Appendix 4E

Rubik Financial Limited (RFL or the company)

(ABN 51 071 707 232)

Results for announcement to the market

This Appendix 4E 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 2016 (**FY2016**)

Previous corresponding period: Financial year ended 30 June 2015 (**FY2015**)

2. Results

Audited results *Continuing operations*	Percentage change %		FY2016 $'000	FY2015 $'000
Revenue	Up	11%	43,261	38,831
Underlying EBITDA*	Up	32%	6,520	4,929
Net profit/(loss) after tax attributed to members	Up	81%	(2,654)	(14,076)
Significant items*	Up	89%	(1,430)	(12,581)
Earnings per share – basic (NPAT)	Up	83%	(0.8) cents	(4.1) cents
Net tangible assets per share	Up	49%	(1.9) cents	(3.9) cents

* = Non-AIFRS measure

All results within this Appendix 4E are audited. See section 9.

3. Summary

Overall revenue for FY2016 was $43.3 million, a $4.5 million, or 11.4 per cent increase from FY2015. The Wealth product suite contributed 47 per cent of total revenue, the Banking product suite contributed 34 per cent and the Mortgage product suite contributed 19 per cent to total revenues.

Recurring revenue contributed 73 per cent of revenues this financial year compared to 81 per cent last financial year. This movement is attributed to the company closing a number of CWX sales, which are sold based on an upfront, non-recurring license fee with a recurring maintenance trail, which will add to future recurring revenues. In addition, the company continued to focus on expanding its project related services, which also increased non-recurring revenues.

Underlying EBITDA improved by 32.3 per cent to $6.5 million in FY2016 from $4.9 million in FY2015, due to the above mentioned revenue improvements, combined with a focus on cost containment as revenues grew, and assisted by the benefits coming from our recently completed restructuring program. This resulted in an improvement in the Underlying EBITDA margin for the company from 12.7 per cent in FY2015 to 15.1 per cent in FY2016.

The reported net loss after tax for the year ended 30 June 2016 was $2.7 million (FY2015: $14.1 million loss). This net loss is predominantly attributed to depreciation and amortisation charges of $7.6 million and restructuring costs of $1.9 million.

The table below sets out the company's results in more detail than is provided in the Statement of Profit or Loss and Other Comprehensive Income in the 2016 Annual Report, and reconciles the company's "Underlying EBITDA" result to its AIFRS based profit number.

Performance ($'000)	FY2016	FY2015	Var %
Recurring revenues	31,450	31,547	↓ 0.3%
Non-recurring service revenues	10,851	7,128	↑ 52.2%
Non-recurring license revenues	960	156	↑ >100%
Total operating revenues	**43,261**	**38,831**	↑ **11.4%**
Underlying EBITDA*	**6,520**	**4,929**	↑ **32.3%**
Amortisation of intangibles+	(7,075)	(7,248)	↓ 2.4%
Depreciation of PPE+	(496)	(789)	↓ 37.1%
Share based payment expense+	(500)	(134)	↑ >100%
Asset write-off+	-	(89)	n/a
EBIT before significant items *	**(1,551)**	**(3,331)**	↑ **53.4%**
FX gain/(loss)	(18)	130	↓ >100%
Net interest expense	(510)	(373)	↑ 36.7%
Interest on unwinding of discount+	(528)	(1,450)	↓ 63.6%
Profit before tax and significant items *	**(2,607)**	**(5,024)**	↑ **48.1%**
Significant items *			
- Impairment of Mortgage CGU (see 5.1) +	(5,300)	-	n/a
- Movement in earn out provisions (see 5.2) +	5,808	821	↑ >100%
- Transaction & integration costs (see 5.3)	-	(1,379)	n/a
- Restructuring costs (see 5.4)	(1,938)	(3,296)	↓ 41.2%
- Onerous contract provision+	-	(255)	n/a
- Impairment of Banking CGU+	-	(8,472)	n/a
Profit before tax	**(4,037)**	**(17,605)**	↑ **77.1%**
Income tax benefit – current year+	1,383	3,529	↓ 60.8%
NPAT as reported	**(2,654)**	**(14,076)**	↑ **81.1%**

* = Non-AIFRS measure
+= Non-cash item

4. Review of operations

In FY2016 the company operated under one segment. However, the table below discloses revenue by the various product sets across the business, being Wealth, Banking and Mortgages. Wealth refers to the development and provision of advice software and services to the financial planning industry, Banking to the provision of software and related services to the banking sector and Mortgages to the development and provision of software solutions to the Australian mortgage broking industry. Further details are set out in the Annual Report.

The results for Rubik, by product set, are set out below.

Review of operations - product sets ($'000)	FY2016	FY2015	Var %
Wealth	20,245	20,993	-3.6%
Banking	14,890	11,767	26.5%
Mortgages	8,126	6,071	33.8%
Group revenue	**43,261**	**38,831**	**11.4%**
Group operating expenses	(36,741)	(33,902)	8.4%
Group Underlying EBITDA	**6,520**	**4,929**	**32.3%**
Group Underlying EBITDA/revenue margin %	**15.1%**	**12.7%**	

Wealth revenue decreased marginally by $0.8 million, or 3.6 per cent, from $21.0 million in FY2015 to $20.2 million in FY2016. This was mainly due to the full year impact of a major financial institution's transition from a Coin licensed software solution to Software as a Service (SaaS).

Banking revenue increased by $3.1 million, or 26.5 per cent, from $11.8 million in FY2015 to $14.9 million in FY2016 as a consequence of new license sales of Rubik's CWX debt collection solution, and an increased focus on service revenues from both CWX and DriveOnline products.

Mortgage revenue increased by $2.0 million, or 33.8 per cent, from $6.1 million in FY2015 to $8.1 million in FY2016. This was mainly the result of service fees on anti-money laundering projects related to Rubik's eLodge+ product.

Operating expenses increased by 8.4 per cent mainly due to increased staffing costs to support service revenue growth (which was up 52 per cent) and increased staff bonuses. These increases were partially offset by the benefits coming from our recent restructuring program.

5. Significant items

5.1 Impairment of the Mortgages CGU

Under Australian Accounting Standards, Rubik must assess the recoverable amount of each of its Cash Generating Units (CGU) on an annual basis. Refer to the Annual Report for further details of this calculation.

Based on this analysis, an impairment loss of $5.3 million has been recognised for the Mortgages CGU during the period, 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, Rubik 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 Rubik's investment in Stargate Information Systems Pty Ltd ("Stargate"). The impairment has been offset by $5.8 million due to the movement in the earn out provision (see section 5.2).

5.2 Movement in earn out provision

This item represents the net movement in contingent consideration, which represents the expected payments related to the finalisarion of the 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 Australian 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. $0.5 million was recognised in FY2016 as an interest expense related to the unwinding of discounts. The unwinding of discount is a non-cash item.

The potential future amount required to finalise the earn out arrangements for Stargate was reassessed and reduced to $2.0 million (FY2015: $7.3 million).

A conservative position with respect to the FY2016 result is being held on the balance sheet. The final earn out amount, if any, is due to be paid in early FY2017.

5.3 Transaction and integration costs

Transaction and integration costs are amounts directly related to acquisitions undertaken and include external advisor fees and an allocation of internal staff time to assist with the transition and integration of acquired businesses.

Transaction and integration costs ($'000)	FY2016	FY2015
Financial and legal advice and due diligence	-	556
Integration costs	-	680
Other	-	108
Stamp duty paid	-	35
Total	**-**	**1,379**

There were $1.4 million of transaction and integration cost in FY2015, compared with no costs in FY2016, due to no acquisitions being undertaken in the past financial year.

5.4 Restructuring costs

Restructuring program costs were $1.9 million in FY2016, compared to $3.3 million in FY2015.

Restructuring costs ($'000)	FY2016	FY2015	Total
Redundancies and related costs (non OSDC)	767	1,818	**2,585**
Off-shore development centre (OSDC)	570	1,170	**1,740**
Data centre consolidation	302	112	**414**
Early termination of lease	158	-	**158**
Legal fees	123	62	**185**
Consulting	18	134	**152**
Total	**1,938**	**3,296**	**5,234**

These represent costs incurred in restructuring the operations of the company, and are predominantly related to redundancy costs, data centre consolidation and amounts incurred in the creation of the Off-Shore Development Centre ("OSDC").

Total cumulative restructuring program costs incurred were $5.2 million, $0.2 million more than the $5.0 million originally expected. This small overspend primarily related to the previously unplanned redundancy costs of the GE – Mortgages role in June 2016. The ongoing benefit of this exit is in the order of $0.3 million per annum.

The benefits of the above restructuring effort have already started to flow through to results and total benefits are expected to be in the order of $2.0 million per annum.

No further restructuring costs will be incurred under the above restructuring program.

6. Growth investments

Growth investments ($'000)	Internal R&D expensed	Internal R&D capitalised	Outsourced R&D capitalised	Sofware licenses capitalised	Total invested
Major project (RMB)	-	1,516	1,550	3,850	**6,916**
Existing product set	760	1,161	-	-	**1,921**
Total	**760**	**2,677**	**1,550**	**3,850**	**8,837**

Rubik has continued to invest in its Research and Development (R&D) program. FY2017 investment spend is aligned to Rubik's strategy to transition from a seller of individual products to a provider of solution platforms.

FY2016 growth investments of $8.8 million (FY2015: $5.1 million) consists of $6.9 million invested into Rubik's strategic digital banking platform, Rubik Model Bank (includes license fees paid or payable to Temenos of $3.9 million). The $1.9 million invested in Rubik's existing products, of which $0.8 million was expensed, related mainly to the building of additional features and functionality within Rubik's Wealth and Mortgages solutions, and the start of the transition of these products to an integrated Financial Services platform. See the Annual Report for further information on our platform strategy.

Internal R&D spend of $3.4 million for the year was 7.9 per cent of revenue, against prior market guidance of around 15 per cent. This lower spend was offset by Rubik's increased development and license spend on the Rubik Model Bank platform. As forecast when releasing the H1-FY2016 results, internal R&D increased in H2-FY2016 to 11.6 per cent of revenue, from 4.0 per cent in H1-FY2016.

7. Free cash flow

FY2016 free cash flow was negative $6.9 million, reflecting a $4.6 million investment in R&D for Rubik's new digital banking platform, $1.6 million of deferred consideration payments relating to prior acquisitions and $2.5 million in restructuring costs.

Free cash flow ($'000)	FY2016	FY2015
Underlying EBITDA	**6,520**	**4,929**
Interest & tax paid	(565)	(347)
Change in working capital	(2,400)	(2,250)
Other	-	(544)
Restructuring	(2,512)	(2,340)
Operating cash flow (as per Annual Report)	**1,043**	**(552)**
Sustaining capex	(509)	(958)
Product enhancement capex	(1,261)	(2,130)
Add back restructuring	2,512	2,340
Underlying free cash flow	**1,785**	**(1,300)**
Major project (RMB) capex	(4,552)	-
Acquisitions/divestments	(1,619)	993
Restructuring	(2,512)	(2,340)
Free cash flow	**(6,898)**	**(2,647)**

Note that the above table relates to cash flow in the period, and therefore includes payments made during the period to settle prior period transactions (e.g. acquisitions) and does not include payments that will be made in the future to settle FY2016 transactions (e.g. termination payments agreed during the year, but not paid until after balance date, and an amount of $2.0 million still to be paid in relation to capitalised software licenses for Rubik Model Bank).

8. Funding

Funding ($'000)	FY2016	FY2015
Cash	5,653	4,319
Borrowings	(7,760)	(4,421)
Net bank debt	**(2,107)**	**(102)**
Total equity	58,490	55,646
Gearing %	3.5%	0.2%

Gearing = net debt/(net debt+shareholders funds)

As at 30 June 2016, the company had access to available but undrawn credit facilities of $0.5 million. An additional undrawn facility of $2.0 million was available to Rubik as at balance date, relating specifically to the payment of agreed Temenos software licensing amounts not yet due, and therefore is not included as an available credit facility as at balance date.

The company remained within its banking covenants as at 30 June 2016 and throughout FY2016.

9. Audit status

As at the date of this report KPMG had completed its audit, and the figures set out in this Appendix 4E and in the Annual Report are accompanied by an unqualified audit opinion.

10. Attachments

The Directors attach the Annual Report of Rubik Financial Limited for the year ended 30 June 2016

Signed: Date: 31 August 2016

Craig Coleman
Chairman

Rubik

Smart, connected technology

2016 Annual Report

Rubik Financial Limited (Rubik) is a leading, ASX listed fintech company that delivers innovative banking, financial services and collections software solutions both in Australia, and internationally across Asia and the Middle East. More than 150 employees service 930 direct clients and 23,000 end users in 12 countries.

Rubik is committed to smart, connected technology that enables our clients to deliver efficient and profitable outcomes to their customers, every day. Unique in terms of its integrated product set, Rubik allows major banks, telco's and financial institutions to service their clients' current and future needs across the entire financial spectrum.

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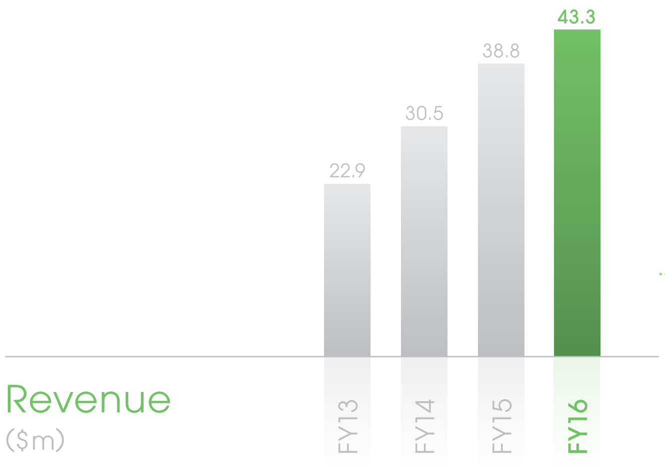
NOTICE OF ANNUAL GENERAL MEETING

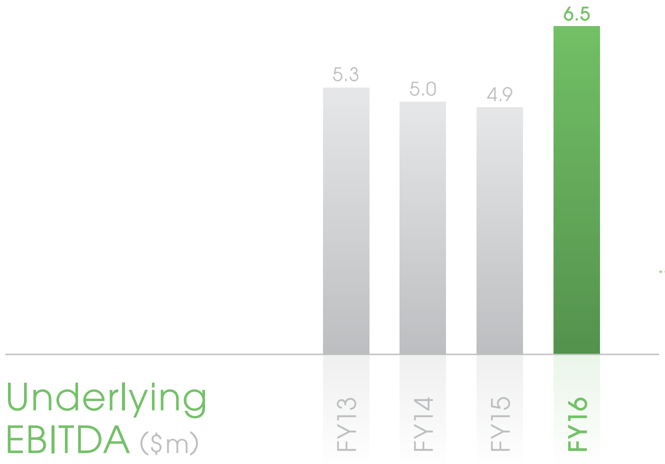
The Annual General Meeting of Rubik Financial Limited will be held on Tuesday, 29 November 2016 at 3.00pm in Rubik's offices on Level 10, 85 Castlereagh Street, Sydney NSW 2000.

Rubik Financial Limited ABN 51 071 707 232

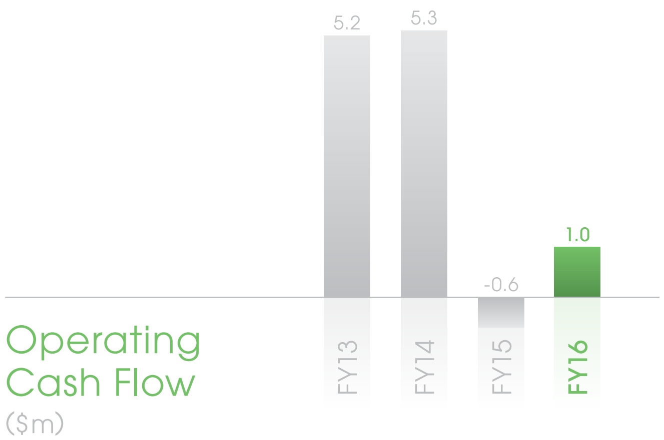
FINANCIAL METRICS



Continued double digit
REVENUE GROWTH



30% growth in
UNDERLYING EBITDA



Return to positive
OPERATING CASH FLOW

KEY OPERATIONAL POINTS

Leveraged exclusive relationship with Temenos

for digital hosted solution

Reorganised for success

and completed streamline of corporate structure

Expanded overseas footprint

further into Asia, Middle East and New Zealand

Key Board & talent acquisition

hiring exceptional new appointments with specialist industry experience

Enabled digital transformation

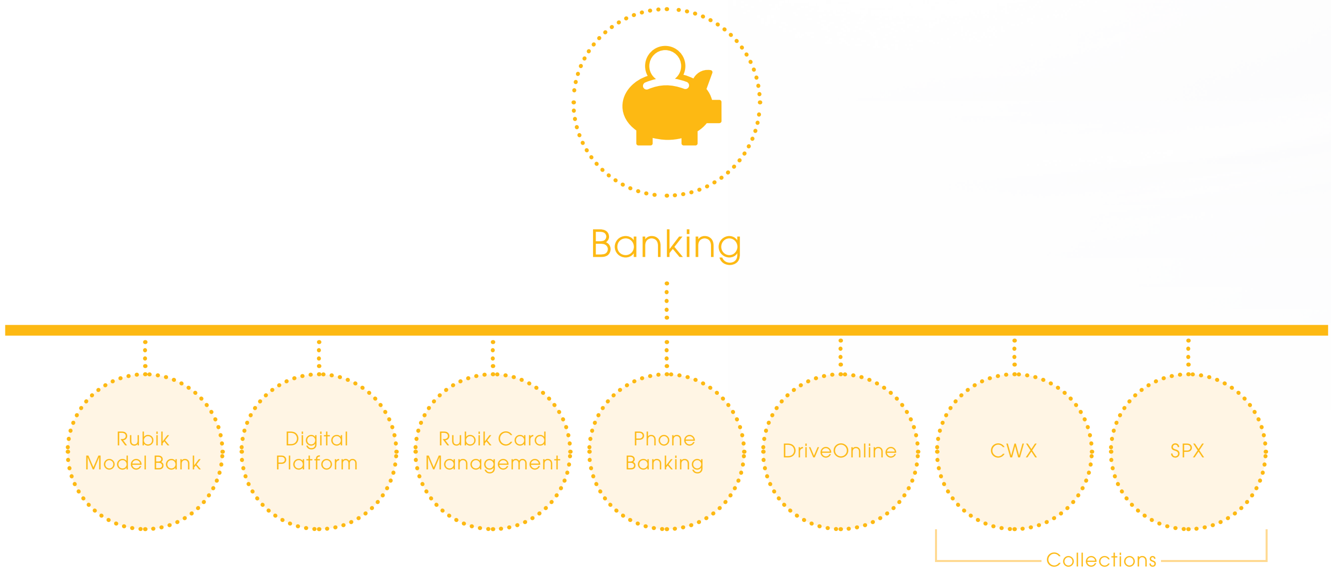
and focused on delivering technology to support industry needs

Invested in R&D

to enhance software features and functionality

PRODUCT OVERVIEW

Rubik solutions are used by more than 23,000 end users around the world, and can be delivered on an installed basis or via Software as a Service (SaaS). In FY2016, Rubik was organised around three categories of software solutions, being banking, wealth and mortgages.



Rubik Model Bank is a hosted, integrated, modular banking system built off the class leading Temenos* T24 backbone. It provides critical functionality for retail banking including Internet Banking, Mobile Banking, Mobile App, Card Management System, Origination Platform, CRM and Collections & Recoveries.

Digital Platform encompasses a fourth generation Internet Banking solution and Mobile Banking application. The expanded platform is now part of the Temenos* global market place, via the Temenos Connect platform.

Rubik Card Management provides a platform for the management of electronic credit or debit cards, including monitoring of usage, and provides a bridge between a host system and a switch where appropriate.

Phone Banking allows customers to perform banking activities over the phone. It is based either on VOIP or analogue technology.

DriveOnline is an asset finance origination platform with intuitive point of sale capabilities, designed to increase sale conversions across lender distribution channels, as well as facilitate straight through processing.

Collections consists of **CWX**, a world class collections and recoveries software platform. Highly flexible, it improves credit collections and recovery rates by managing all aspects of the end-to-end process; and **SPX**, a Secure Payment Exchange processing system that processes high volume direct entry bulk-payments for major financial industry sectors such as Credit Unions and Building Societies.

**Rubik has a partnership with software vendor Temenos to license its software products and to further build and develop them.*

Coin is a comprehensive financial planning software platform with an integrated suite of modules for client engagement, reporting, research and modelling of strategies for insurance, investments, superannuation and retirement. It also has advice document generation, workflow and customer relationship management capabilities.

Provisio is a scaled financial planning software platform that combines illustration point of sales tools and SoA capability for optimised strategies in superannuation, retirement, investments and insurance.

Easy Suite consists of: **Easy Revenue**, a revenue statement management and analysis software that quickly and easily allows a dollar value to be placed on relationships with clients, team members and referrers; **Easy Dealer**, a revenue and commission management system for licensees and mortgage aggregators to manage payment arrangements to advisers and brokers; and **Easy Payment**, which provides advisers, licensees, mortgage brokers and aggregators with the ability to set up invoicing options for clients using credit cards, direct debit and Bpay.

Symmetry is an end to end loan management tool designed for Australian mortgage professionals including aggregators, brokers, mortgage managers and originators.

eLodge+ is an integrated mortgage sales process module, enabling the submission of electronic loan applications to over 15 lenders in the Australian marketplace. eLodge+ facilitates a seamless connection between lenders and their distribution channels, supporting straight through processing, reducing re-work and improving the holistic customer experience.

ePass Store is the Partner Application Store that connects seamlessly to all third party suppliers and supports credit reports, valuations or e-lodgement to get loans processed faster, or referrals to insurance providers or financial planners.

Spectrum is a Microsoft Dynamics based CRM, tailored to suit the needs of Australian mortgage professionals.

Transitioning to a PLATFORM SOLUTIONS approach

CHAIRMAN'S INTRODUCTION

Dear Shareholders,

On behalf of the Board of Directors of Rubik Financial Limited (Rubik), I present our 2016 Annual Report.

The 2016 financial year can be summarised as a year of growth and transition. For the fourth consecutive year, our revenue has improved by more than 10 per cent; with total revenue growing by 11.4 per cent this past financial year. Operating cash flow saw a return to positive this year, with successful corporate restructuring, establishment of our off-shore development and testing centre, and consolidation of our data centre infrastructure now complete. These initiatives are starting to yield benefits, evident in our underlying results and outlook. A more detailed financial and operational overview of the 2016 financial year is provided in Iain Dunstan's CEO report.

We continue to invest in our management team, hiring a number of key senior management roles across product, account management, sales, marketing and human resources, to support our growth and product vision.

In support of our employees, an Employee Share Ownership Plan (ESOP) was rolled out in October 2015. The ESOP consists of three levels of plans for our C-Suite, selected senior employees and all long-standing employees, and is subject to a three year vesting period and EBITDA hurdles being met.

We also recently welcomed new board member Peter Clare, who joined Rubik in July this year. Peter has been in the banking industry for more than 20 years, most recently as the Chief Executive Officer of Westpac New Zealand Limited. He is also a member of several fintech related boards and brings broad experience to the role – both national and international.

On 13 April 2016, Rubik announced a 1-for-7 non-renounceable entitlement offer at $0.10 per share to existing eligible shareholders to raise approximately $5 million before costs. The entitlement offer closed fully subscribed on 3 May 2016, and the money raised provided Rubik with funds to accelerate the company's key banking and financial services innovation pipeline. This included investment in its joint development project with software vendor Temenos, to create a best in class digital banking experience for the Australian market – Rubik Model Bank – and expand associated market opportunities for Rubik. It also included the development of enhanced functionality for the Provisio product to maintain Rubik's position as the leading provider of scaled and robo advice in the Australian market – and grow recurring revenues in this area.

We are committed to improving the customer experience and profitability of the financial services community through our technology solutions.

As the markets we operate in continue to evolve, and in some cases converge, Rubik has also undertaken a change in our operating segment structure. Moving forward we will be focusing on the areas of Financial Services, Banking, and Collections & International. This change reflects the ongoing transformation of Rubik and its transition away from a product focussed business to a platform focus with dedicated resources to further enhance our software and services offerings.

We are well progressed in our strategic initiatives to build and deliver both a banking platform with a digital focus, and a financial services platform that recognises the customer led convergence between wealth and mortgage solutions. The platforms will allow end users the flexibility to better combine Rubik's products with third party CRM systems and other third party solutions.

This approach will enable Rubik client's to efficiently and cost effectively deliver an omni-channel user experience both in banking (across phone banking, internet banking and mobile banking – using any device) and in financial services (where our clients' customers can engage via web based robo advice tools, goal specific scaled advice tools or our full service comprehensive advice engine), and will see Rubik focused on selling client led solutions rather than static products.

We intend to assist our clients to transition to these long-term platforms, create new revenue sources through new services, new products or acquisitions, and manage legacy software by reducing costs to align with customer retention requirements. A growing client base underpinned by solid relationships, market demand and a capable and talented leadership team position Rubik well for continued growth in both revenue and underlying margins.

This growth focus is underpinned by strategies to drive efficiency in operating platforms, effectively manage cash conversion cycles, establish and promote a culture of engagement and innovation, and build a strong marketing and communications platform across the business.

Finally, on behalf of the Board, I would like to thank our shareholders for their ongoing support, our clients for allowing us to deliver innovative and world class solutions, and our employees for their dedication in helping to ensure Rubik continues to grow year on year. We are committed to improving the customer experience and profitability of the financial services community through our technology solutions.

I look forward to continuing to serve as your Chairman in FY2017.

Craig Coleman
Chairman


930 direct clients
23,000 end users

CEO'S REPORT
AND OPERATING AND FINANCIAL REVIEW

Dear Shareholders,

I am pleased to report to you on Rubik's results for the past financial year, and outline the company's strategic focus for continued growth. We have seen a stronger year than last, with a heightened stability instilled across the business, leaving us on an excellent footing going into the new financial year. It has been personally satisfying to drive significant transformation across the organisation whilst still achieving double-digit growth. These changes are allowing us to create and better manage opportunities that drive the underlying base of the business and provide greater shareholder value.

As an organisation, we have considerably improved our client focus and engagement across the company. We have retained and reinforced strong long-term relationships with key clients, and further enhanced our relationships with strategic partners.

We are pleased to have extended our footprint in the Middle East and Asia with one of the leading banks in Pakistan choosing to implement Rubik's collections platform, CWX. This agreement brings the total to five out of the top seven banks in Pakistan using CWX. It also reinforces the company's market leading position in collections software in many Asian and Middle Eastern countries.

Rubik also signed a renewed partnership agreement with Temenos, recognised leaders in digital, analytical and core banking software. This updated agreement has enabled Rubik to deliver a powerful digital banking platform solution, Rubik Model Bank that is quick to market, scalable, functionally rich and delivers an optimum digital user experience. We also partnered with Class Super Pty Ltd in August this year to provide advice technology for accountants who are limited licence holders. The integration will enable accountants to facilitate rapid engagement, strategy illustration and advice generation across all common advice topics in the Australian advice landscape.

We now have in place a stable and highly experienced Executive team that are committed to success, company profitability, cost management, sales and revenue growth. We offer many highly skilled and dedicated employees the opportunity to work in fintech, servicing some of the country's leading financial services organisations, and working with leading software solutions.

Rubik was also selected as one of only ten Australian fintech companies, and the only publicly listed company, to be sent to London last year by the UK Trade & Investment Department. Rubik is seeking to expand further internationally – not just through utilising our off-shore development and testing centre in the Philippines, but also by increasing our client footprint further into Asia and the Middle East. We already have a significant presence in these locations through our client base in countries such as Hong Kong, Taiwan, Vietnam, Singapore and Indonesia.

We have seen a stronger year than last, with a heightened stability instilled across the business, leaving us on an excellent footing going into the new financial year.

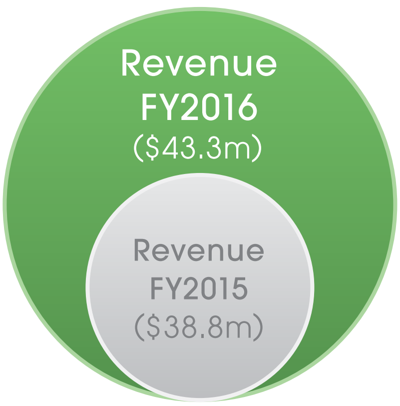
Financial results overview

Building on the last financial year, which focused on ensuring all key financial measures and strategies were in place, we have steadily improved our financial performance.

Revenue

Overall revenue for FY2016 was $43.3 million, a $4.5 million, or 11.4 per cent increase from FY2015. This was primarily due to significant expansion in our CWX product, including off-shore and non-financial services clients, an increase in project work across all product groups, and service fees on anti-money laundering projects related to Rubik's eLodge+ product.

Recurring revenues contributed 73 per cent this financial year compared to 81 per cent last financial year, with the corresponding non-recurring revenues at 27 per cent for this financial year, compared to 19 per cent last financial year. This movement is attributed to the company closing a number of CWX sales, which are sold based on an upfront, non-recurring license fee with a recurring maintenance trail. In addition, the company continued expanding its revenues from consulting services, which also increased non-recurring revenues.



Underlying EBITDA

Underlying EBITDA for FY2016 was $6.5 million, compared with an underlying EBITDA in FY2015 of $4.9 million. This 32 per cent increase was far greater than the forecast target of 20 per cent growth. The increase was mainly due to the above mentioned revenue improvements, combined with a focus on cost containment as revenues grew, and assisted by the benefits coming from our recently completed restructuring program.

Net loss after tax

The reported net loss after tax for FY2016 was $2.7 million, compared to a net loss after tax in FY2015 of $14.1 million. This net loss is predominantly attributed to depreciation and amortisation charges of $7.6 million and restructuring costs of $1.9 million.

Operating cash flow

Operating cash flows went from negative $0.6 million in FY2015 to a positive operating cash flow of $1.0 million in FY2016. This was mainly due to higher operating EBITDA.

Free cash flow

FY2016 free cash flow was negative $6.9 million, reflecting $4.6 million of investment in R&D for Rubik's new digital banking platform, $1.6 million of payments in deferred consideration relating to prior acquisitions and $2.5 million of restructuring costs.

Impairment

In FY2015, an impairment cost of $8.5 million was recognised for the banking CGU. In FY2016 impairment of $5.3 million was recognised for the mortgages CGU. The FY2016 impairment was entirely due to Rubik's investment in Stargate Information Systems, which also resulted in an offsetting $5.8 million reduction in the earn out provision related to that acquisition.

Transaction and integration costs

There were $1.4 million of transaction and integration cost in FY2015, compared with no costs in FY2016, due to no acquisitions being undertaken in the past financial year.

Restructuring costs

Restructuring program costs were $1.9 million in FY2016, compared to $3.3 million of restructuring costs in FY2015.

Total cumulative restructuring program costs incurred were $5.2 million, $0.2 million more than the $5.0 million originally expected. Costs were related to the establishment of Rubik's off-shore development centre, data centre consolidation, early termination of a lease, redundancies and associated legal fees. Overspend primarily related to the previously unplanned redundancy costs of the GE – Mortgages role. No further restructuring costs are expected.

Research and development

We have continued to invest in our Research and Development (R&D) program to produce market leading solutions and services. FY2016 internal R&D spend was $3.4 million. $1.4 million was invested in the Coin and Provisio products to build additional features and functionality. Internal R&D of $1.5 million was invested in Rubik Model Bank, with an additional $1.6 million in outsourced development and $3.9 million in license fees related to this new product. The balance of internal R&D was invested in building out our mortgages product functionality.

As noted at the half year, the increased level of R&D capitalisation in FY2016 is driven by the nature of the development undertaken during the year. In FY2016 Rubik has focussed on the building of our Rubik Model Bank solution, which is built on top of the Temenos platform. It therefore requires less research time (which is expensed) than is required when building a new product from the start. This increased level of capitalisation of the R&D spend is expected to continue until the Rubik Model Bank project is complete in FY2017.

Debt management and banking covenants

Rubik's debt management profile continues to support the ongoing operations of the company in an effective manner. As at 30 June 2016, the company had access to available but undrawn credit facilities of $0.5 million.

During the past financial year, the company renegotiated its debt facilities with Westpac. This renegotiation extended the term of the current debt facilities to January 2019, on an interest only basis. In addition, Rubik obtained a further facility with Westpac for funding of its recently expanded Temenos engagement.

Rubik monitors its compliance with banking covenants regularly, and throughout FY2016 has remained within all banking covenants. Rubik maintains a strong relationship with its bankers.

Operating review

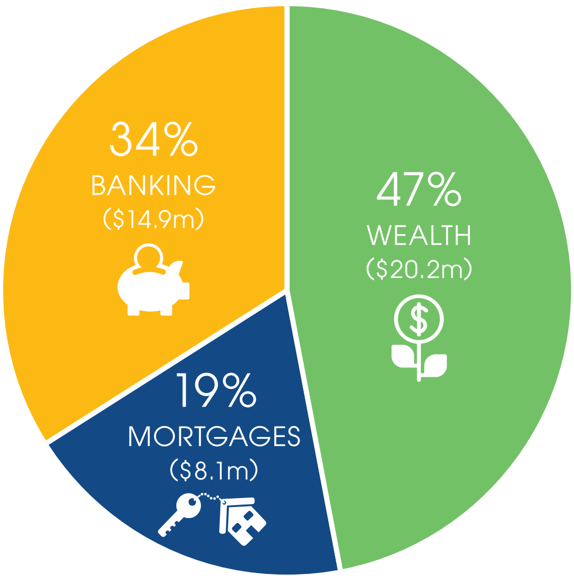
In FY2016 the company's operating segments related to the various product groups across the business, being Banking, Wealth and Mortgages. Banking refers to the provision of software and related services to the banking sector, Wealth to the development and provision of advice software and services to the financial planning industry and Mortgages to the development and provision of software solutions to the Australian mortgage broking industry.

Rubik derived revenue from all its operating segments. Banking contributed 34 per cent to overall revenue, Wealth contributed 47 per cent to overall revenue and Mortgages contributed 19 per cent to overall revenue.

Banking revenue increased by $3.1 million, or 26.5 per cent, from $11.8 million in FY2015 to $14.9 million in FY2016 as a consequence of an increased focus on service fees on CWX and DriveOnline banking products.

Wealth revenue decreased marginally by $0.8 million, or 3.6 per cent, from $21.0 million in FY2015 to $20.2 million in FY2016. This was mainly due to the transition of Coin from a license software model to a Software as a Service (SaaS) model by a major financial institution.

Mortgage revenue increased by $2.0 million, or 33.8 per cent, from $6.1 million in FY2015 to $8.1 million in FY2016. This was mainly the result of service fees on anti-money laundering projects related to our eLodge+ product.



Change in segmentation naming

For FY2017, previously known segments including Banking, Wealth and Mortgages will see products transformed into integrated solution platforms, providing customers with access to best practice foundations, innovation and scale regardless of their size or scope.

Banking will remain with the same reference, however will include the spectrum of core banking, digital banking and phone banking solutions. Wealth and Mortgages have been amalgamated to become Financial Services, and will include loan origination, mortgage broking, financial advice and commissions, reflecting the synergies between the wealth and mortgage offerings. Collections & International, previously included as part of Banking, is now a separate solution set and will include the collections, settlements and international business.


5 out of 7
TOP BANKS
in Pakistan use CWX

Strategic product review

WEALTH PRODUCTS IN FY2016

Coin, Provisio and Easy Suite

Revenue
$20.2m

A snapshot of FY2016

The wealth segment focused on both its Coin and Provisio software development in FY2016, with an investment in R&D to respond to client needs and market trends.

Enhancing Coin

In response to customer needs relating to FOFA regulation, focus was place on Coin development to ensure legislative compliance for opt in requirements and fee disclosure statements. Additional investment was made in Coin for features to support Separately Managed Account (SMA) portfolio modelling and recommendations, as well as enhanced report generation. Other Coin enhancements related to an automated engine for insurance advice which involved collaboration with an insurance research content provider for web services capabilities, and APIs for specific customers to build a differentiated user experience. These developments are a stepping stone for an FY2017 strategic focus on more open architecture.

Enhancing Provisio

Core changes to Provisio included a Salesforce CRM integration with vendor, PractiFI, to connect its software solution to support the third party CRM system. This core development now enables additional clients to utilise this agnostic CRM connection.

Additional development focused on the build of Provisio Direct, a scaled advice marketing offer that provides the ability to generate campaign documents and newsletters based on client segmentation and advice outcomes.

The product's FactFind feature was also enhanced to allow the customer discovery process to be anchored to financial goals and strategies. This provided the ability to cater for all common scaled advice topics and the ability to suggest goals and strategies from within the solution.

BANKING PRODUCTS IN FY2016

Rubik Model Bank, Digital Platform, Rubik Card Management, Phone Banking, DriveOnline and Collections (CWX, SPX)

Revenue
$14.9m

A snapshot of FY2016

The banking segment focused on software development in FY2016, with a significant investment in R&D for its strategic digital banking solution, Rubik Model Bank.

Product build out

Software development for Rubik Model Bank focused on the need to build the transactional and card management system components that were not part of the Temenos licensing partnership arrangement. This build was undertaken to enable Rubik Model Bank to accommodate additional features and functionality that will ensure products continue to meet PCIDSS and PADSS compliance. This has naturally improved the quality of the software, and further improved the efficiency of Rubik Model Bank, and its ability to keep up to date with market trends and customer needs. When complete, it will create further IP for Rubik.

Enhanced digital strategy

In addition to the partnership with Temenos, Rubik has spent much of FY2016 building out our relationships with key partners required to deliver Rubik Model Bank to market, including hosting, AML, KYC and various other key data providers.

These business partnerships and product enhancements align well with Rubik's broadened sales focus, which now includes an even greater presence in the digital banking space, focusing on retail ADIs and, in particular, credit unions and mutual banks. Targeting these retail ADIs will be key over the next financial year, with a focus on selling into building societies, mutual banks and credit unions, in order to provide an efficient operational model for the core banking services of lending and managing money.

Rubik's contract with MyState Limited to partner on the transformation of their digital channels and customer experience offering is proof of success, as outlined further on in this annual report.

Utilising off-shore resources for flexibility and cost control

The banking division benefitted greatly from its relationship with the off-shore based team in the Philippines over the past financial year. By utilising off-shore junior and mid-level developers, the team was able to dramatically increase its development and testing capability, which in turn assisted with the growth of underlying revenue streams.

Customer focus

Stabilisation of its banking customer base and the improvement of relationships with retail financial institutions was another key focus in FY2016. Rubik invested heavily in its operational processes and management of client relationships, to deliver and maintain exceptional quality of service. A high volume of critical issues were addressed to become small volumes of minor bug fixes with noticeable improvements in efficiency and quality related to service delivery.

Cross-sell to phone banking client base

As the single largest provider of phone banking software in Australia, Rubik reaches almost every major customer in the market through its product. Rubik intends to continue to support phone banking and to maintain the highest possible level of product quality. Relationships with these clients will continue to be extended to cross-sell into this valuable channel.

MORTGAGES PRODUCTS IN FY2016

Symmetry, eLodge+, ePass Store and Spectrum

Revenue
$8.1m

A snapshot of FY2016

The mortgage segment focused on product integration in FY2016, with an investment in R&D for Symmetry, eLodge+ and Commissions products.

Integration

A project commenced to integrate Symmetry, Rubik's core CRM and credit advice engine purchased in 2015, and eLodge+, Rubik's application gateway. The project created synergy between Symmetry and eLodge+ to enable the generation of credit advice with straight through lodgement via the eLodge+ solution. It combined the best features and functionality of the two solutions to provide an end-to-end solution for mortgage brokers. Further integration of these products is planned in FY2017.

White labelling

A white label lending initiative was undertaken to enable the creation of generic functionality when adding lenders to platforms in order to increase distribution. Previously, this was all undertaken on a bespoke basis.

Linking systems

A further initiative was undertaken for Rubik's Commissions product, designed for third tier banking and mortgage aggregators. A mortgage reconciliation platform was created that linked mortgages and the banking platform with a payment accounting system.

Strategic initiatives

Of the significant events occurring since last year, there are three key strategic initiatives that will support the growth of Rubik's base business year on year.

These include the development of a financial services platform, the development of a digital banking platform and the integration of CWX and Temenos' core banking platform.

Development of financial services platform

Where financial services products had previously existed and operated in silos, the Rubik product and technology teams are in the process of taking these products and turning them in to a library of 'engines'. These engines can then extract data from various third party CRM systems and deliver the enriched data and smart solutions to any user interface, enabling clients to either integrate with their own existing third party technology, or use Rubik's.

The development of this financial services platform will allow for the delivery of omni-channel advice, where the inclusion of new channels will likely result in more people accessing advice. The future of advice lies in having a solution to suit every consumer channel, regardless of the level of advice the consumer is seeking or the way they want to engage with the business. Rubik believes that access to multiple channels, combined with the Future of Financial Advice legislation, will see the rise of web and phone-based advice channels. It is imperative for advisers to start building this infrastructure now to ensure the capabilities are present to transfer clients between the two formats. Innovations in robo and scaled advice form just one part of the bigger picture that institutions and dealer groups need to consider in establishing a business strategy to engage today's advice clients.

Development of digital banking platform

Rubik's major initiative during FY2016 and into FY2017 has been its development of Rubik Model Bank. Following its initial partnership with Temenos to utilise its T24 core banking software to build an Australian Model Bank, Rubik extended its partnership with the software vendor to overhaul its existing channel technologies with a renewed focus on user experience. By integrating Temenos' user experience platform, 'edgeConnect', in its banking operations, Rubik is now able to provide end customers with a powerful and unique digital banking offering, and the ability to access its products and services across multiple customer touchpoints and devices – including desktop PC, smartphone, tablet and smartwatch.

This partnership enables Rubik to deliver a powerful banking platform solution that is quick to market, scalable, functionally rich and delivers an optimum digital user experience. The platform will help Rubik clients to remain competitive and relevant by increasing customer loyalty through the provision of a high quality digital banking offering that today's banking customers demand.

Working in partnership with Rubik on its digital transformation is client MyState, who will be able to provide its customers with a consistent digital experience based on its future use of Rubik Model Bank.

Integration of Rubik's CWX and Temenos' core banking platform

A further development project for Rubik to integrate CWX with the current version of Temenos' T24 platform is well underway. CWX was interfaced into an older version of T24 for a strategic project some years ago. The current project includes the rebuilding of interfaces as well as communication protocols.

Rubik's ongoing and close working partnership with Temenos, combined with winning additional CWX clients utilising Temenos as a core, means it made strategic sense to rebuild the interface with current software releases.

This development will extend Rubik's off-the-shelf offering to future clients, both Temenos users and other. The project opens up a substantial market that previously was only partially addressed by Rubik. For end clients, this integration will decrease implementation costs, and provide a deeper level of expertise in working with CWX and T24.

Rubik is also developing its CWX-M mobile application for field collectors and managers relating to the collection of debts. The scalable and multi-lingual mobile application will bring the power and control of CWX to field collection.

Developing a FINANCIAL SERVICES and DIGITAL BANKING platform

INVESTING IN A MOBILE FIELD COLLECTIONS APPLICATION

Due to client demand, Rubik has further progressed with a development project to build a mobile application for field collectors and managers relating to the collection of debts. Rubik's world class scalable and multi-lingual CWX collections platform is currently used by some 40 clients in offices and call centres in over 12 countries throughout the world. However, in many countries, collections are made in person or 'in the field'. The CWX-M mobile application is being built to bring the power and control of CWX to field collections.

With an extensive feature list, Rubik's CWX-M is tightly integrated with its existing CWX solution and mirrors much of the functionality already in CWX. Built using current best practice design protocols and underlying technologies, it provides maximum flexibility for the future as both the mobile application and CWX evolves.

CWX-M uses the mature back-end of CWX serving as the data source for field collectors' daily working needs, as well as offering collection management features to monitor activity. The CWX-M architecture utilises API libraries to seamlessly communicate with CWX, giving a variety of advantages from consistency to speed of service. From a technology perspective, CWX-M gives the advantage of continuity of architectural approach with CWX, and future proofs CWX-M to be a flexible, open application that will be easy to integrate as the system is modified and evolves in the future.

Client and partner update

Rubik supports a growing list of blue chip clients across the globe in Australia, Asia and the Middle East. Over the past financial year, Rubik has signed over 150 new contracts with clients.

In September 2015, Rubik partnered with wealth management platform provider PractiFI to create greater business efficiency, by expanding PractiFI's superannuation technology offering. By integrating Rubik's Provisio on the PractiFI wealth platform, PractiFI has provided superannuation funds with a unified view of advice, lending, accounting, insurance, and asset management disciplines. This is in addition to helping meet needs surrounding customer retention and differentiation.

In October 2015, Rubik was selected by Vow Financial (Vow) as its new technology partner. Vow introduced the pilot of a disruptive digital relationship manager platform called Vow Money Manager. Developed by Rubik, it was designed to break the traditional model of how finance brokers interact with customers and broaden the brokers' service offering. It will assist Vow to deepen engagement and strengthen client relationships, as well as improving the overall service and value provided to its client base. Being selected by Vow as its new technology partner was evidence of the success of Rubik's focused digital strategy.

In November 2015, Rubik extended its partnership with Temenos to overhaul its existing channel technologies and place a renewed focus on user experience. By integrating Temenos' user experience platform, 'edgeConnect', in its banking operations, Rubik is able to provide end consumers with the ability to access client's products and services across multiple customer touchpoints and devices – including desktop PC, smartphone, tablet and smartwatch. The partnership with Temenos enables Rubik to deliver a powerful omni-channel platform that is quick to market, scalable, functionally rich and delivers an optimum user experience. The platform will help Rubik clients increase customer loyalty and meet the challenge posed by digital channels where customer expectations are highest.

In December 2015, Rubik signed a new three year contract with existing Coin client Morgans and completed a seamless upgrade. Morgans is Australia's largest national full-service retail stockbroking and wealth management firm.

Morgans also selected Rubik's client engagement and rapid advice tool Provisio to enhance the service offering for its financial planners and to cater for comprehensive and scaled advice. Morgans now has access to Coin Connect. Morgans also continued with two existing Rubik projects relating to data flow and data feeds.

Morgans has benefitted from the most comprehensive overhaul of Coin's insurance capability since its inception, including expansion of insurance product research coverage, enhanced premium calculations and validation, improved reporting capabilities and greater search and filtering options.

In May 2016, Rubik was selected by MyState Limited to partner on the transformation of its digital channels and customer experience offering. Rubik's technology solution has enabled MyState to offer its customers a superior digital experience. Working in partnership with Rubik will provide MyState with the ability to offer a consistent digital experience and will ensure it's able to not only modernise its platform, but also provide better engagement with end user clients.

In June 2016, Rubik signed an agreement with one of the leading banks in Pakistan, to implement its collections platform, CWX. The agreement brought the total to five out of the top seven banks in Pakistan using CWX and reinforced the company's market leading position in collections software in many Asian and Middle Eastern countries.

Rubik joined forces with banking partner Temenos on the Pakistani banking project to integrate its CWX solution with Temenos' core banking product, T24. This integration opens up additional market opportunities for Rubik, with an existing software solution and available licensing to on-sell to future clients.

Also in July 2016, Rubik went live in Vietnam with the final phase of delivery for CWX to Vietnam International Bank (VIB) which is 15 per cent owned by CBA. The VIB project has been an extensive build out for the local market, including the development of a Vietnamese language version of CWX in addition to the previously developed Arabic and Bahasa versions.

Corporate governance and risk management

Rubik's Board remains strongly committed to sound corporate governance practices and is committed to managing risk to protect its shareholders, the environment, company assets and its reputation.

The Board sets the risk appetite of the business to ensure that the business direction is consistent with the goals of the company. For more information on our corporate governance, and specifically, our risk management principles, please refer to the corporate governance statement on Rubik's corporate website, www.rubik.com.au.

People

Rubik continues to employ more than 150 staff in Australia with 50 staff employed by our off-shore partner. We have four offices in three countries. It is the dedication and hard work of our staff around the world that produces the class leading products and client service that underpin what we do.

We continue to strive to be a great place to work that attracts talented people and will focus on a number of people and cultural initiatives over the coming year. We are committed to establishing a strong, supportive culture. The satisfaction and retention of our employees remains key.

Employee share ownership plan

A significant investment in retaining and rewarding staff was made through the implementation of an Employee Share Ownership Plan (ESOP), which was rolled out in October 2015. As at this date, 40 per cent of Rubik employees were deemed eligible to participate in the ESOP. These shares are being held in trust pending a three year vesting period, and for senior staff are subject to EBITDA hurdles being met.

New hires

Rubik has continued to refine our corporate structure over the past financial year to drive accountability and performance. This has translated into a number of key executive hires in key capability areas to support the expected revenue growth of the organisation, and its product vision.

As part of these structural refinements, in July 2016 Bruce Emery was appointed as the Head of Banking responsible for the growth and development of Rubik's digital and core banking platform to support new and existing clients. While previously this role had been split, Bruce is now solely accountable. Dwin Tucker was appointed as the Head of Collections & International responsible for Rubik's various collections platforms, including its flagship CWX software. His remit also includes Rubik's international offices, staff and clients, as well as a number of legacy settlements and banking products.

David Flynn was appointed as the Head of Strategic Partnerships responsible for developing and maintaining strategic partnerships to enhance the products and services available to Rubik clients, providing access to complementary technologies and services, and improving time to market.

Joanna McCarthy was appointed as the Head of Marketing & Communications to establish a strong marketing and communications platform, and Stacey Hampton was appointed to Head of Human Resources, to focus on staff engagement, recruitment and selection, learning and development, talent identification, performance management, remuneration, and diversity and inclusion.

Outlook

The outlook for Rubik is positive. The company will continue to transition and evolve to deliver on its vision of best in class, innovative fintech solutions. While customers continue to demand more from their digital experience, our expertise lies in helping to navigate the complexities and deliver on digital strategy for our clients, which in turn drives growth and profitability for all.

We will continue to invest in our product suite to enhance features and functionality, to not just meet customer needs and market trends, but to exceed them. We seek to expand our client base both through the retention of existing clients, and attracting new clients – ensuring we offer outstanding technology solutions.

We continue on the path of investing in people, to ensure we offer the best employees the opportunity to work in fintech, servicing the country's leading financial services organisations.

I believe that Rubik continues to make significant progress on all fronts – technological advancements, employee focus, product improvements and global expansion.

It has been a pleasure to continue as your CEO and to navigate Rubik through new and exciting opportunities, and I look forward to continuing to achieve further growth for our shareholders.

Iain Dunstan
Chief Executive Officer

Strong experience in FINANCE, BANKING and TECHNOLOGY sectors

BOARD MEMBERS

Rubik has an experienced and highly skilled Board of Directors with many years of experience in the finance, banking and technology sectors, both nationally and internationally.

CRAIG EVAN COLEMAN

Non-executive Chairman

Craig is Executive Chairman of Viburnum Funds Pty Ltd, a boutique fund manager. He is a former Managing Director of Home Building Society Limited and prior to this held a number of senior executive positions with ANZ Banking Group Ltd including Managing Director Banking Products, Managing Director Wealth Management and non-executive director of E*Trade Australia Limited.

ANDREW GRAEME MOFFAT

Non-executive Director

Andrew has in excess of 20 years corporate and investment banking experience and is the principal of Cowoso Capital Pty Ltd, a company providing strategic corporate advisory services. Prior to establishing Cowoso Capital Pty Ltd, Andrew was a director of Equity Capital Markets and Advisory for BNP Paribas Equities (Australia) Limited where he took principal responsibility for mergers and acquisition advisory services and a range of equity capital raising mandates.

JOHN CLARK WILSON

Non-executive Director

John has over 30 years of experience in financial markets and technology. He is presently an Executive General Manager at information services company Veda, and was previously Asia Pacific President for SunGard. Prior to joining SunGard in 2000 John was a partner at KPMG.

PETER GRAHAM CLARE

Non-executive Director

Peter has been in the banking industry for more than 20 years, most recently as the Chief Executive Officer of Westpac New Zealand Limited. He is also a member of several fintech related boards and brings broad experience, both national and international.

EXECUTIVE TEAM

People are a core element to the success of any organisation. Rubik is pleased to introduce you to our leadership team.

IAIN DUNSTAN

Chief Executive Officer

Iain has over 30 years of experience in the fintech industry, including an extensive M&A and ASX background. In addition to financial software, he has also worked with providers of HR software and ERP systems.

As the CEO of Rubik, he is responsible for the overall strategic direction of the group, including the products, employees and shareholders. Iain also takes a hands on approach to clients and the Rubik product function.

Iain was previously the Founder and CEO of ASX listed company Bravura Solutions Limited. Iain grew the company from its foundations in his 'garage' to an enterprise with over 700 employees operating in nine countries around the world, and an annual turnover in excess of $125 million.

In 2007, Iain won the Ernst & Young Entrepreneur of the Year award, in the Technology, Communications, e-Commerce and Life Sciences category.

DARIUS COVENEY

Chief Financial Officer

Darius has over 20 years of experience across technology and financial services organisations, and has worked across Australia, Asia, the US and the UK.

As the CFO of Rubik, he is responsible for all finance, legal, M&A, premises and HR functions across the group and recently added the enterprise hosting, testing, release and service desk functions to his remit.

Darius previously worked in the Entrepreneurial Services Team at Ernst & Young, where he supported a number of IT and biotech start-ups to raise capital and create sustainable growth plans.

Darius then joined one of these technology companies, working as the CFO and COO to raise capital from Asia and relocate the business to Kuala Lumpur.

Darius also spent nearly ten years at the Macquarie Group where he held various roles running projects and building finance teams in Sydney, Hong Kong, New York and London, as well as undertaking a number of M&A due diligence and integration projects for the group.

BRUCE EMERY

Head of Banking

Bruce has over 18 years in financial services and banking across Asia Pacific and Australia.

As the Head of Banking, Bruce is responsible for the growth and development of Rubik's digital and core banking platform to new and existing clients.

Prior to this, Bruce was Managing Director of Australia and New Zealand for Experian with a focus on profitable project delivery to major banks, introducing a high performance culture, and achieving new levels of business efficiencies. His career spans FMCG, manufacturing, marketing and banking.

DWIN TUCKER

Head of Collections & International

Dwin has over 30 years of experience in senior management roles in sales and finance.

As the Head of Collections & International, Dwin is responsible for Rubik's various collections platforms, including its flagship CWX software. His remit also includes Rubik's international offices, staff and clients, as well as a number of legacy settlements and banking products.

Prior to this, Dwin has had an extensive career in IT, international sales, consulting and finance. This has been in a variety of capacities as CEO, COO, CFO and directorships.

He was CEO of Teletech Australia/New Zealand, undertook four other CEO roles as company doctor/director and earlier was CFO of ASX listed Scitec. Prior roles included IT, strategy and M&A consulting via accounting firms and an investment bank. Previously Dwin worked with Unisys and Accenture, initially starting his career as a software developer.

DAVID FLYNN

Head of Strategic Partnerships

David has over 20 years of business and technology experience across the Wealth Management and Insurance (Life & General Insurance) industry.

As the Head of Strategic Partnerships, David is responsible for developing and maintaining strategic partnerships to enhance the products and services available to Rubik clients, providing access to complementary technologies and services, and improving time to market.

David previously held a number of senior executive roles across Advice, Technology, Finance and Business Operations. Before joining Rubik, David spent five years with ANZ Wealth as the Head of Operations for ANZ's Aligned Licenses and CFO/COO for RI Advice Group.

Prior experience includes Head of Business Management for ING Australia's Technology and Operations Division, as well as various IT and finance roles with Zurich Financial Services and AXA Ireland.

FINANCIAL REPORT

for the year ended 30 June 2016

DIRECTORS' REPORT

30 June 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Rubik') 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 year ended 30 June 2016.

Directors

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

- Craig Evan Coleman – Non-executive Chairman
- Andrew Graeme Moffat
- John Clark Wilson
- Peter Graham Clare (appointed 1 July 2016)

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 systems through a focus on quality, reliability and security.

Dividends

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $2,654,000 (30 June 2015: loss of $14,076,000).

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2016 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.

Likely developments and expected results of operations

The consolidated entity's focus is the development of mission critical software systems. The consolidated entity's philosophy is to maximise shareholder returns and sustainable growth within a framework of an appropriate capital risk management strategy and ethical organisational culture.

Further information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it to be commercial in confidence and therefore likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name	**Craig Evan Coleman**
Title	Non-executive Chairman
Qualifications	B.Com
Experience and expertise	Craig is Executive Chairman of Viburnum Funds Pty Ltd, a boutique fund manager. He is a former Managing Director of Home Building Society Limited and prior to this held a number of senior executive positions with ANZ Banking Group Ltd including Managing Director Banking Products, Managing Director Wealth Management and Non-executive Director of E*Trade Australia Limited.
Other current directorships	Non-executive Director of Bell Financial Group Limited, Pulse Health Group Limited and Universal Biosensors Limited
Former directorships (last 3 years)	Keybridge Capital Ltd (ceased 18 May 2016), Lonestar Resources Ltd (ceased 15 August 2014), Amcom Telecommunications Limited (ceased 8 July 2015)
Special responsibilities	Chairman of the Remuneration Committee
Interests in shares	10,442,858 ordinary shares
Interests in options	None
Date of appointment	1 December 2006

Name	**Andrew Graeme Moffat**
Title	Non-executive Director
Qualifications	B.Bus
Experience and expertise	Andrew has in excess of 20 years of corporate and investment banking experience and is the principal of Cowoso Capital Pty Ltd, a company providing strategic corporate advisory services. Prior to establishing Cowoso Capital Pty Ltd, Andrew was a Director of Equity Capital Markets and Advisory for BNP Paribas Equities (Australia) Limited where he took principal responsibility for mergers and acquisition advisory services and a range of equity capital raising mandates.
Other current directorships	Chairman of Pacific Star Network Limited and Non-executive Director of 360 Capital Group Pty Ltd@
Former directorships (last 3 years)	Chairman of Keybridge Capital Ltd (to 29 July 2016) and Director CCK Financial Solutions Ltd (to 30 November 2015)
Special responsibilities	Chairman of the Audit, Risk and Compliance Committee and Member of the Remuneration Committee
Interests in shares	9,209,890 ordinary shares
Interests in options	None
Date of appointment	1 December 2006

Name	**John Clark Wilson**
Title	Non-executive Director
Qualifications	B.Bus, MAppFin, FCPA
Experience and expertise	John has over 30 years' experience in financial markets and technology. He is presently an Executive General Manager at information services company Veda, and was previously Asia Pacific President for SunGard. Prior to joining SunGard in 2000 John was a partner at KPMG.
Other current directorships	None
Former directorships (last 3 years)	None
Special responsibilities	Member of the Audit, Risk and Compliance Committee and the Remuneration Committee, Oversight of the Project Management Committee
Interests in shares	1,883,603 ordinary shares
Interests in options	None
Date of appointment	21 August 2012

Name	**Peter Graham Clare**
Title	Non-executive Director
Qualifications	MBA, FCPA, B.Comm
Experience and expertise	Peter has over 20 years' experience in the banking industry. He was formerly the Chief Executive Officer of Westpac New Zealand Limited, a division of Westpac Banking Corporation Limited.
Other current directorships	Chairman of ChimpChange Limited and REFFIND Limited and non-executive director of Scottish Pacific Group Limited
Former directorships (last 3 years)	None
Special responsibilities	None
Interests in shares	500,000 ordinary shares
Interests in options	None
Date of appointment	1 July 2016

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last three years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Entities marked with @ are not listed.

Company Secretary

Darius Coveney (B.Com, MAppFin, ACA, GAICD) was appointed Company Secretary on 20 June 2014.

Darius' finance career spans more than 20 years. Darius started working in the Entrepreneurial Services team at Ernst & Young, where he supported a number of IT and biotech start-ups to raise capital and create sustainable growth plans. Darius then joined one of these technology companies, working as the CFO and COO to help them raise capital from Asia and relocate the business to Kuala Lumpur. In 2004, Darius joined the Macquarie Group where he spent nearly 10 years in various senior roles running projects and building finance teams in Sydney, Hong Kong, New York and London, as well as undertaking a number of M&A due diligence and integration projects for the group.

Meetings of directors

	Full Board		Audit, Risk and Compliance Committee	
	Attended	Held	Attended	Held
Craig Coleman	12	12	-	-
Andrew Moffat	12	12	2	2
John Wilson	12	12	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

During FY2016, the Remuneration Committee met as required, as part of the full Board agenda. The Committee formally considers remuneration and incentives as required during the year, including consideration of short-term incentive amounts, Key Management Personnel remuneraton and Employee Share Ownership Plan structure and awards.

Remuneration report (audited)

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

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

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share-based compensation
E. Additional information
F. Additional disclosures relating to key management personnel

A. Principles used to determine the nature and amount of remuneration

The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms to the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

As explained below, the compensation structures for key management personnel are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel;
- the key management personnel's ability to control performance;
- the consolidated entity's financial performance and business growth; and
- market rates for similar roles and responsibilities.

Compensation packages include some fixed compensation and performance based incentives.

Fixed compensation

Fixed compensation consists of base compensation, which is calculated on a total costs basis, as well as employer contributions to superannuation funds, leave entitlements and non-cash benefits.

DIRECTORS' REPORT – REMUNERATION REPORT

30 June 2016

Performance related compensation

Performance related compensation includes both short-term and long-term incentives and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an 'at risk' bonus provided in the form of cash and its calculation is based on underlying EBITDA, and the achievement of agreed KPIs, while the long-term incentive (LTI) is provided predominantly as exposure to the price performance of ordinary shares of the consolidated entity.

Short-Term Incentive (STI)

The STI performance target is a board approved scheme in which executives are incentivised to increase revenue and decrease cost to maximise Rubik Group earnings. Hurdles are set in order to incentivise improved business performance. Individuals have STI targets, as set out in their contracts, with final payment amounts subject to individual, divisional and group KPIs as well as Board review and approval. In some cases, guaranteed STI amounts are approved on the initial hiring of key executives. Bonuses paid or payable to key executives of $190,726 (2015: $125,000) were approved by the Board and accrued for the financial year ended 30 June 2016.

Long-Term Incentive (LTI)

Long-term incentives are linked to share price performance and provided to certain key management personnel as part of their remuneration package, at the discretion of the Board. These LTI arrangements include time based vesting arrangements, the achievement of annual EBITDA hurdles and exercise prices set at or above the share price on the date of issuance and thereby assist in the alignment of management and shareholders.

Voting and comments made at the company's 2015 Annual General Meeting ('AGM')

At the 2015 AGM, the remuneration report for the year ended 30 June 2015 was adopted on a unanimous show of hands. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Non-executive directors' remuneration for FY2016

All directors are non-executive and do not have service contracts. The annual board remuneration is as follows and covers all main board activities:

- $50,000 – Non-executive directors (except Chairman)
- $70,000 – Chairman
- $50,000 – Chair Audit, Risk and Compliance
- $30,000 – Chair Remuneration
- $20,000 – Oversight of Project Management Committee

All the above are plus statutory superannuation amounts.

Non-executive directors do not receive performance related compensation.

B. Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity during FY2016 consisted of the following directors of Rubik Financial Limited:

- Craig Coleman – Non-executive Chairman
- Andrew Moffat – Non-executive Director
- John Wilson – Non-executive Director

And the following persons:

- Iain Dunstan – Chief Executive Officer
- David Spreadbury – Chief Operating Officer (resigned 31 December 2015)
- Darius Coveney – Chief Financial Officer and Company Secretary
- Brett Spencer – Group Executive – Mortgages (resigned 1 July 2016)

	Short-term benefits			Post-employment benefits	Long-term benefits		Share-based payments	
2016	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Termination benefits $	Equity-settled $	Total $
Non-executive Directors								
C Coleman	100,000	-	-	9,500	-	-	-	109,500
A Moffat	100,000	-	-	9,500	-	-	-	109,500
J Wilson	70,000	-	-	6,650	-	-	-	76,650
Other Key Management Personnel								
I Dunstan	381,216	107,423	5,260	19,308	-	-	131,754	644,961
D Spreadbury**	145,608	-	2,560	9,653	-	187,269	-	345,090
D Coveney	291,216	83,303	1,350	19,308	-	-	198,363	593,540
B Spencer**	289,995	-	-	19,308	4,832	561,633	-	875,768
	1,378,035	190,726	9,170	93,227	4,832	748,902	330,117	2,755,009

*** Remuneration disclosed is up to the period of resignation as a key management personnel and termination benefits includes payments in lieu of notice as well as long service and annual leave balances paid.*

DIRECTORS' REPORT – REMUNERATION REPORT

30 June 2016

2015	Short-term benefits			Post-employment benefits	Long-term benefits		Share-based payments	
	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Termination benefits $	Equity-settled $	Total $
Non-executive Directors								
C Coleman	100,000	-		9,500	-	-	-	109,500
A Moffat	100,000	-		9,500	-	-	-	109,500
J Wilson	63,333	-		6,017	-	-	-	69,350
Other Key Management Personnel								
I Dunstan*	158,183	62,500	2,170	8,344	-	-	38,191	269,388
N Hoogenhout**	225,014	-	1,940	11,730	-	401,347	(191,269)	448,762
D Spreadbury*	234,572	62,500	4,110	16,265	-	-	37,460	354,907
D Coveney	261,766	-	3,855	18,783	-	-	232,015	516,419
B Spencer	289,995	-		18,783	4,830	-	-	313,608
K Carr**	30,000	-	-	-	-	-	-	30,000
W Wilson**	180,920	-	-	9,392	-	-	17,469	207,781
A Roberts**	41,666	-	-	-	-	-	-	41,666
	1,685,449	125,000	12,075	108,314	4,830	401,347	133,866	2,470,881

** Remuneration disclosed is from date of appointment as a key management personnel.*

*** Remuneration disclosed is up to the period of resignation as a key management personnel and includes deferred settlement arrangement. The negative amount of share-based payments represents reversal of share options.*

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk – STI		At risk – LTI	
Name	2016	2015	2016	2015	2016	2015
Non-executive Directors						
C Coleman	100%	100%	-%	-%	-%	-%
A Moffat	100%	100%	-%	-%	-%	-%
J Wilson	100%	100%	-%	-%	-%	-%
Other Key Management Personnel						
I Dunstan	63%	86%	17%	-%	20%	14%
D Spreadbury	100%	89%	-%	-%	-%	11%
D Coveney	53%	55%	14%	-%	33%	45%
B Spencer	100%	100%	-%	-%	-%	-%
N Hoogenhout	-%	100%	-%	-%	-%	-%
W Wilson	-%	92%	-%	-%	-%	8%
K Carr	-%	100%	-%	-%	-%	-%
A Roberts	-%	100%	-%	-%	-%	-%

The proportion of the cash bonus paid/payable or forfeited is as follows:

	Cash bonus paid/payable		Cash bonus forfeited	
Name	2016	2015	2016	2015
Other Key Management Personnel				
I Dunstan^	67%	39%	33%	61%
D Spreadbury^	-	50%	-	50%
D Coveney	67%	n/a	33%	n/a

^Cash bonus paid/payable for 2015 represents sign-on guaranteed STI amounts.

C. Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name	**Iain Dunstan**
Title	Chief Executive Officer
Agreement commenced	22 January 2015
Term of agreement	Open-ended
Details	**Termination of employment:** • By either party on giving six months' notice; or • Immediately by the consolidated entity on payment in lieu of notice or if any of the conditions for summary termination are met including serious misconduct, gross negligence, breach of contract, bankruptcy, crime or repeated absence without explanation. Excluding payment in lieu of notice, the contract does not specify any termination payment. **Equity compensation:** 11,428,572 loan funded shares

Name	**David Spreadbury**
Title	Chief Operating Officer
Agreement commenced	1 September 2014
Term of agreement	Open-ended
Details	**Termination of employment:** • By either party on giving six months' notice; or • Immediately by the consolidated entity on payment in lieu of notice or if any of the conditions for summary termination are met including serious misconduct, gross negligence, breach of contract, bankruptcy, crime or repeated absence without explanation. Excluding payment in lieu of notice, the contract does not specify any termination payment. **Equity compensation:** All loan funded shares were returned on termination. Note that David Spreadbury left Rubik on 31 December 2015.

Name	**Darius Coveney**
Title	Chief Financial Officer ('CFO') and Company Secretary
Agreement commenced	20 June 2014
Term of agreement	Open-ended
Details	**Termination of employment:** • By either party on giving six months' notice; or • Immediately by the consolidated entity on payment in lieu of notice or if any of the conditions for summary termination are met including serious misconduct, gross negligence, breach of contract, bankruptcy, crime or repeated absence without explanation. Excluding payment in lieu of notice, the contract does not specify any termination payment. **Equity compensation:** 7,428,572 loan funded shares

Name	**Brett Spencer**
Title	Group Executive Mortgages
Agreement commenced	4 June 2014 (as part of the acquisition of Stargate Information Systems Pty Ltd)
Term of agreement	Open-ended
Details	**Termination of employment:** • Neither party may terminate the employment agreement before 30 June 2016 (the Minimum Term); • After the Minimum Term, by either party on giving six months' notice; and • Immediately by the consolidated entity on payment in lieu of notice or if any of the conditions for summary termination are met (including during the Minimum Term) including serious misconduct, gross negligence, breach of contract, bankruptcy, crime or repeated absence without explanation. Excluding payment in lieu of notice, the contract does not specify any termination payment. **Equity compensation:** Nil Note that Brett Spencer left Rubik on 1 July 2016.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

D. Share-based compensation

Loan Funded Shares

As at 30 June 2016 there were 18,857,144 shares issued to key management personnel as part of Loan Funded Share (LFS) arrangements.

On 1 May 2015, the Board approved an amendment to the LFS arrangement of Rubik's three C level executives. The amendment included the issue of additional loan funded shares, the transfer of loan funded shares from departed executives, and an amendment to the vesting and release conditions of all loan funded shares previously issued to the executives to align with the revised arrangements.

The terms of the current LFS arrangements can be summarised as follows:

1. Rubik provides its key executives, or their nominee, ('the executive') with a loan to purchase an agreed number of Rubik shares at or slightly above current market value;
2. the loan provided is limited recourse, such that the executive has the option to either repay the loan or return the shares at the loan repayment date, and interest is payable on the loan unless the Board approves otherwise;
3. any dividends declared by Rubik during the life of the loan will be applied against the outstanding balance of the loan rather than being paid in cash to the executive;
4. certain vesting conditions apply to each executive's shares, being related to time, share price and earnings performance hurdles; and
5. prior to the shares becoming unencumbered, the executive is required to make a 'release payment', equal to the difference between the loan balance and the share price vesting hurdle.

The Board notes that variations of this type of plan are broadly used by companies listed on the ASX, although the 'release payment' requirement is considered an additional shareholder protection not normally seen in other loan funded share plans.

DIRECTORS' REPORT – REMUNERATION REPORT

30 June 2016

The shares issued under the LFS arrangements are treated as treasury shares.

Details of shares issued to key management personnel as part of compensation during the year and their terms as at 30 June 2016 are set out below:

Name	Date issued	No. of shares	Share price vesting hurdle
Iain Dunstan	17 November 2014	1,800,000	$0.25
Darius Coveney	17 November 2014	2,500,000	$0.25
Iain Dunstan	1 May 2015	8,200,000	$0.25
Darius Coveney	1 May 2015	4,000,000	$0.25
Iain Dunstan	10 May 2016	1,428,572	$0.25
Darius Coveney	10 May 2016	928,572	$0.25
		18,857,144	

**Note that loan funded shares issued to executives that subsequently leave Rubik are returned to the consolidated entity and can then be used to fund future share issuances to either KMP or other Rubik employees under Rubik's broad based Employee Share Ownership Plan.*

Options

The number of options over ordinary shares granted and/or vested to directors and other key management personnel as part of compensation during the year ended 30 June 2016 are set out below:

Name	Number of options granted during the year 2016	Number of options granted during the year 2015	Number of options vested during the year 2016	Number of options vested during the year 2015
W Wilson	-	-	-	1,000,000

E. Additional information

The earnings of the consolidated entity for the four years to 30 June 2016 are summarised below:

	2012 $'000	2013 $'000	2014* $'000	2015** $'000	2016*** $'000
Profit/(loss) after income tax	(788)	310	6,346	(14,076)	(2,654)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2012 $'000	2013 $'000	2014* $'000	2015** $'000	2016*** $'000
Basic earnings per share (cents per share)	(0.34)	0.13	2.26	(4.13)	(0.76)
Diluted earnings per share (cents per share)	(0.34)	0.13	2.25	(4.13)	(0.76)
Share price at financial year end ($)	0.07	0.17	0.48	0.16	0.11

** Included deferred tax asset recognition of $10,033,000.*

*** Included impairment loss $8,472,000, restructuring cost $3,296,000 and onerous contract charge $255,000.*

**** Includes impairment loss $5,300,000, restructuring cost $1,938,000 and reduction in earn out provision of $5,800,000.*

F. Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Additions LFS**	Additions	LFS forfeited during the year	Other***	Balance at the end of the year
Ordinary shares						
C Coleman	8,700,000	-	1,742,858	-		10,442,858
A Moffat	8,058,653	-	1,151,237	-		9,209,890
J Wilson	1,648,152	-	235,451	-		1,883,603
I Dunstan*	10,083,300	1,428,572	2,327,307	-		13,839,179
D Coveney*	6,550,000	928,572	104,286	-		7,582,858
D Spreadbury*	6,552,800	-	-	(6,500,000)	(52,800)	-
B Spencer	62,200	-	-	-	(62,200)	-
	41,655,105	2,357,144	5,561,139	(6,500,000)	(115,000)	42,958,388

** Balance at the start of the year includes options converted to LFS last financial year.*

*** Additional loan funded shares relates to the additional shares issued as part of the non-renounceable entitlement offer in May 2016.*

**** Other represents shares held at date of ceasing to be KMP.*

Related party transactions

During the year, the consolidated entity purchased and received services from a number of entities associated with Rubik's key management personnel as detailed below:

In dollars	Associated with	Transaction type	Transaction value for the 12 months ended 30 June 2016	Current liabilities 30 June 2016
GCP Limited	I Dunstan	Purchase of goods and rendering of services	480,322	73,793
Stargate Technologies Pty Ltd	B Spencer	Purchase of goods and rendering of services	400,819	23,042
Viburnum Funds Pty Ltd	C Coleman	Interest on short-term loan	57,268	–
			938,409	96,835

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

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

Non-audit services

KPMG also provided services in respect to Rubik's R&D Tax Incentive claim and tax compliance obligations.

DIRECTORS' REPORT

Officers of the company who are former partners of KPMG

Mr John Wilson was an officer of the company during the financial year and was previously a partner of the current audit firm, KPMG, at a time when KPMG undertook an audit of the consolidated entity.

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, 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, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 44.

Auditor

KPMG continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Andrew Moffat
Director

31 August 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 audit for the financial year ended 30 June 2016 there have been:

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

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

KPMG

KPMG

John Wigglesworth
Partner

Sydney
31 August 2016

KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

Liability limited by a scheme approved under Professional Standards Legislation.

Rubik Financial Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2016

	Note	Consolidated 2016 $'000	2015 $'000
Revenue		43,261	38,831
Other income	4	6,026	899
Net finance expense	5	(1,038)	(1,744)
Expenses			
Research fees		(980)	(1,113)
Product licence and holding fees		(6,130)	(3,950)
Employee benefits expense		(25,122)	(25,716)
Share-based payments expense		(500)	(134)
Depreciation and amortisation expense	6	(7,571)	(8,037)
Professional fees	6	(1,275)	(2,094)
Marketing expenses		(365)	(601)
Premises and establishment expenses		(1,634)	(1,835)
Early termination of lease provision expense		(158)	-
Communications and other technology expenses		(1,533)	(1,407)
Costs relating to acquisition activities		-	(815)
Impairment loss	11, 12	(5,271)	(8,472)
Other expenses		(1,747)	(1,417)
Loss before income tax benefit		(4,037)	(17,605)
Income tax benefit	7	1,383	3,529
Profit/(loss) after income tax benefit for the year attributable to the owners of Rubik Financial Limited		(2,654)	(14,076)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Net change in fair value of investments		-	3,733
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		17	33
Other comprehensive income for the year, net of tax		17	3,766
Total comprehensive income for the year attributable to the owners of Rubik Financial Limited		(2,637)	(10,310)
		Cents	Cents
Basic earnings per share	32	(0.76)	(4.13)
Diluted earnings per share	32	(0.76)	(4.13)

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 2016

	Note	Consolidated 2016 $'000	2015 $'000
Assets			
Current assets			
Cash and cash equivalents	8	5,653	4,319
Trade and other receivables	9	8,427	5,411
Other		912	619
Total current assets		14,992	10,349
Non-current assets			
Other financial assets	10	151	151
Property, plant and equipment	11	2,992	596
Intangibles	12	50,734	55,030
Deferred tax	7	15,211	13,854
Total non-current assets		69,088	69,631
Total assets		84,080	79,980
Liabilities			
Current liabilities			
Trade and other payables	13	7,838	6,081
Employee benefits	14	2,580	1,818
Provisions	15	2,335	1,949
Revenue received in advance		2,705	2,316
Total current liabilities		15,458	12,164
Non-current liabilities			
Borrowings	16	7,760	4,421
Employee benefits	14	105	179
Provisions	17	2,267	7,570
Total non-current liabilities		10,132	12,170
Total liabilities		25,590	24,334
Net assets		58,490	55,646
Equity			
Issued capital	18	72,672	67,691
Reserves	19	4,249	3,732
Accumulated losses	20	(18,431)	(15,777)
Total equity		58,490	55,646

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

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

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 2014	68,046	(396)	(47)	298	(1,701)	66,200
Loss after income tax benefit for the year	-	-	-	-	(14,076)	(14,076)
Other comprehensive income for the year, net of tax	-	3,733	33	-	-	3,766
Total comprehensive income for the year	-	3,733	33	-	(14,076)	(10,310)
Transactions with owners in their capacity as owners						
Share-based payments	113	-	-	111	-	224
Tax benefit on share issue cost	(89)	-	-	-	-	(89)
Share buy-back, net of transaction costs	(379)	-	-	-	-	(379)
Balance at 30 June 2015	67,691	3,337	(14)	409	(15,777)	55,646

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 2015	67,691	3,337	(14)	409	(15,777)	55,646
Loss after income tax benefit for the year	-	-	-	-	(2,654)	(2,654)
Other comprehensive income for the year, net of tax	-	-	17	-	-	17
Total comprehensive income for the year	-	-	17	-	(2,654)	(2,637)
Transactions with owners in their capacity as owners						
Contributions of equity net of transactions costs and tax	4,981	-	-	-	-	4,981
Share-based payments	-	-	-	500	-	500
Balance at 30 June 2016	72,672	3,337	3	909	(18,431)	58,490

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 2016

	Note	Consolidated 2016 $'000	Consolidated 2015 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		44,346	40,839
Payments to suppliers and employees (inclusive of GST)		(42,738)	(41,346)
		1,608	(507)
Dividends received		-	302
Interest received		5	58
Interest and other finance costs paid		(553)	(399)
Income taxes paid		(17)	(6)
Net cash from/(used in) operating activities	30	1,043	(552)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired		(1,577)	(2,021)
Payment for transaction cost relating to acquisition of business		(43)	(1,833)
Payments for property, plant and equipment		(509)	(950)
Payments for intangibles and development expenditure		(5,811)	(2,138)
Proceeds from disposal of investments		-	4,847
Net cash used in investing activities		(7,940)	(2,095)
Cash flows from financing activities			
Proceeds from issue of shares, net of share buy-backs	18	4,980	(255)
Payments from borrowings		(2,099)	(4,250)
Proceeds from borrowings		5,350	2,000
Net cash from/(used in) financing activities		8,231	(2,505)
Net increase/(decrease) in cash and cash equivalents		1,334	(5,152)
Cash and cash equivalents at the beginning of the financial year		4,319	9,471
Cash and cash equivalents at the end of the financial year	8	5,653	4,319

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

i. New, revised or amending Accounting Standards and Interpretations adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Group are set out below.

- AASB 9 Financial instruments
- AASB 15 Revenue from contracts with customers

The Group does not plan to adopt these standards early and the extent of their impact has yet to be determined.

ii. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, financial assets at fair value.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Going concern

As at 30 June 2016, the consolidated entity had current assets of $14,992,000 and current liabilities of $15,458,000.

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

- $2,705,000 relates to revenue received in advance which will not crystallise as a cash outflow in the next 12 months;
- the consolidated entity is generating positive operating cash flow which can be used to meet future liabilities; and
- the consolidated entity has access to undrawn and available financing facilities of $500,000 (see note 16).

Note 1. Significant accounting policies (continued)

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 be necessary should the consolidated entity not continue as a going concern.

iii. Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

iv. Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rubik Financial Limited ('company' or 'parent entity') as at 30 June 2016 and the results of all subsidiaries for the year then ended. Rubik Financial Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

v. Operating segments

Segment results that are reported to the consolidated entity's Board (the chief operating decision makers) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate expenses, and income tax assets and liabilities.

Note 1. Significant accounting policies (continued)

vi. Foreign currency translation

The financial statements are presented in Australian dollars, which is Rubik Financial Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

vii. Revenue recognition

The consolidated entity only recognises revenue when it has a legally binding agreement between itself and the client. It does not include revenue collected on behalf of third parties such as sales taxes, goods and services taxes or revenues generated from an agency relationship. Revenue is recognised when there are no significant uncertainties regarding the recovery of the consideration due and the amount of the revenue can be measured reliably.

Licence, service and maintenance fees

The consolidated entity derives revenues from the following sources:

1. Software licences and the provision of software development services specifically requested by customers;
2. Software maintenance (help desk services and rights to future product enhancements); and
3. Software implementation and support services.

Software licensing

Software licence revenues represent all fees earned from granting customers licences to use Rubik's software applications. Software licence revenue is recognised when persuasive evidence exist, normally in the form of a legally binding licence agreement and when the licence key has been delivered, that the significant risks and rewards of ownership have been transferred to the customer.

If the software licence arrangement requires significant modification or customisation of the underlying software, the initial licence revenue is recognised together with the modification or customisation service revenue in the profit and loss in proportion to the stage of completion of the modification or customisation at the reporting date. The state of completion is assessed by reference to underlying time records and project plans.

Note 1. Significant accounting policies (continued)

Maintenance

Software maintenance is included in some software licence arrangements and is generally priced as a percentage of the initial software licence fees. Maintenance provides customers with rights to unspecified software product upgrades, maintenance enhancements and access to the help desk during the term of the support period and is recognised on a straight-line basis over the contractual period.

Services and hosting

Software implementation and support services represent income from consulting, hosting and implementation services. Consulting and implementation service revenues are accounted for on a percentage-of-completion basis in accordance with the rules applicable to long-term contract revenue recognition as defined in AASB 111, whereby revenue and profit recognised during the year is based on project hours incurred as a proportion of total projected hours to complete. Hosting revenue is recognised on an accruals basis over the period of the hosting contract.

Licensing, service and maintenance fee revenues that have been invoiced but have not been recognised as revenue are reported on the statement of financial position under "revenue received in advance" while fees which have been earned but have not been invoiced are reported under "trade and other receivables".

Finance income

Finance income comprises interest income, dividend income and reversal of impairment loss on trade receivables. Interest income is recognised as it accrues in profit or loss, using the effective interest method. Dividend income is recognised in profit or loss on the date that the consolidated entity's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

viii. Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Note 1. Significant accounting policies (continued)

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the consolidated entity is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the consolidated entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

Tax consolidation

Rubik Financial Limited (the 'head entity') and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime. The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group. Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in the company's balance sheet and their tax values applying under tax consolidation.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the company are assumed by the head entity of the tax-consolidated group and are recognised as amounts payable (receivable) to other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts. Any difference between these amounts is recognised by the company as an equity contribution from or distribution to the head entity.

The company recognises deferred tax assets arising from unused tax losses to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the assets can be utilised. The company assesses the recovery of its unused tax losses and

Note 1. Significant accounting policies (continued)

tax credits only in the period in which they arise, and before assumption by the head entity, in accordance with AASB 112 applied in the context of the tax-consolidated group. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability are recognised by the head entity only.

ix. Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

x. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

xi. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

xii. Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost, less any provision for impairment. Trade receivables are generally due for settlement within 30 days. Due to their short-term nature they are measured at amortised cost and are not discounted.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables.

Note 1. Significant accounting policies (continued)

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

xiii. Inventories

Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

xiv. Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

xv. Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Property, plant and equipment	2.5 – 10 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 1. Significant accounting policies (continued)

Subsequent costs

The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the consolidated entity and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment, ongoing repairs and maintenance are expensed in profit or loss as incurred.

xvi. Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

xvii. Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Note 1. Significant accounting policies (continued)

Customer contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being five years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit. The licensing of third party software components is amortised over the tem of the agreement, being ten years.

Software assets are amortised on a straight-line basis over the period of their expected life, being seven years.

Research and Development expenses

Expenditure on research activities is recognised in profit or loss as incurred.

Development expenditure is capitalised only if expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the consolidated entity intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Developed software assets are amortised on a straight-line basis over the period of their expected life, being five years.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

xviii. Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

xix. Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Significant accounting policies (continued)

xx. Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

xxi. Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowings.

xxii. Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

xxiii. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The consolidated entity's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Note 1. Significant accounting policies (continued)

Share-based payments

Equity-settled share-based compensation benefits are provided to certain employees.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Monte Carlo or Black-Scholes option pricing model, both of which take into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If a non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

xxiv. Fair value measurement

Measurement of fair values

A number of the consolidated entity's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the consolidated entity uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Note 1. Significant accounting policies (continued)

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The consolidated entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 33 – Share-based payments;
- Note 22 – Financial instruments.

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

xxv. Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

xxvi. Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

Note 1. Significant accounting policies (continued)

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

xxvii. Earnings per share

Basic earnings per share

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

Diluted earnings per share

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

Note 1. Significant accounting policies (continued)

xxviii. Goods and Services Tax ('GST') and other similar taxes

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

xxix. Financial assets

The consolidated entity has early adopted AASB 9 Financial Instruments (2009) with a date of initial application of 7 December 2009. AASB 9 requires that the consolidated entity classifies its financial assets at either amortised cost or fair value depending on the consolidated entity's business model for managing its financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the consolidated entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The consolidated entity has no derivative financial assets or liabilities.

(i) Non-derivative financial liabilities

The consolidated entity initially recognises financial liabilities on the date at which it becomes a party to the contractual provisions of the instrument. The consolidated entity derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The consolidated entity has the following non-derivative financial liabilities: trade and other payables. These financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

(ii) Non-derivative financial assets

The consolidated entity initially recognises financial assets on the trade date at which the consolidated entity becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. The consolidated entity subsequently measures financial assets at either fair value or amortised cost.

Note 1. Significant accounting policies (continued)

The consolidated entity derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the consolidated entity is recognised as a separate asset or liability.

On initial recognition, the consolidated entity classifies its financial assets as subsequently measured at either amortised cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Financial assets subsequently measured at amortised cost

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- the asset is held within a business model with an objective to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

Financial assets subsequently measured at amortised cost comprise cash and cash equivalents and trade and other receivables. All changes in value are recognised in profit or loss.

Financial assets subsequently measured at fair value

Financial assets other than those classified as financial assets measured at amortised cost are subsequently measured at fair value with all changes in fair value recognised in profit or loss, except in the case of some investments, as indicated in the following paragraph.

For investments in equity instruments not held for trading, the consolidated entity may elect at initial recognition to recognise subsequent changes in fair value in other comprehensive income. For these instruments, changes in fair value, including realised gains and losses are never reclassified to profit or loss. Dividends earned from these investments are recognised in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

xxx. Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, 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, or in certain cases, the nearest dollar.

Note 2. Critical accounting judgements, estimates and assumptions

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the consolidated entity's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is included in the following notes:

- Note 1 (vii) – Revenue recognition

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the year ending 30 June 2016 are included in the following notes:

- Note 1 (viii) – Recognition of deferred tax assets: availability of future taxable profit against which carry-forward tax losses can be used;
- Note 12 – Impairment test: key assumptions underlying recoverable amounts, including the recoverability of development costs;
- Note 15 – Estimation of contingent consideration amount; and
- Note 22 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital, forecasts and long-term growth rates of estimated future cash flows. These assets were tested for impairment at 30 June 2016.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Note 3. Operating segments

Identification of reportable operating segments

Effective 1 July 2015, Rubik was operating under one segment, however, revenue has been disclosed geographically and by product set. Note that even though the product sets below have the same name as the previous operating segments, the product components have changed. Prior period numbers have been restated for comparative purposes.

Types of products and services

The principal products and services of each of these product sets 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

Revenue by product set

	Consolidated	
	2016 $'000	2015 $'000
Wealth	20,245	20,993
Banking	14,890	11,767
Mortgages	8,126	6,071
Total revenue	43,261	38,831

Note 3. Operating segments (continued)

Geographical information

	Sales to external customers		Geographical non-current assets	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Australia	40,983	36,555	53,726	55,626
Middle East and Rest of World	2,278	2,276	-	-
	43,261	38,831	53,726	55,626

The geographical non-current assets above are exclusive of, where applicable, financial instruments and deferred tax assets.

Note 4. Other (expense)/income

	Consolidated	
	2016 $'000	2015 $'000
Movement in earn out provisions (Note 17)	5,808	821
Dividend income	-	302
Onerous contract charge (Note 15)	-	(255)
Others	218	31
Other income	6,026	899

Onerous contract charge relate to the expected future losses on one core banking contract where our customer has fallen behind in upgrades and, therefore, the revenues from the contract are insufficient to cover the extended maintenance amounts payable to our core banking software provider.

Note 5. Net finance (expense)/income

	Consolidated	
	2016 $'000	2015 $'000
Interest income	5	58
Interest expense on unwinding of discount	(528)	(1,450)
Other interest expense	(515)	(352)
	(1,038)	(1,744)

Note 6. Expenses

	Consolidated	
	2016 $'000	2015 $'000
Loss before income tax includes the following specific expenses:		
Depreciation		
Property, plant and equipment	496	786
Amortisation		
Customer contracts and relationships	984	983
Software	6,091	6,195
Brand name and non-compete agreement	-	73
Total amortisation	7,075	7,251
Total depreciation and amortisation	7,571	8,037
Professional fees		
Consulting fees	237	906
Directors' fees	299	289
Audit and accounting fees	200	324
Other	539	575
Total professional fees	1,275	2,094
Rental expense relating to operating leases		
Minimum lease payments	1,429	1,309
Superannuation expense		
Defined contribution superannuation expense	1,532	1,428

Note 7. Income tax benefit

Amounts recognised in profit or loss

	Consolidated 2016 $'000	Consolidated 2015 $'000
Current tax expense / (benefit)		
Current year	52	(1,280)
Adjustment for prior year	343	-
Deferred tax expense / (benefit)		
Origination and reversal of temporary differences	(1,434)	(1,957)
R&D claim	(344)	(292)
	(1,778)	(2,249)
Tax expense/(benefit) on continuing operations	(1,383)	(3,529)

Amounts recognised directly in equity

	2016			2015		
	Before tax	Tax benefit	Net of tax	Before tax	Tax benefit	Net of tax
Share issue costs	201	26	227	-	89	89

Reconciliation of income tax benefit

	Consolidated 2016 $'000	Consolidated 2015 $'000
Loss before tax from continuing operations	4,037	17,605
Income tax benefit/(expense) using the company's tax rate at 30%	1,211	5,281
Non-deductible expenses	(93)	(2,213)
R&D claim	344	292
Others	(79)	169
Income tax benefit	1,383	3,529

Note 7. Income tax benefit (continued)

Movement in deferred tax balances ($`000)

	Net balance at 1 July 2015	Recognised in profit or loss	Recognised directly in equity	Balance at 30 June 2016		
				Net	Deferred tax assets	Deferred tax liabilities
Provisions	209	27	-	236	236	-
Property, plant and equipment	292	(292)	-	-	-	-
Intangible assets	1,600	1,517	-	3,117	3,390	(273)
Accruals	444	(13)	-	431	431	-
Employee benefits	647	(66)	-	581	581	-
Income in advance	695	116	-	811	811	-
Business related capital costs	218	-	(26)	192	192	-
Carry forward tax losses	9,401	(395)	-	9,006	9,006	-
R&D claim	488	344	-	832	832	-
Others	(140)	145	-	5	5	-
Total	13,854	1,383	(26)	15,211	15,484	(273)

Unrecognised deferred tax assets

The consolidated entity had approximately $22.8 million of transferred tax losses and $3.7 million of transferred capital losses related to the 2002 and prior financial years. These amounts are only available to the consolidated entity to the extent that they pass certain transfer tests under the ITAA 1997. As at 30 June 2016, the Directors did not consider these amounts to be sufficiently certain of recognition and therefore they are not included in the above.

Deferred tax assets have also not been recognised in respect of capital losses incurred since the 2002 financial year, because the Directors consider it uncertain that sufficient future capital profits will be available against which the consolidated entity can use the benefits therefrom.

	Consolidated	
	2016 $'000	2015 $'000
Unrecognised deferred tax asset in relation to:		
Tax losses	6,849	6,849
Capital losses	5,178	5,178
	12,027	12,027

Note 8. Current assets – cash and cash equivalents

	Consolidated 2016 $'000	Consolidated 2015 $'000
Cash at bank	5,653	4,319

Note 9. Current assets – trade and other receivables

	Consolidated 2016 $'000	Consolidated 2015 $'000
Trade receivables	7,243	5,448
Less: Provision for impairment of receivables	(411)	(289)
	6,832	5,159
Other receivables	-	1
Accrued revenue	1,595	251
	8,427	5,411

The ageing of the impaired receivables provided for above are as follows:

	Consolidated 2016 $'000	Consolidated 2015 $'000
Not yet due	35	106
Past due 0 – 30 days	25	106
Past due 61 days to one year	151	77
Past due more than one year	200	-
	411	289

Movements in the provision for impairment of receivables are as follows:

	Consolidated 2016 $'000	Consolidated 2015 $'000
Opening balance	289	293
Additional provisions recognised	169	248
Receivables written off during the year as uncollectable	(47)	(252)
Closing balance	411	289

Additional provisions were recognised during the year relating to specific disputes with customers where the collectability is uncertain.

Note 9. Current assets – trade and other receivables (continued)

Past due but not impaired

Customers with balances past due but without provision for impairment of receivables amount to $2,149,000 as at 30 June 2016 ($2,047,000 as at 30 June 2015).

The ageing of the past due but not impaired receivables are as follows:

	Consolidated	
	2016 $'000	2015 $'000
Past due 0 – 30 days	1,143	683
Past due 31 – 60 days	311	616
Past due 61 days to one year	602	748
Past due more than one year	93	-
	2,149	2,047

The consolidated entity believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on amounts received since balance date and historic payment behaviour.

Note 10. Non-current assets – other financial assets

	Consolidated	
	2016 $'000	2015 $'000
Shares in unlisted entity – at fair value	151	151

The equity investment relates to CCK Financial Solutions. Fair value movements are recognised in other comprehensive income through the fair value reserve in equity.

Note 11. Non-current assets – property, plant and equipment

	Consolidated	
	2016 $'000	2015 $'000
Property, plant and equipment – at cost	3,862	3,020
Less: Accumulated depreciation	(870)	(1,448)
Less: Impairment	-	(976)
	2,992	596

Reconciliations

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

Consolidated	Plant and equipment $'000	Leasehold Improvement $'000
Balance at 1 July 2014	1,511	299
Additions	615	-
Impairment of assets	(976)	-
Write off of assets	(67)	-
Depreciation expense	(626)	(160)
Balance at 30 June 2015	457	139
Additions	662	2,267
Disposal of assets	(24)	(13)
Depreciation expense	(359)	(137)
Balance at 30 June 2016	736	2,256

Note 12. Non-current assets – intangibles

	Consolidated	
	2016 $'000	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	(4,934)	(3,950)
	1,881	2,865
Software – at cost	57,870	50,742
Less: Accumulated amortisation	(16,701)	(11,153)
Less: Impairment	(9,674)	(10,082)
	31,495	29,507
Other intangible assets – at cost	1,194	294
Less: Accumulated amortisation	(634)	(115)
Less: Impairment	(381)	-
	179	179
	50,734	55,030

Note 12. 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 2014	28,414	3,848	35,426	252	67,940
Additions	-	-	1,833	-	1,833
Exchange differences	-	-	4	-	4
Impairment of intangibles	(5,935)	-	(1,561)	-	(7,496)
Amortisation expense	-	(983)	(6,195)	(73)	(7,251)
Balance at 30 June 2015	22,479	2,865	29,507	179	55,030
Additions	-	-	8,065	900	8,965
Disposals	-	-	(939)	-	(939)
Exchange differences	-	-	-	-	-
Impairment of intangibles	(5,300)	-	410	(381)	(5,271)
Amortisation expense	-	(984)	(5,548)	(519)	(7,051)
Balance at 30 June 2016	17,179	1,881	31,495	179	50,734

Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the consolidated entity's CGUs as follows.

	Consolidated	
	2016 $'000	2015 $'000
Banking	-	-
Wealth	5,399	5,399
Mortgages	11,780	17,080
	17,179	22,479

As at 31 December 2015 and 30 June 2016, the consolidated entity measured the recoverable amount of each CGU based on its value in use, determined by discounting the future cash flows forecast to be generated from the continuing use of the CGU. Based on this analysis, an impairment loss of $5,300,000 was recognised for the Mortgages CGU in FY2016. This impairment was allocated to goodwill.

Note 12. Non-current assets – intangibles (continued)

Key assumptions used in the 30 June calculation of value in use were as follows.

	2016	2015
Wealth		
Discount rate	13.9%	17.9%
Terminal value growth rate	3.0%	3.0%
Budgeted EBITDA growth rate (average of next 5 years)	12.0%	17.3%
Mortgages		
Discount rate	13.9%	17.9%
Terminal value growth rate	3.0%	3.0%
Budgeted EBITDA growth rate (average of next 5 years)	7.0%	20.2%

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.

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 by approximately:

	Consolidated	
	2016 $'000	2015 $'000
Banking	n/a	n/a
Wealth	14,747	14,584
Mortgages	90	2,975

Management believes that there are no reasonably possible changes in the key assumptions on which the recoverable amount of goodwill is based that would cause the Wealth CGU's carrying amount to exceed its recoverable amount.

Management has identified that any adverse movement in key assumptions would lead to changes in the carrying amount of the Mortgages CGU.

Note 13. Current liabilities – trade and other payables

	Consolidated	
	2016 $'000	2015 $'000
Trade payables	2,932	1,265
Other payables and accruals	4,906	4,816
	7,838	6,081

Refer to note 22 for further information on financial instruments.

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 14. Employee benefits

	Consolidated	
	2016 $'000	2015 $'000
Current liabilities		
Annual leave	1,261	1,243
Long service leave	419	390
Provision for short-term incentives	900	185
	2,580	1,818

	2016 $'000	2015 $'000
Non-current liabilities		
Long service leave	105	179

Note 15. Current liabilities – provisions

	Consolidated	
	2016 $'000	2015 $'000
Deferred consideration	-	1,577
Contingent consideration	2,000	-
Warranties	80	117
Onerous contracts (Note 4)	255	255
	2,335	1,949

Warranties

The 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.

Contingent consideration

On 4 June 2014, Rubik acquired Stargate Information Systems Pty Ltd for an upfront consideration of $19,375,000 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 $15,000,000.

As at 30 June 2016, 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 $2,000,000 set out above represents Rubik's current estimate of the amount required to finalise the earn out obligation. The balance of the contingent consideration amount has been decreased significantly during the year due to weaker than forecast results in the acquired business, which have also led to the impairment of the Mortgages CGU (refer note 12). 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.

It should be noted that the final amount payable will be determined based on the actual results of the business in FY2016, adjusted for various items set out in the Sale and Purchase Agreement. Rubik is currently working with the vendors of this business to finalise this amount, however this calculation was not finalised as at the date of this report.

Note 15. Current liabilities – provisions (continued)

Movements in provisions

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

Consolidated – 2016	Onerous contracts $'000	Contingent consideration $'000	Deferred consideration $'000	Warranties $'000
Carrying amount at the start of the year	255	-	1,577	117
Recognition of provision	-	-	-	(37)
Amounts used	-	-	(369)	-
Transfer from non-current liabilities	-	2,000	-	-
Payments	-	-	(1,208)	-
Carrying amount at the end of the year	255	2,000	-	80

Note 16. Borrowings

	Consolidated 2016 $'000	Consolidated 2015 $'000
Commercial bills – current	-	-
Commercial bills – non-current	7,760	4,421

Refer to note 22 for further information on financial instruments.

Total secured liabilities

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

	Consolidated 2016 $'000	Consolidated 2015 $'000
Commercial bills	7,760	4,421

Assets pledged as security

The bank overdraft and loans are secured by first mortgages over the consolidated entity's assets.

Note 16. Borrowings (continued)

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2016 $'000	Consolidated 2015 $'000
Total facilities		
Commercial bills	8,260	6,950
Bankers undertakings	1,409	650
	9,669	7,600
Used at the reporting date		
Commercial bills	7,760	4,421
Bankers undertakings	1,409	647
	9,169	5,068
Unused at the reporting date		
Commercial bills	500	2,529
Bankers undertakings	-	3
	500	2,532

Note 17. Non-current liabilities – provisions

	Consolidated 2016 $'000	Consolidated 2015 $'000
Contingent consideration	-	7,280
Lease make good	290	290
Lease fit-out provision	1,977	-
	2,267	7,570

Movements in provisions

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

Consolidated – 2016	Lease fitout $'000	Contingent consideration $'000	Lease make good $'000
Carrying amount at the start of the year	-	7,280	290
Additional provisions recognised	1,977	-	290
Unwinding of discount (Note 5)	-	528	-
Transfer to current liabilities	-	(2,000)	-
Amount used during the year	-	-	(290)
Earn out true-up	-	(5,808)	-
Carrying amount at the end of the year	1,977	-	290

Note 17. Non-current liabilities – provisions (continued)

During the period, the consolidated entity recognised a number of movements in contingent consideration. These relate to:

- 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, $528,000 was recognised as an interest expense related to the unwinding of discounts. This is a non-cash item during the period.
- The potential future earn out payment to the vendors of Stargate Information Systems Pty Ltd was reassessed as at 31 December 2015 and adjusted by an amount of $5,808,000 to a value of $2,000,000 which is now disclosed as a current provision for contingent consideration (see Note 15).

Note 18. Equity – issued capital

	Consolidated			
	2016 Shares	2015 Shares	2016 $'000	2015 $'000
Ordinary shares	423,587,074	366,217,323	72,672	67,691
Less: Treasury shares	(31,709,144)	(26,000,000)	-	-
Ordinary shares – unrestricted	391,877,930	340,217,323	72,672	67,691

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	30 Jun 2014	340,999,914		68,046
Issuance of shares on the exercise of options	Various	573,900		113
Share buy-back	29 Dec 2014	(1,356,491)		(379)
Issuance of loan funded shares	Various	26,000,000		-
Tax benefit on share issue cost		-		(89)
Balance	30 Jun 2015	366,217,323		67,691
Issuance of shares in lieu of termination cash payment	7 Oct 2015	1,063,367	0.14	149
Issuance of shares for ESOP – Long-term Incentive Plan	19 Oct 2015	3,130,000	-	-
Issuance of shares for ESOP – Employee Gift Plan	19 Oct 2015	228,000	-	-
Issuance of unrestricted shares relating to entitlement offer	10 May 2016	50,591,241	0.10	5,059
Issuance of restricted shares under entitlement offer	10 May 2016	2,357,143	-	-
Share issue transactions costs, net of tax	10 May 2016	-	-	(227)
Balance	30 Jun 2016	423,587,074		72,672

Note 18. Equity – issued capital (continued)

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.

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 senior management in relation to the loan funded share arrangement as well as shares include shares held under Rubik's Employee Share Ownership Plan (ESOP). Please refer to note 33 for further details.

On 13 April 2016, Rubik announced a capital raising by way of a fully underwritten, non-renounceable entitlement offer to raise approximately $5,000,000 before costs. Total funds raised under the capital raising are being applied to:

- accelerate Rubik's key banking and wealth innovation pipeline;
- repay outstanding short term debt, (this was repaid prior to balance date);
- general working capital and administrative expenses of the business; and
- expenses of the entitlement offer.

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 EPS accretive.

The consolidated entity is subject to certain financing arrangements covenants, including gearing ratio and 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 2015 Annual Report.

Note 19. Equity – reserves

	Consolidated 2016 $'000	Consolidated 2015 $'000
Fair value reserve	3,337	3,337
Foreign currency reserve	3	(14)
Options reserve	909	409
	4,249	3,732

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 2014	(396)	(47)	298	(145)
Foreign currency translation	-	33	-	33
Share based payments	-	-	111	111
Net change in fair value of investments	3,733	-	-	3,733
Balance at 30 June 2015	3,337	(14)	409	3,732
Foreign currency translation	-	17	-	17
Share based payments	-	-	500	500
Balance at 30 June 2016	3,337	3	909	4,249

Fair value reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets that are not accounted for via profit or loss.

Foreign currency reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars.

Options reserve

The reserve is used to recognise the value of options and other share based structures provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 20. Equity – accumulated losses

	Consolidated	
	2016 $'000	2015 $'000
Accumulated losses at the beginning of the financial year	(15,777)	(1,701)
Profit/(loss) after income tax benefit for the year	(2,654)	(14,076)
Accumulated losses at the end of the financial year	(18,431)	(15,777)

Note 21. Equity – dividends

Dividends

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

Franking credits

	Consolidated	
	2016 $'000	2015 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	1,832	1,832

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Note 22. 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.

		Carrying amount			Fair value level			
30 June 2016	Note	Fair value	Amortised cost	Other financial liabilities	1	2	3	Total
Financial assets measured at fair value								
Share in unlisted entity	10	151					151	151
		151						
Financial assets not measured at fair value								
Cash and cash equivalents	8		5,653					
Trade and other receivables	9		8,427					
			14,080					
Financial liabilities measured at fair value								
Contingent consideration	17	2,000					2,000	2,000
		2,000						
Financial liabilities not measured at fair value								
Trade and other payables	13			7,838				
Secured bank loans	16			7,760				
				15,598				

		Carrying amount			Fair value level			
30 June 2015	Note	Fair value	Amortised cost	Other financial liabilities	1	2	3	Total
Financial assets measured at fair value								
Share in unlisted entity	10	151					151	151
		151						
Financial assets not measured at fair value								
Cash and cash equivalents	8		4,319					
Trade and other receivables	9		5,700					
			10,019					
Financial liabilities measured at fair value								
Contingent consideration	17	7,280					7,280	7,280
		7,280						
Financial liabilities not measured at fair value								
Trade and other payables	13			6,081				
Secured bank loans	16			4,421				
				10,502				

Note 22. Financial instruments (continued)

Measurement of fair values

The following table show 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	Based on the last ASX 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	
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 not applicable as amount due within 12 months (2015: 17.9%)	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
Transfer to deferred consideration	-	(1,500)
Amounts reversed in profit and loss	-	(1,164)
Unwinding of discount	-	1,362
Earn out true-up	-	343
Balance at 30 June 2015	151	7,280
Unwinding of discount	-	528
Earn out true-up	-	(5,808)
Balance at 30 June 2016	151	2,000

Note 22. Financial instruments (continued)

Sensitivity analysis

For the fair values of contingent consideration, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	Profit or loss	
Effect in thousands AU$	Increase	Decrease
30 June 2016		
Risk-adjusted discount rate (1% movement)	n/a	n/a

Financial risk management

The consolidated entity has exposure to the following risks arising from the financial instruments:

- Market risk
- Credit risk
- Liquidity risk

i. Risk management framework

The company's board of directors has overall responsibility for the establishment and oversight of the consolidated entity's risk management framework. The board of directors has established the Audit, Risk and Compliance Committee, which is responsible for developing and monitoring the consolidated entity's risk management policies. The committee reports regularly to the board of directors on its activities.

The consolidated entity's risk management policies are established to identify and analyse the risks faced by the consolidated entity, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated entity's activities. The consolidated entity, through its training and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit, Risk and Compliance Committee oversees how management monitors compliance with the consolidated entity's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the consolidated entity.

ii. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the consolidated entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Note 22. Financial instruments (continued)

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

	Assets		Liabilities	
Consolidated	2016 $'000	2015 $'000	2016 $'000	2015 $'000
US dollars	878	1,248	(99)	(11)
Pound Sterling	-	47	-	(3)
New Zealand dollars	244	27	-	-
Singapore dollars	52	18	(7)	(22)
	1,174	1,340	(106)	(36)

The following significant exchange rates have been applied during the year:

	Average rate		Year-end spot rate	
Base currency (AU$1)	2016	2015	2016	2015
US$	0.726	0.829	0.742	0.765
NZ$	1.084	1.079	1.045	1.119
SG$	1.009	1.091	1.001	1.034

The consolidated entity had net assets denominated in foreign currencies of $1,068,000 (assets $1,174,000 less liabilities $106,000) as at 30 June 2016 (2015: $1,304,000 (assets $1,340,000 less liabilities $36,000)).

	AUD strengthened			AUD weakened		
Consolidated – 2016	% change	Effect on profit before tax $'000	Effect on equity $'000	% change	Effect on profit before tax $'000	Effect on equity $'000
US dollars	10%	(78)	(55)	10%	78	55
Pounds Sterling	10%	-	-	10%	-	-
New Zealand dollars	10%	(24)	(17)	10%	24	17
Singapore dollars	10%	(5)	(3)	10%	5	3
		(107)	(75)		107	75

	AUD strengthened			AUD weakened		
Consolidated – 2015	% change	Effect on profit before tax $'000	Effect on equity $'000	% change	Effect on profit before tax $'000	Effect on equity $'000
US dollars	10%	(124)	(87)	10%	124	87
Pounds Sterling	10%	(5)	(3)	10%	5	3
New Zealand dollars	10%	(3)	(2)	10%	3	2
Singapore dollars	10%	-	-	10%	-	-
		(132)	(92)		132	92

Note 22. Financial instruments (continued)

Price risk

The consolidated entity is not exposed to any significant price risk.

Interest rate risk

The consolidated entity has $7,760,000 of commercial bills as at 30 June 2016 at a variable interest rate.

As at the reporting date, the consolidated entity had the following variable rate deposits and borrowings outstanding:

Consolidated	2016 Weighted average interest rate %	2016 Balance $'000	2015 Weighted average interest rate %	2015 Balance $'000
Cash at bank and on deposit	1.42%	171	1.88%	1,249
Commercial bills	5.53%	(7,760)	5.56%	(4,421)

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

	Basis points increase			Basis points decrease		
Consolidated – 2016	Basis points change	Effect on profit before tax $'000	Effect on equity $'000	Basis points change	Effect on profit before tax $'000	Effect on equity $'000
Cash and cash equivalents	100	2	1	100	(2)	(1)
Commercial bills	100	(78)	(54)	100	78	54
		(76)	(53)		76	53

	Basis points increase			Basis points decrease		
Consolidated – 2015	Basis points change	Effect on profit before tax $'000	Effect on equity $'000	Basis points change	Effect on profit before tax $'000	Effect on equity $'000
Cash and cash equivalents	100	12	8	100	(12)	(8)
Commercial bills	100	(44)	(31)	100	44	31
		(32)	(23)		32	23

Note 22. Financial instruments (continued)

iii. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity's customers are primarily authorised deposit taking institutions. The consolidated entity does not hold any collateral.

Trade and other receivables

The consolidated entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the consolidated entity's customer base, including the default risk of the industry and country in which customers operate, has some influence on credit risk.

The consolidated entity has established an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. Given the history of minimal losses from bad debts, the main component of this allowance is a specific loss component that relates to individually significant exposures provisioned as these are identified.

Other financial assets

The consolidated entity limits its exposure to credit risk on deposits by only investing in independently credit rated Australian Authorised Financial Institutions' call and term deposits. These are generally held on short terms to ensure funds are available for identified funding requirements.

The carrying amount of the consolidated entity's financial assets represents the maximum credit exposure. The consolidated entity's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2016 $'000	2015 $'000
Cash and cash equivalents	5,653	4,319
Trade and receivables	8,427	5,411
Other financial assets	151	151
	14,231	9,881

iv. Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 22. Financial instruments (continued)

Financing arrangements

Unused borrowing facilities at the reporting date:

	Consolidated 2016 $'000	Consolidated 2015 $'000
Commercial bills	500	2,529
Bankers undertakings	-	3
	500	2,532

Note an additional undrawn facility of $2,000,000 was available to the consolidated entity as at balance date but related specifically to the payment of agreed Temenos software licensing amounts not yet due and therefore is not included in the above amounts.

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated – 2016	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-%	7,838	-	-	-	7,838
Interest-bearing – variable						
Commercial bills*	5.53%	-	-	8,707	-	8,707
Total non-derivatives		7,838		8,707	-	16,545

** Includes interest of $999,000*

Consolidated – 2015	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade and other payables	-%	6,081	-	-	-	6,081
Interest-bearing – variable						
Commercial bills*	5.56%	-	4,812	-	-	4,812
Total non-derivatives		6,081	4,812	-	-	10,893

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 22. Financial instruments (continued)

Assets pledged as security

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

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by KPMG, the auditor of the company, and its network firms:

	Consolidated	
	2016 $	2015 $
Professional services – KPMG		
R&D incentive services	16,000	16,000
Taxation services	27,000	-
Others	10,490	-
Audit or review of the financial statements	147,580	198,030
	201,070	214,030
Audit services – network firms		
Audit or review of the financial statements	20,871	18,027
Other services – network firms		
Taxation services – KPMG Singapore	6,875	5,097
	27,746	23,124

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	
	2016 $'000	2015 $'000
Bank guarantees	1,409	647

Note 25. Commitments

	Consolidated	
	2016 $'000	2015 $'000
Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Intangible assets	-	525
Lease commitments – operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	409	1,303
One to five years	5,441	1,585
Over five years	3,557	-
	9,407	3,413

Operating lease commitments includes contracted amounts for various office space and plant and equipment under non-cancellable operating leases expiring within one to eight years, in some cases with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. As at 30 June 2016, 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 as Intangible Assets and Trade and Other Payables.

Note 26. Related party transactions

Parent entity

Rubik Financial Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 28.

Note 26. Related party transactions (continued)

Receivable from and payable to related parties

During the year, the consolidated entity purchased and received services from a number of entities associated with Rubik's key management personnel, as detailed below:

In dollars	Associated with	Transaction type	Transaction value for the 12 months ended 30 June 2016	Current liabilities 30 June 2016
GCP Limited	I Dunstan	Purchase of goods and rendering of services	480,322	73,793
Stargate Technologies Pty Ltd	B Spencer	Purchase of goods and rendering of services	400,819	23,042
Viburnum Funds Pty Ltd*	C Coleman	Interest on short-term loan	57,268	–
			938,409	96,835

** During the year, there was a short-term loan of $2,000,000 taken with Viburnum Funds Pty Ltd, a Director-related entity, at an interest rate of 8% per annum calculated daily. The total interest paid was $57,268 and this loan was fully repaid on 13 May 2016.*

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Key management personnel compensation

The key management personnel compensation comprised of the following:

	2016 $'000	2015 $'000
Short-term employee benefits	1,578	1,823
Post-employment benefits	98	113
Termination benefits	749	401
Share-based payments	330	134
	2,755	2,471

Note 27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2016 $'000	2015 $'000
Profit/(loss) after income tax	(3,425)	(3,825)
Total comprehensive income	679	(93)

Note 27. Parent entity information (continued)

Statement of financial position

	Parent	
	2016 $'000	2015 $'000
Total current assets	24,439	36,349
Total assets	81,371	90,053
Total current liabilities	141	1,913
Total liabilities	7,901	18,435
Equity		
Issued capital	72,672	67,691
Reserves	4,042	3,746
Retained profits/(accumulated losses)	(3,244)	181
Total equity	73,470	71,618

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The company entered into a performance guarantee dated 9 May 2012 on behalf of its subsidiary Rubik Technology Solutions Pty Ltd in accordance with its execution of a new SaaS Master Agreement. The agreement is for the provision of software as a service for a financial institution with an initial term of five years.

The company has entered into a Deed of Cross Guarantee with certain subsidiaries. Under the terms of the Deed, the company has guaranteed the repayment of all current and future creditors in the event of any of the entities party to the Deed are wound up. No provision is considered necessary in relation to the guarantee given under the Deed of Cross Guarantee as at 30 June 2016 as the probability of an outflow of resources is remote.

Contingent liabilities

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

	Parent	
	2016 $'000	2015 $'000
Bank guarantees	41	647

Capital commitments

The parent entity had no capital commitments as at 30 June 2016 or 30 June 2015.

Note 27. Parent entity information (continued)

Lease commitments – operating

	2016 $'000	2015 $'000
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	1,303
One to five years	-	1,585
	-	2,888

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 28. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business/country of incorporation	Ownership interest 2016 %	Ownership interest 2015 %
Rubik Financial Technology Pty Ltd	Australia	100.00%	100.00%
Swift El-Ten Services Pty Ltd	Australia	100.00%	100.00%
Rubik Financial Technology (Asia) Pte Ltd	Singapore	100.00%	100.00%
Rubik Technology Solution Pty Ltd (formerly Core in a Box Pty Ltd)	Australia	100.00%	100.00%
Rubik Australia Pty Ltd (formerly COIN Software Pty Ltd)	Australia	100.00%	100.00%
Provisio Technologies Pty Ltd	Australia	100.00%	100.00%
AMEE Easy Software Solutions Pty Ltd	Australia	100.00%	100.00%
AMEE IP Holdings Pty Ltd	Australia	100.00%	100.00%
Rubik Mortgages Pty Ltd	Australia	100.00%	100.00%
Stargate Information Systems Pty Ltd	Australia	100.00%	100.00%
Infinitive Pty Ltd	Australia	100.00%	100.00%
Rubik IP Holdings Pty Ltd	Australia	100.00%	100.00%
Rubik Group Services Pty Ltd	Australia	100.00%	100.00%
Rubik Messaging Pty Ltd (incorporated 10 August 2015)	Australia	100.00%	-
Rubik ESOP Trusco Pty Ltd (incorporated 12 October 2015)	Australia	100.00%	-

Note 29. Deed of cross guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, the wholly-owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and Directors' reports.

It is a condition of the Class Order that the company and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that the company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the company is wound up.

The directors consider that the following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Rubik Financial Limited

Rubik Financial Technology Pty Ltd

Rubik IP Holdings Pty Ltd

Rubik Mortgages Pty Ltd

Rubik Group Services Pty Ltd

Stargate Information Systems Pty Ltd

AMEE IP Holdings Pty Ltd

AMEE Easy Software Solutions Pty Ltd

Rubik Technology Solutions Pty Ltd

Rubik Australia Pty Ltd

Provisio Technologies Pty Ltd

A consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position, comprising the company and controlled entities which are a party to the Deed (the "Closed Group"), after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2016 is set out as follows.

Note 29. Deed of cross guarantee (continued)

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	2016 $'000	2015 $'000
Revenue	40,858	34,710
Other income	6,025	899
Net finance (expense)/income	(1,037)	(1,753)
Research fees	(980)	(1,113)
Product licence and holding fees	(6,045)	(3,276)
Employee benefits expense	(24,467)	(23,916)
Share-based payments expense	(500)	(134)
Depreciation and amortisation expense	(7,454)	(7,622)
Professional fees	(1,242)	(2,008)
Marketing expenses	(365)	(568)
Premises and establishment expenses	(1,602)	(1,643)
Early termination of lease provision expense	(158)	-
Communications and other technology expenses	(1,528)	(1,261)
Costs relating to acquisition activities	-	(814)
Impairment loss	(5,300)	(8,472)
Other expenses	2,746	(1,363)
Loss before income tax benefit	(1,049)	(18,334)
Income tax benefit	1,383	3,533
Profit after income tax benefit	334	(14,801)
Other comprehensive income	-	3,733
Other comprehensive income for the year, net of tax	-	3,733
Total comprehensive income for the year	334	(11,068)

Equity – retained profits	2016 $'000	2015 $'000
Accumulated losses at the beginning of the financial year	(16,496)	(1,695)
Profit after income tax benefit	334	(14,801)
Accumulated losses at the end of the financial year	(16,162)	(16,496)

Note 29. Deed of cross guarantee (continued)

Statement of financial position	2016 $'000	2015 $'000
Current assets		
Cash and cash equivalents	5,413	3,623
Trade and other receivables	7,873	4,053
Receivables from related parties	-	3,472
Other	833	523
	14,119	11,671
Non-current assets		
Investment in subsidiary	2,959	2,959
Other financial assets	151	151
Property, plant and equipment	2,990	568
Intangibles	50,734	49,813
Deferred tax	15,211	13,854
	72,045	67,345
Total assets	86,164	79,016
Current liabilities		
Trade and other payables	7,734	4,985
Payables to related parties	362	1,070
Employee benefits	2,491	1,794
Provisions	2,335	1,948
Revenue received in advance	2,356	2,108
	15,278	11,905
Non-current liabilities		
Borrowings	7,760	4,421
Employee benefits	105	179
Provisions	2,266	7,570
	10,131	12,170
Total liabilities	25,409	24,075
Net assets	60,755	54,941
Equity		
Issued capital	72,672	67,691
Reserves	4,245	3,746
Accumulated losses	(16,162)	(16,496)
Total equity	60,755	54,941

Note 30. Reconciliation of profit after income tax to net cash from operating activities

	Consolidated	
	2016 $'000	2015 $'000
Profit/(loss) after income tax benefit for the year	(2,654)	(14,076)
Adjustments for:		
Depreciation and amortisation	7,571	8,037
Interest on unwinding of interest on deferred consideration	528	1,450
Share-based payments	500	134
Other expense/(income) (includes impairment and deferred consideration adjustment)	(604)	7,915
Costs relating to acquisition activities	-	815
Income tax benefit recognised	(1,357)	(3,534)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(1,699)	(1,262)
Decrease/(increase) in inventories	-	4
Decrease/(increase) in accrued revenue	(1,344)	504
Decrease/(increase) in prepayments	(136)	(45)
Decrease/(increase) in other operating assets	(155)	(45)
Increase/(decrease) in trade and other payables	1,385	(793)
Increase/(decrease) in employee benefits	(27)	(158)
Increase/(decrease) in other provisions	(1,353)	1,078
Increase/(decrease) in other operating liabilities	388	(576)
Net cash from operating activities	1,043	(552)

Note 31. Events after the reporting period

No matter or circumstance has arisen since 30 June 2016 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.

Note 32. Earnings per share

	Consolidated 2016 number	2015 number
Issued ordinary shares at 1 July	340,217,323	340,999,914
Effect of share issue relating to capital raising	7,049,599	
Effect of share issue in lieu of termination cash payment	775,735	-
Effect of release of treasury shares	2,525	-
Effect of share issue on the exercise of options	-	270,697
Effect of cancellation of shares relating to share buy-back	-	(680,104)
Weighted average number of ordinary shares at 30 June	348,045,182	340,590,507
Weighted average number of ordinary shares used in calculating basic earnings per share	348,045,182	340,590,507
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	329,880
Weighted average number of ordinary shares used in calculating diluted earnings per share	348,045,182	340,920,387

Earnings per share for profit	$'000	$'000
Profit/(loss) after income tax attributable to the owners of Rubik Financial Limited	(2,654)	(14,076)

	Cents	Cents
Basic earnings per share	(0.76)	(4.13)
Diluted earnings per share	(0.76)	(4.13)

Note 33. Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with market related vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Note 33. Share-based payments (continued)

Description of the share-based payment arrangements

Options

In April 2013, Rubik established an employee security plan and issued 2,000,000 share options under that plan. As at 30 June 2016, there were no share options outstanding (2015: 1,000,000) as the final tranche of options issued under this plan expired out of the money on 12 April 2016.

Measurement of fair values

The fair value of the employee share options issued was measured using the Black-Scholes or Monte Carlo models. Service and non-market performance conditions attached to the transactions were not taken into account in measuring fair value.

The inputs used in the measurement of the fair values at grant date of the equity-settled share-based payment issuances were as follows.

	Fair value at grant date	Share price at grant date	Exercise price	Expected volatility	Expected life	Expected dividends	Risk-free interest rate
Options granted to Wayne Wilson on 12 April 2013							
Tranche 1	0.052	0.155	0.162	61%	2 years	0%	2.81%
Tranche 2	0.061	0.155	0.174	61%	3 years	0%	2.81%

Expected volatility was based on an evaluation of the historical volatility of the company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments was based on historical experience and general option holder behaviour.

Reconciliation of outstanding share options

The number and weighted average exercise prices of share options issued were as follows.

In thousands of options	Number of options 2016	Weighted average exercise price 2016	Number of options 2015	Weighted average exercise price 2015
Outstanding at 1 July	**1,000**	**0.174**	**14,500**	**0.445**
Exercised during the year	-	-	(574)	0.162
Forfeited during the year	(1,000)	0.174	(426)	-
Converted to LFS	-	-	(12,500)	-
Outstanding at 30 June	**-**	**-**	**1,000**	**0.174**
Exercisable at 30 June	**-**	**-**	**1,000**	**0.174**

Note 33. Share-based payments (continued)

Loan Funded Share Arrangement

The Board has moved to the use of loan funded shares as its preferred method of long-term incentive for key executives.

The terms of the current loan funded share arrangements on issue can be summarised as follows:

1. the company provides each eligible executive, or their nominee, ('the executive') with a loan to purchase an agreed number of Rubik shares at or slightly above current market value;
2. the loan provided is limited recourse, such that the executive has the option to either repay the loan or return the shares at the loan repayment date, and interest is payable on the loan unless the Board approves otherwise;
3. any dividends declared by Rubik during the life of the loan will be applied against the outstanding balance of the loan rather than being paid in cash to the executive;
4. certain vesting conditions apply to each executive's shares, being related to time, share price and earnings performance hurdles; and
5. prior to the shares becoming unencumbered, the executive is required to make a 'release payment', equal to the difference between the loan balance and the share price vesting hurdle.

The Board notes that variations of this type of plan are broadly used by companies listed on the ASX, although the 'release payment' requirement is considered an additional shareholder protection not normally seen in other loan funded share plans.

Measurement of fair values

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 based on the following inputs.

	Loan Funded Shares issued 1 May 2015	Loan Funded Shares issued 10 May 2016 on exercise of rights under NRRI
Spot price	$0.14	$0.11
Days to expiry	1,248	873
Volatility	50% to 60%	70% to 80%
Interest rate	1.93%	1.56%
Value per share	$0.029 to $0.039	$0.020 to $0.026

Note 33. Share-based payments (continued)

Reconciliation of loan funded shares

The number and weighted average exercise prices of loan funded shares issued to key executives were as follows.

In thousands of loan funded shares	Number of LFS 2016	Weighted average exercise price 2016	Number of LFS 2015	Weighted average exercise price 2015
Outstanding at 1 July	**23,000**	**0.25**	**-**	**-**
Exercised during the year	-	-	-	-
Forfeited during the year	(6,500)	0.25	-	-
Converted from options	-	-	12,500	0.25
Granted during the year*	2,357	0.25	10,500	0.25
Outstanding at 30 June	**18,857**	**0.25**	**23,000**	**0.25**
Exercisable at 30 June	**-**	**-**	**-**	**-**

** New LFS were issued on the exercise of rights under Rubik's non-renounceable entitlement offer in May 2016.*

Employee Share Ownership Plan (ESOP)

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

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 $0.16 per share.

As all vesting conditions under this plan are non-market conditions, the shares are valued at $0.16 per share and expensed over the expected vesting period.

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.

As all vesting conditions under this plan are non-market conditions, the shares are valued at $0.16 per share and expensed over the expected vesting period.

DIRECTORS' DECLARATION

30 June 2016

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 29 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

Andrew Moffat
Director

31 August 2016
Sydney

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

Report on the financial report

We have audited the accompanying financial report of Rubik Financial Limited (the company), which comprises the consolidated statement of financial position as at 30 June 2016, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 33 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Consolidated Entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Consolidated Entity's financial position and of its performance.

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

Independence

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

Auditor's opinion

In our opinion:

(a) the financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2016 and of its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

(b) the financial report of the consolidated entity also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the remuneration report

We have audited the Remuneration Report included in pages 33 to 42 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Rubik Financial Limited for the year ended 30 June 2016, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

John Wigglesworth
Partner

Sydney

31 August 2016

ASX ADDITIONAL INFORMATION

as at 31 July 2016

Distribution of equitable securities

Analysis of the number of equitable security holders by size of holding:

Range	Total holders	Units
1 to 1,000	177	57,563
1,001 to 5,000	724	2,085,228
5,001 to 10,000	325	2,448,520
10,001 to 100,000	770	29,552,279
100,001 and over	251	389,443,484
Total	2,247	423,587,074

Unmarketable parcels

	Minimum parcel size	Holders	Units
Minimum $500 parcel at $0.14 per unit	3,572	694	1,240,923

Equity security holders

Top 20 holders of issued ordinary shares

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% issued capital
J P Morgan Nominees Australia Limited	101,090,157	23.87
UBS Nominees Pty Ltd	93,639,187	22.11
Rubik ESOP Trusco Pty Limited	12,852,000	3.03
CS Fourth Nominees Pty Limited	12,323,800	2.91
BNP Paribas Nominees Pty Ltd	11,680,879	2.76
Gardun Pty Ltd	11,428,572	2.70
RBC Investor Services Australia Nominees Pty Limited	7,496,253	1.77
Mr Darius Coveney	7,428,572	1.75
Fatty Holdings Pty Ltd	7,428,572	1.75
Brispot Nominees Pty Ltd	7,199,496	1.70
Cowoso Capital Pty Ltd	7,015,604	1.66
Citicorp Nominees Pty Limited	6,851,538	1.62
Mr Brent Jackson & Mrs Tanya Jackson	5,937,706	1.40
Avanteos Investments Limited	4,086,201	0.96
BNP Paribas Noms (NZ) Ltd	3,693,905	0.87
Mr Craig Coleman & Mrs Phyllis Coleman	3,014,286	0.71
Mr Donald James Mackenzie	2,325,000	0.55
Iain Dunstan & Caroline Dunstan	2,300,000	0.54
Mrs Elizabeth Ann Moffat	2,194,286	0.52
CMOS Enterprises Pty Ltd	2,081,539	0.49
	312,067,553	73.67

ASX ADDITIONAL INFORMATION

as at 31 July 2016

Substantial security holders

Substantial holders in the company are listed below:

	Ordinary/fully paid ordinary shares	
Shareholder	Units	% issued capital
Viburnum Funds Pty Ltd	82,638,051	19.51
LHC Capital Partners Pty Ltd	66,200,259	15.63
Regal Funds Management Pty Limited	36,426,974	8.60

Voting rights

The voting rights attached to ordinary shares are:

- 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.

There are no other classes of equity securities.

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CORPORATE DIRECTORY

30 June 2016

Directors	Craig Evan Coleman – Non-executive Chairman Andrew Graeme Moffat – Non-executive Director John Clark Wilson – Non-executive Director Peter Graham Clare – Non-executive Director
Company Secretary	Darius Paul Coveney
Registered office	Level 10 85 Castlereagh Street Sydney NSW 2000
Principal place of business	Level 10 85 Castlereagh Street Sydney NSW 2000 Telephone: +61 2 9488 4000 Facsimile: +61 2 9449 1116
Share register	Computershare Registry Services Pty Ltd Level 11 172 St George's Terrace Perth WA 6000 Telephone: +61 8 9323 2000 Facsimile: +61 8 9323 2033
Auditor	KPMG Level 38, Tower Three International Towers Sydney 300 Barangaroo Avenue Sydney NSW 2000
Solicitors	Gilbert + Tobin 2 Park Street Sydney NSW 2000
Bankers	Westpac Banking Corporation 109 St George's Terrace Perth WA 6000
Stock exchange listing	Rubik Financial Limited shares are listed on the Australian Securities Exchange (ASX code: RFL)
Website	www.rubik.com.au

Rubik

www.rubik.com.au

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