	**2,627**
Net interest paid	(136)
Sub Total	**2,491**
Change in working capital	
Increase in trade and other receivables	(3,137)
Increase in other current assets	(242)
Increase in trade creditors	1,823
Increase in employee benefits	496
Increase in income in advance	230
Decrease in other working capital balances	(701)
Sub Total	**(1,531)**
Operating cash flow (excluding restructure)	**960**
Restructuring activities	(1,541)
Decrease in restructuring provision	(758)
Sub Total	**(2,299)**
Operating cash flow	**(1,339)**

Higher working capital requirements were driven by increased trade and other receivables, which includes large ad-hoc projects billed at the end of the period and not due as at 31 December 2015. Working capital is expected to normalise during H2-FY2016.

8. Funding

Funding $'000	H1-FY2016	H1-FY2015
Cash	1,694	3,732
Borrowings	(5,874)	(7,402)
Net Bank Debt	**(4,180)**	**(3,670)**
Total Equity	52,515	66,317
Gearing %	7.4%	5.2%

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

During the half year ended 31 December 2015, the Company renegotiated its debt facilities with Westpac Banking Corporation ("Westpac"). The renegotiation extended the term of the current debt facilities to January 2019 on an interest only basis. In addition, Rubik has agreed a further facility with Westpac which will fund the expanded Temenos engagement to provide digital banking products to mid-tier ADI's (Authorised Deposit-taking Institutions), including the edgeConnect platform.

Rubik Group also arranged a 3-month short-term loan with Viburnum Funds Pty Ltd for $2.0m which was drawn after 31 December 2015.

As at 31 December 2015, the Company had access to undrawn credit facilities of $3.1m, including the $2.0m short-term loan noted above.

The Company remained within its banking covenants as at 31 December 2015, maintaining a strong relationship with its bankers.

9. Independent Auditor's Review

The condensed consolidated financial statements for Rubik Financial Limited and its controlled entities for the half year ended 31 December 2015 have been reviewed by Rubik's independent auditors and a copy of their review report is included in the attached 31 December 2015 half-year financial report.

10. Attachments

The Directors attach the following documents:

- An investor and analyst presentation; and
- The financial report of Rubik Financial Limited for the half year ended 31 December 2015.

Signed: Date: 25 February 2015

Craig Coleman

Chairman

Rubik Financial Limited

ABN 51 071 707 232

Half Year Financial Report - 31 December 2015

Contents

Rubik Financial Limited
Directors' report
31 December 2015

The directors present their report, together with the condensed financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Rubik Financial Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

Directors
The following persons were directors of Rubik Financial Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Craig Evan Coleman - Non-Executive Chairman
Andrew Graeme Moffat
John Clark Wilson

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of delivering mission critical systems to Financial Services organisations that are deployed in-house or through multi-tenanted, pay-as-you-go services, that can be securely accessed online or via a mobile interface. Rubik delivers trusted, reliable systems through a focus on quality, reliability and security.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $2,236,000 (31 December 2014: loss of $5,224,000). Revenues were $20,825,000 (31 December 2014: $19,771,000) and Underlying EBITDA was $2,627,000 (31 December 2014: $2,245,000).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the consolidated entity during the financial half-year.

Rounding of amounts
The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration
The lead auditor's independence declaration is set-out on page 4 and forms part of the directors' report for the six months ended 31 December 2015.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Andrew Moffat
Director

25 February 2016
Sydney

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Rubik Financial Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

John Wigglesworth
Partner

Sydney

25 February 2016

Rubik Financial Limited
Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2015

	Note	Consolidated 31 Dec 2015 $'000	31 Dec 2014 $'000
Revenue	6	20,825	19,771
Other income/(expenses)	7	5,808	(1,438)
Net finance expense	8	(654)	(952)
Expenses			
Research fee		(470)	(566)
Product licence and holding fees*		(2,995)	(1,930)
Employee benefits expense*		(12,517)	(12,805)
Share-based payments expense		(233)	(435)
Depreciation and amortisation expense		(3,690)	(3,645)
Professional and consulting fees		(1,217)	(1,065)
Marketing expenses*		(198)	(251)
Premises and establishment expenses*		(860)	(910)
Early termination of lease expense		(159)	-
Impairment loss		(5,300)	-
Communication and other technology expenses*		(641)	(555)
Costs relating to acquisition activities		(43)	(681)
Other expenses		(657)	(568)
Profit/(loss) before income tax expense		(3,001)	(6,030)
Income tax benefit/(expense)	15	765	806
Profit/(loss) after income tax expense for the half-year attributable to the owners of Rubik Financial Limited		(2,236)	(5,224)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of investments		-	5,228
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(4)	2
Other comprehensive income for the half-year		(4)	5,230
Total comprehensive income for the half-year attributable to the owners of Rubik Financial Limited		(2,240)	6

**Certain prior year comparative balances have been reclassified between accounts to conform to the current year classifications. Refer to Note 21 for further information.*

	Note	Cents	Cents
Basic earnings per share	19	(0.65)	(1.53)
Diluted earnings per share	19	(0.65)	(1.53)

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

Rubik Financial Limited
Condensed consolidated statement of financial position

	Note	Consolidated, as at 31 Dec 2015 $'000	30 June 2015 $'000
Assets			
Current assets			
Cash and cash equivalents		1,694	4,319
Trade and other receivables		8,548	5,411
Other		861	619
Total current assets		11,103	10,349
Non-current assets			
Other financial assets	9	151	151
Property, plant and equipment		563	596
Intangibles	10	50,692	55,030
Deferred tax asset		14,583	13,854
Total non-current assets		65,989	69,631
Total assets		77,092	79,980
Liabilities			
Current liabilities			
Trade and other payables		9,327	6,081
Employee benefits		2,314	1,818
Provisions	12	3,137	1,949
Income received in advance		2,546	2,316
Total current liabilities		17,324	12,164
Non-current liabilities			
Borrowings	11	5,874	4,421
Employee benefits		142	179
Provisions	12	-	7,570
Total non-current liabilities		6,016	12,170
Total liabilities		23,340	24,334
Net assets		53,752	55,646
Equity			
Issued capital	13	67,804	67,691
Reserves		3,961	3,732
Accumulated losses		(18,013)	(15,777)
Total equity		53,752	55,646

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

Rubik Financial Limited
Condensed consolidated statement of changes in equity
For the half-year ended 31 December

Consolidated	**Issued capital $'000**	**Reserves $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 1 July 2014	68,046	(145)	(1,701)	66,200
Loss after income tax benefit for the half-year	-	-	(5,224)	(5,224)
Other comprehensive income for the half-year	-	5,230	-	5,230
Total comprehensive income for the half-year	-	5,230	(5,224)	6
Transactions with owners in their capacity as owners:				
Share-based payments	-	435	-	435
Share options exercised	68	(13)	-	55
Unmarketable parcel share buy-back	(379)	-	-	(379)
Balance at 31 December 2014	67,735	5,507	(6,925)	66,317

Consolidated	**Issued capital $'000**	**Reserves $'000**	**Accumulated losses $'000**	**Total equity $'000**
Balance at 1 July 2015	67,691	3,732	(15,777)	55,646
Loss after income tax benefit for the half-year			(2,236)	(2,236)
Other comprehensive income for the half-year		(4)		(4)
Total comprehensive income for the half-year		(4)	(2,236)	(2,240)
Transactions with owners in their capacity as owners:				
Share-based payments		233		233
Issuance of shares (Note 13)	149			149
Tax benefit on share issue cost	(36)			(36)
Balance at 31 December 2015	67,804	3,961	(18,013)	53,752

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

Rubik Financial Limited
Condensed consolidated statement of cash flows
For the half-year ended 31 December 2015

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Cash flows from operating activities		
Receipts from customers	19,886	20,871
Payments to suppliers and employees	(21,085)	(20,883)
	(1,199)	(12)
Interest received	4	43
Interest and other finance costs paid	(134)	(213)
Income taxes paid	(10)	(5)
Net cash (used in)/from operating activities	(1,339)	(187)
Cash flows from investing activities		
Payment for purchase of business, net of cash acquired	(966)	(3,653)
Payments for property, plant and equipment	(67)	(857)
Payments for intangibles	(1,706)	(1,712)
Net cash used in investing activities	(2,739)	(6,222)
Cash flows from financing activities		
Payment of share placement fee	-	(100)
Proceeds from the exercise of share options	-	40
Proceeds from borrowings	1,453	730
Net cash from financing activities	1,453	670
Net decrease in cash and cash equivalents	(2,625)	(5,739)
Cash and cash equivalents at the beginning of the financial half-year	4,319	9,471
Cash and cash equivalents at the end of the financial half-year	1,694	3,732

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

Note 1. Reporting entity

The financial report covers Rubik Financial Limited as a consolidated entity consisting of Rubik Financial Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Rubik Financial Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Rubik Financial Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 21
321 Kent Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

The financial report was authorised for issue, in accordance with a resolution of directors, on 25 February 2016.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 30 June 2015.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the consolidated interim financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted, except for AASB 9 "Financial Instruments (2009)" with an initial application date of 1 July 2010.

AASB 9 requires that the consolidated entity classify its financial assets at either amortised cost or at fair value depending on the consolidated entity's business model for managing its financial assets and contractual cashflow characteristics of the financial assets. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Note 2. Significant accounting policies (continued)

Going concern
Notwithstanding that current liabilities exceed current assets as of 31 December 2015, the directors consider it appropriate to prepare the financial statements on a going concern assumption on the following basis:

- $2.5m of the current liabilities relates to revenue received in advance, which is not expected to result in future cash outflow;
- $3.2m of the current trade and other payables relates to Temenos license fees, for which there is an approved stand-by credit facility;
- Additional undrawn facilities of $3.1m were available as at 31 December 2015, including a $2.0m short-term loan; and
- The business expects to return to cash flow positive during H2-FY2016.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates may differ to actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The significant judgements made by Management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 30 June 2015.

Fair value measurement hierarchy
A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods.

Financial assets at fair value
The fair value of these financial assets is determined by reference to their quoted closing bid price or net asset value at the reporting date.

Non-derivative financial liabilities
Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

Trade and other receivables
The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Note 4. Financial risk management

The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as at and for the year ended 30 June 2015.

Note 5. Operating segments

Effective 1 July 2015, Rubik is operating under one segment. However, revenue has been disclosed geographically and by product set. Note that, although the product sets below have the same name as the previous operating segments, the product components have changed in some cases. Therefore segment revenue in the prior period has been restated to align to the current product groupings used by the consolidated entity.

	Consolidated	
Revenue by product set	**31 Dec 2015 $'000**	**31 Dec 2014 $'000**
Wealth	10,067	10,995
Banking	7,148	5,706
Mortgages	3,610	3,070
	20,825	19,771

Revenue by geographic area	**$'000**	**$'000**
Australia	19,898	18,726
Middle East and Rest of the World	927	1,045
	20,825	19,771

Note 6. Revenue

	Consolidated	
	31 Dec 2015 $'000	**31 Dec 2014 $'000**
Licence and service fees	20,825	19,771

Note 7. Other income (expense)

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Dividend income	-	190
Movement in earn-out provisions:		
2016: Stargate $5.8m, 2015: Stargate: ($2.8m)& Provisio: $1.2m	5,808	(1,664)
Other	-	36
Other income (expense)	5,808	(1,438)

Note 8. Net finance expense

	Consolidated	
	31 Dec 2015 $'000	31 Dec 2014 $'000
Interest income	4	43
Merchant fees and bank charges	(24)	(27)
Foreign exchange gain/(loss)	34	66
Interest expense on unwinding of discounts	(528)	(800)
Other interest expense	(140)	(234)
	(654)	(952)

Note 9. Non-current assets - other financial assets

	Consolidated	
	31 Dec 2015 $'000	30 June 2015 $'000
Shares in unlisted entity - at fair value	151	151
	151	151

Shares in unlisted entity relate to CCK Financial Solutions Pty Ltd. These are valued using the last trading price obtained from the ASX before it was delisted and the value is considered to be materially appropriate.

Note 10. Non-current assets - intangibles

	Consolidated	
	31 Dec 2015 $'000	**30 June 2015 $'000**
Goodwill - at cost	28,414	28,414
Less: Impairment	(11,235)	(5,935)
	17,179	22,479
Customer contracts and relationships - at cost	6,815	6,815
Less: Accumulated amortisation	(4,442)	(3,950)
	2,373	2,865
Software - at cost	55,232	50,742
Less: Accumulated amortisation	(14,189)	(11,153)
Less: Impairment	(10,082)	(10,082)
	30,961	29,507
Other intangible assets - at cost	309	294
Less: Accumulated amortisation	(115)	(115)
Less: Impairment	(15)	-
	179	179
	50,692	55,030

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

Consolidated	Goodwill $'000	Customer contracts and relationships $'000	Software $'000	Other intangibles $'000	Total $'000
Balance at 1 July 2015	22,479	2,865	29,507	179	55,030
Additions	-	-	4,490	15	4,505
Impairment of intangibles	(5,300)	-	-	(15)	(5,315)
Amortisation expense	-	(492)	(3,036)		(3,528)
Balance at 31 December 2015	17,179	2,373	30,961	179	50,692

Note 10. Non-current assets – intangibles (continued)

Impairment testing for cash-generating units containing goodwill
For the purpose of impairment testing, goodwill is allocated to the consolidated entity's CGUs (operating divisions) as follows.

	Consolidated	
	31 Dec 2015 $'000	30 June 2015 $'000
Wealth	5,399	5,399
Mortgages	11,780	17,080
	17,179	22,479

As at 31 December 2015, the consolidated entity measured the recoverable amount of each CGU based on its value in use, determined by discounting the future cash flows to be generated from the continuing use of the CGU. Based on this analysis, an impairment loss of $5.3m was recognised for the Mortgages CGU. This impairment was allocated to goodwill.

Key assumptions used in the calculation of value in use were as follows.

	31 Dec 2015	30 June 2015
Banking		
Discount rate	14.0%	14.0%
Terminal value growth rate	3.0%	3.0%
Budgeted EBITDA growth rate (average of next 5 years)	22.2%	31.9%
Wealth		
Discount rate	17.9%	17.9%
Terminal value growth rate	3.0%	3.0%
Budgeted EBITDA growth rate (average of next 5 years)	14.3%	17.3%
Mortgages		
Discount rate	17.9%	17.9%
Terminal value growth rate	3.0%	3.0%
Budgeted EBITDA growth rate (average of next 5 years)	15.3%	20.2%

Note 10. Non-current assets – intangibles (continued)

The discount rate was a pre-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, adjusted for a risk premium to reflect both the increased risk of investing in equities generally and the systemic risk of the specific CGU.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity has been determined as the lower of the nominal Australian inflation rate and the long-term compound annual EBITDA growth rate estimated by management.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience, adjusted for the anticipated revenue growth and cost savings. Revenue growth was projected taking into account the average growth levels experienced and industry and business specific factors. Cost savings are those expected to be realised through integration of the back office function across CGUs.

The estimated recoverable amount each CGU exceeded its carrying amount was approximately:

	Consolidated	
	31 Dec 2015 $'000	30 June 2015 $'000
Banking	1,305	-
Wealth	25,449	14,584
Mortgages	-	2,975

Following the current financial year impairment to the Mortgages CGU, the recoverable amount is equal to the carrying amount. Therefore any future adverse movements in key assumptions would lead to further impairment loss.

Note 11. Non-current liabilities - borrowings

	Consolidated	
	31 Dec 2015 $'000	30 June 2015 $'000
Commercial bills – non-current	5,874	4,421

Refer to Note 16 for further information on financial instruments.

Assets pledged as security
The commercial bills are secured by first mortgages over the consolidated entity's assets.

Note 12. Provisions

	Consolidated 31 Dec 2015 $'000	Consolidated 30 June 2015 $'000
Current Liabilities - Provisions		
Deferred consideration	297	1,577
Contingent consideration (Note 16)	2,000	-
Warranties	117	117
Lease make good	295	-
Redundancies	173	-
Onerous contracts	255	255
	3,137	1,949
Non-current Liabilities - Provisions		
Contingent consideration	-	7,280
Lease make good	-	290
	-	7,570

On 4th June 2014, Rubik acquired Stargate Information Systems Pty Ltd for an upfront consideration of $19.375m and an earn-out calculated as a multiple of contributed EBITDA in FY2015 and FY2016, adjusted for certain items as per the Sale and Purchase Agreement. Contingent consideration under the Sale and Purchase Agreement may be between zero and a maximum of $15.0m.

As at 31 December 2015, Rubik has amended its estimate of the potential earn out payable under the terms of the Sale and Purchase Agreement, and the contingent consideration amount of $2.0m set out above represents Rubik's current conservative estimate of this amount. It should be noted that the final amount payable will be determined based on the actual results of the business in FY2016, which are currently unknown.

The balance of the contingent consideration amount has been decreased significantly due to weaker than forecast results in the acquired business, which have also led to the impairment of the Mortgages CGU (refer Note 10). The earn-out amount is due to be paid in the first half of FY2017, and therefore has been moved from a non-current to a current liability during the period.

Note 13. Equity - issued capital

	Consolidated 31 Dec 2015 Shares	Consolidated 30 June 2015 Shares	Consolidated 31 Dec 2015 $'000	Consolidated 30 June 2015 $'000
Ordinary shares	370,638,690	366,217,323	67,840	67,691
Less: Treasury shares	(23,000,000)	(26,000,000)	-	-
	347,638,690	340,217,323	67,840	67,691

Note 13. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	No of shares	$'000
Balance	1 July 2015	340,217,323	67,691
Shares issued	7 October 2015	1,063,367	149
Shares issued relative to employee long term incentive plan	19 October 2015	3,130,000	-
Shares issued relative to employee gift plan	19 October 2015	228,000	-
Shares from treasury transferred to the employee long term incentive plan	29 October 2015	3,000,000	-
Balance	31 December 2015	347,638,690	67,840

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 shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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.

Treasury shares are shares issued to Rubik's Group Executive Team (GET) in relation to the loan funded share scheme. Please refer to Note 20 for further details.

Note 14. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Income tax

Amounts recognised in profit or loss

	Consolidated	
	31 Dec 2015 $'000	**30 June 2015 $'000**
Current tax expense / (benefit)		
Current year	226	(1,280)
Deferred tax expense / (benefit)		
Origination and reversal of temporary differences	(991)	(1,957)
R&D Claim	-	(292)
	(991)	(2,249)
Tax benefit on continuing operations	(765)	(3,529)

Amounts recognised directly in equity

	31 Dec 2015			30 June 2015		
	Before tax	**Tax benefit**	**Net of tax**	**Before tax**	**Tax benefit**	**Net of tax**
Share issue costs	-	36	36	-	89	89

Reconciliation of income tax benefit

	Consolidated	
	31 Dec 2015 $'000	**30 June 2015 $'000**
Loss before tax from continuing operations	3,001	17,605
Income tax benefit/(expense) using the Company's tax rate (30%)	900	5,281
Non-deductible expenses	(102)	(2,213)
Effect of tax rates in foreign jurisdiction	-	-
R&D claim	-	292
Others	(33)	169
Income tax benefit	765	3,529

Note 16. Financial instruments

Accounting classifications and fair values
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31 December 2015		Carrying Amount			Fair Value Level			
	Note	Fair value	Amortised cost	Other financial liabilities	1	2	3	Total
Financial assets measured at fair value								
Share in unlisted entity	9	151					151	151
		151						
Financial assets not measured at fair value								
Cash and cash equivalents			1,694					
Trade and other receivables			8,721					
			10,415					
Financial liabilities measured at fair value								
Contingent consideration		2,000					2,000	2,000
		2,000						
Financial liabilities not measured at fair value								
Trade and other payables				9,328				
Secured bank loans	11			5,874				
				15,202				

31 December 2014		Carrying Amount			Fair Value Level			
		Fair value	Amortised cost	Other financial liabilities	1	2	3	Total
Financial assets measured at fair value								
Shares in listed entity		6,343			6,343			6,343
Share in unlisted entity	9	151					151	151
		6,494						
Financial assets not measured at fair value								
Cash and cash equivalents			3,732					
Trade and other receivables			6,028					
			9,760					
Financial liabilities measured at fair value								
Contingent consideration		9,115					9,115	9,115
		9,115						
Financial liabilities not measured at fair value								
Trade and other payables				5,272				
Secured bank loans				7,402				
				12,674				

Note 16. Financial instruments (continued)

Measurement of fair values
The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Shares in unlisted entity (CCK Financial Solutions Ltd)	Based on the last trading price of the delisted entity (December 2012). This amount is then compared to the book value of the shares from the latest available audited financial statements of the investee.	Not applicable	Not applicable
Contingent consideration	Discounted cash flows: The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate. The expected payments are determined by considering the possible scenarios of forecast EBITDA, the amount to be paid under each scenario and the probability of each scenario.	Risk-adjusted discount rate not applicable as amount due within 12 months (in FY2015 was 13.89%)	Not applicable

Reconciliation of Level 3 fair values
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Shares in unlisted entities $'000	Contingent Consideration $'000
Balance at 1 July 2014	151	8,239
Unwinding of discount	-	712
Transfer to deferred settlement liability	-	(1,500)
Earn-out true up and amendment to Provisio commercial terms	-	1,664
Balance at 31 December 2014	151	9,115
Balance at 1 July 2015	151	7,280
Unwinding of discount	-	528
Earn-out true-up		(5,808)
Balance at 31 December 2015	151	2,000

Note 16. Financial instruments (continued)

Sensitivity analysis

For the fair values of contingent consideration, reasonably possible changes at 31 December 2015 and 30 June 2015 to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

Effect in thousands AU$	Profit or Loss	
	Increase	Decrease
31 December 2015		
Risk-adjusted discount rate (1% movement)	N/A	N/A
30 June 2015		
Risk-adjusted discount rate (1% movement)	85	85

Note 17. Commitments

	Consolidated	
	31 Dec 2015 $'000	**31 Dec 2014 $'000**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	590	1,317
One to five years	3,770	2,205
Over five years	4,039	-
	8,399	3,522
Capital commitments - Intangible assets		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	350
One to five years	-	350
	-	700

Operating lease commitments includes contracted amounts for various office and plant and equipment under non-cancellable operating leases expiring within 1 to 8 years, in some cases with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. For 31 December 2015, commitments include lease payments payable under the new premises lease signed by Rubik on 23 December 2015.

Capital commitments includes contracted amounts under the software licence agreement for Temenos T24. On 26 September 2015, Rubik signed an agreement with Temenos to purchase additional licenses and these have been recognised in the balance sheet in Intangible Assets and Trade and Other Payables.

Note 18. Events after the reporting period

As disclosed in Note 22, on 4 January 2016, Rubik drew a $2,000,000 loan from Viburnum Funds Pty Ltd.

Note 19. Earnings per share

	Consolidated	
	31 Dec 2015 $'000	**31 Dec 2014 $'000**
(Loss)/Profit after income tax attributable to the owners of Rubik Financial Limited	(2,236)	(5,224)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	343,231,020	341,081,637
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares (in the money)	-	894,866
Weighted average number of ordinary shares used in calculating diluted earnings per share	343,231,020	341,976,503
	Cents	**Cents**
Basic earnings per share	(0.65)	(1.53)
Diluted earnings per share	(0.65)	(1.53)

Note 20. Share-based payments

Options

In April 2013, Rubik established an Employee Security Plan and has issued 2,000,000 share options under that plan. As of 31 December 2015, there are 1,000,000 share options outstanding with a strike price of $0.174 and these will expire on 12 April 2016.

Loan Funded Share Arrangement

As noted in Rubik's 2015 Annual Report, the Board has moved to the use of loan funded shares as its preferred method of long-term incentive for key executives.

A summary of the amended loan funded share issuances made to the CEO and the CFO is set out below.

		No. of Shares	Valuation Date	Vesting Date	Strike Price
CEO	T1	3,333,334	1 May 2015	30 September 2018	$0.25
	T2	3,333,333	1 May 2015	30 September 2018	$0.25
	T3	3,333,333	1 May 2015	30 September 2018	$0.25
COO*	T1	2,166,667	1 May 2015	30 September 2018	$0.25
	T2	2,166,667	1 May 2015	30 September 2018	$0.25
	T3	2,166,666	1 May 2015	30 September 2018	$0.25
CFO	T1	2,166,667	1 May 2015	30 September 2018	$0.25
	T2	2,166,667	1 May 2015	30 September 2018	$0.25
	T3	2,166,666	1 May 2015	30 September 2018	$0.25
TOTAL		**23,000,000**			

**Following the resignation of the COO on 31 December 2015, 6,500,000 loan funded shares were forfeited and are now held in treasury.*

The loan funded shares are accounted for as options to reflect the substance of the transaction. The valuation was determined by using the Black Scholes model and have the following valuation summary.

Spot Price:	$0.14
Days to expiry:	1,248
Volatility:	50% to 60%
Interest Rate:	1.93%
Value per Executive Loan Share	$0.029 to $0.039

Note 20. Share-based payments (continued)

Employee Share Ownership Plan (ESOP)

On 30 July 2015, the Board approved Rubik's ESOP which were issued in two allocations on 19 October 2015:

i. *Long Term Incentive Plan*

   Provided to eligible employees as a long-term incentive plan. Each employee was allocated a certain number of RFL shares, which are subject to vesting conditions. The vesting date is 14 September 2018. Under this Plan, 6,130,000 shares were issued at an indicative price of $0.16 per share.

ii. *Employee Gift Plan*

   Provided to eligible employees as a "gift", no monetary cost to the employees. Each eligible employee is entitled to 6,000 shares. This was given in recognition of the significant role that employees played in the growth of the Company. Under this Plan, 228,000 shares were issued at $0.16 per share.

Note 21. Reclassification of prior year comparatives

A reclassification of certain expenses was required in the December 2014 half-year financial statements to conform to the current year presentation, as this provides more relevant and reliable information. The impact of the reclassification is as follows:

In thousands of AUD	2015 Previously reported	Change	2015 Restated
Product licence and holding fee	(1,986)	56	(1,930)
Employee benefits expense	(12,637)	(168)	(12,805)
Marketing expenses	(389)	138	(251)
Premises and establishment expenses	(940)	30	(910)
Telecommunications^	(499)	(56)	(555)

^This account has been renamed "Communication and other technology expenses".

The above reclassification has no impact on the overall net consolidated profit or profit per share, the condensed consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity, or the condensed consolidated statement of cash flows for the half-year ended 31 December 2014, or the condensed consolidated statement of financial position at 31 December 2014.

Note 22. Related parties

Transactions with key management personnel:

GCP Limited – Associated with Iain Dunstan (CEO)

During the half-year ended 31 December 2015 the Group received services from Global Card Partners.

	Transaction value For the six months ended		Balance outstanding	
In dollars	**31 Dec 2015**	**31 Dec 2014**	**31 Dec 2015**	**30 June 2015**
Purchases of goods and rendering of services	94,600	-	45,100	-

Viburnum Funds Pty Ltd – Associated with Craig Coleman (Director)

On 23 December 2015, Rubik entered into a short-term finance facility with Viburnum Funds Pty Ltd. The facility details are as follows:

Amount of Loan	$2,000,000.
Term	Up to 31 March 2016
Interest Rate	8% per annum calculated daily
Repayment	On or before 31 March 2016

The loan was drawn on 4 January 2016.

Note 22. Related parties (continued)

Stargate Technology Pty Ltd – Associated with Brett Spencer (General Executive – Mortgages)

During the half-year ended 31 December 2015 the Group received goods and services from Stargate Technology Pty Ltd.

	Transaction value For the six months ended		**Balance outstanding**	
In dollars	**31 Dec 2015**	**31 Dec 2014**	**31 Dec 2015**	**30 June 2015**
Purchases of goods and rendering of services -	154,008	139,632	71,025	50,638

All related party transactions were undertaken on arm's length terms.

Rubik Financial Limited
Directors' declaration
31 December 2015

In the directors' opinion:

- the attached condensed consolidated financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached condensed consolidated financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors

Andrew Moffat
Director

25 February 2016
Sydney

Independent auditor's review report to the members of Rubik Financial Limited

We have reviewed the accompanying half-year financial report of Rubik Financial Limited, which comprises the consolidated statement of financial position as at 31 December 2015, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes 1 to 22 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 half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Rubik Financial Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Independent auditor's review report to the members of Rubik Financial Limited (continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Rubik Financial Limited is not in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

John Wigglesworth
Partner

Sydney

25 February 2016