

Rubicor Group Limited and Controlled Entities
ABN 74 110 913 365
General Purpose Financial Statements
For the Half-Year Ended 31 December 2014

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Rubicor Group Limited and Controlled Entities

ABN 74 110 913 365

Director's Report

For the half-year ended 31 December 2014

Your directors present their report on the Company and its controlled entities for the half-year ended 31 December 2014.

1) General Information

(a) Directors

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

Names

John Pettigrew

Russel Pillemer

Steven Hatch

Kevin Levine (appointed 17 July 2014)

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

2. Business Review

(a) Review of operations

The Directors report that total revenue for the six months to 31 December 2014 was \$102.2 million (2013: \$101.7 million). The Group loss after tax for the period was \$0.5 million (2013: \$86.2 million profit, including gain on debt forgiven of \$88.6 million). These results have been reviewed by our auditors.

(b) Dividends

No interim dividend has been paid in the current half-year period (2013: nil).

No dividends were paid on redeemable preference shares in the current half-year period (2013: nil).

3. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307c of the Corporations Act 2001 is set out on page 4.

Rubicor Group Limited and Controlled Entities

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Director's Report

For the half-year ended 31 December 2014

4. Rounding off of amounts

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

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

On behalf of the Directors

Director



John Pettigrew

Director



Kevin Levine

Dated this 25th day of February 2015.

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

25 February 2015

Dear Board Members

Rubicor Group Limited

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

As lead audit partner for review of the financial statements of Rubicor Group Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants

Independent Auditor's Review Report to the Members of Rubicor Group Limited

We have reviewed the accompanying half-year financial report of Rubicor Group Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2014, and the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 18.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

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

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

Auditor's Independence Declaration

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

Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw your attention to Note 1(d) Going Concern in the financial report which indicates that the consolidated entity incurred a loss after tax of \$0.5 million and had net cash outflows from operations of \$0.8 million during the half-year ended 31 December 2014 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by \$3.5 million and it had a deficiency of net assets of \$1.0 million. These conditions, along with the matters as set forth in Note 1(d) Going Concern, indicate the existence of a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern and therefore, it may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.



DELOITTE TOUCHE TOHMATSU



Michael Kaplan
Partner
Chartered Accountants
Sydney, 25 February 2015

Rubicor Group Limited and Controlled Entities

ABN 74 110 913 365

Director's Declaration

The Directors declare that:

- (a) in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors



John Pettigrew
Director



Kevin Levine
Director

Sydney

Dated the 25th day of February 2015

Rubicor Group Limited and Controlled Entities

ABN 74 110 913 365

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2014

	Notes	Half-year ended 31 Dec 14 \$000	Half-year ended 31 Dec 13 \$000
Revenue		100,869	100,060
Other income		1,309	1,631
Gain on debt forgiven	2	-	88,608
On hired labour costs		(82,852)	(83,197)
Employee benefits expense		(12,689)	(11,706)
Rental expense on operating leases		(1,325)	(1,526)
Restructuring expense	3	-	(204)
Other expenses	3	(4,456)	(4,546)
Earnings before interest, tax, depreciation and amortisation (EBITDA)		856	89,120
Depreciation of property, plant and equipment	3	(275)	(307)
Amortisation of intangible assets		(57)	(52)
Finance costs	3	(1,053)	(733)
Impairment losses relating to non-current assets	3	-	(3)
(Loss)/profit before income tax expense		(529)	88,025
Income tax benefit/(expense)	4	69	(1,796)
(Loss)/profit for the period		(460)	86,229
Other comprehensive (loss)/income			
<i>Items that maybe reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(438)	57
Other comprehensive (loss)/income for the period, net of tax		(438)	57
Total comprehensive (loss)/profit for the period		(898)	86,286
 (Loss)/profit for the period attributable to:			
Owners of the parent		(591)	86,027
Non-controlling interests		131	202
		(460)	86,229
 Total comprehensive (loss)/profit for the period attributable to:			
Owners of the parent		(1,029)	86,084
Non-controlling interests		131	202
		(898)	86,286
Basic (loss)/profit per share (cents)		(0.5)	78.5
Diluted (loss)/profit per share (cents)		(0.5)	78.5

Notes to the condensed consolidated financial statements are set out on pages 12-18.

Rubicor Group Limited and Controlled Entities
ABN 74 110 913 365
Condensed Consolidated Statement of Financial Position
as at 31 December 2014

	Notes	31 Dec 14 \$000	30 Jun 14 \$000
Assets			
Current assets			
Cash and cash equivalents	7	2,503	2,359
Trade and other receivables		23,580	24,253
Other assets		756	848
Total current assets		26,839	27,460
Non-current assets			
Trade and other receivables		115	115
Property, plant and equipment		1,626	1,820
Deferred tax assets		1,676	1,858
Intangible assets	8	1,434	796
Other assets		47	6
Total non-current assets		4,898	4,595
Total assets		31,737	32,055
Liabilities			
Current liabilities			
Trade and other payables		15,912	16,595
Borrowings	9	12,390	10,449
Current tax payable		44	81
Provisions		2,019	2,157
Total current liabilities		30,365	29,282
Non-current liabilities			
Borrowings	9	822	785
Provisions		1,555	1,687
Total non-current liabilities		2,377	2,472
Total liabilities		32,742	31,754
Net (liabilities)/assets		(1,005)	301
(Deficiency)/equity			
Share capital		64,605	64,605
Reserves		(196)	242
Accumulated losses		(65,584)	(64,993)
		(1,175)	(146)
Equity attributable to owners of the parent		(1,175)	(146)
Non-controlling interests		170	447
Total (deficiency)/equity		(1,005)	301

Notes to the condensed consolidated financial statements are set out on pages 12-18.

Rubicor Group Limited and Controlled Entities
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Condensed Consolidated Statement of Changes in Equity
for the half-year ended 31 December 2014

2014

	Equity-settled employee benefit reserve \$000	Foreign currency translation reserve \$000	Share capital \$000	Accumulated losses \$000	Attributable to owners of the parent \$000	Non-controlling interests \$000	Total \$000
Balance at 1 Jul 2014	67	175	64,605	(64,993)	(146)	447	301
(Loss)/profit for the period		-	-	(591)	(591)	131	(460)
Other comprehensive loss for the period	-	(438)	-	-	(438)	-	(438)
Total comprehensive (loss)/profit for the period	-	(438)	-	(591)	(1,029)	131	(898)
Dividend paid to non-controlling interests	-	-	-	-	-	(408)	(408)
Balance at 31 Dec 2014	67	(263)	64,605	(65,584)	(1,175)	170	(1,005)

2013

	Equity-settled employee benefit reserve \$000	Foreign currency translation reserve \$000	Share capital \$000	Accumulated losses \$000	Attributable to owners of the parent \$000	Non-controlling interests \$000	Total \$000
Balance at 1 Jul 2013	197	132	64,605	(149,403)	(84,469)	569	(83,900)
Profit for the period	-	-	-	86,027	86,027	202	86,229
Other comprehensive income for the period	-	57	-	-	57	-	57
Total comprehensive profit for the period	-	57	-	86,027	86,084	202	86,286
Dividend paid to non-controlling interests	-	-	-	-	-	(493)	(493)
Balance at 31 Dec 2013	197	189	64,605	(63,376)	1,615	278	1,893

Notes to the condensed consolidated financial statements are set out on pages 12-18.

Rubicor Group Limited and Controlled Entities
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Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2014

	Notes	Half-year ended 31 Dec 14 \$000 Inflows/(Outflows)	Half-year ended 31 Dec 13 \$000 Inflows/(Outflows)
Cash from operating activities:			
Receipts from customers (inclusive of GST)		112,912	114,833
Payments to suppliers and employees (inclusive of GST)		(112,558)	(118,970)
		354	(4,137)
Finance costs paid		(987)	(667)
Interest received		14	26
Income taxes paid		(219)	(290)
		(838)	(5,068)
Net cash outflow from operating activities			
Cash flows from investing activities:			
Payment for property, plant and equipment		(70)	(276)
Payment for intangibles		(698)	(119)
Payment for controlled entities acquired (net of cash acquired) - relating to prior years		-	(43)
Payment for cash backed guarantees and rental bonds		-	(1,842)
		(768)	(2,280)
Net cash outflow from investing activities			
Cash flows from financing activities:			
Proceeds from third party borrowings		2,158	8,757
Repayment of third party borrowings		-	(7,000)
Dividend paid to non-controlling interests		(408)	(493)
		1,750	1,264
Net cash inflow from financing activities			
Net cash increase/(decrease) in cash and cash equivalents			
		144	(6,084)
Cash and cash equivalents at beginning of period		2,359	(3,174)
Bank overdraft debt forgiven		-	9,985
		2,503	727
Cash and cash equivalents at end of period	7		

Notes to the condensed consolidated financial statements are set out on pages 12-18.

Rubicor Group Limited and Controlled Entities

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Notes to the Financial Statements For the half-year ended 31 December 2014

1. Accounting policies

(a) General information

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

(b) Statement of compliance

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

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

(c) Basis of preparation

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

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial statements are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in preparing the financial statements for the half-year ended 31 December 2014 are consistent with those adopted and disclosed in the Group's annual financial statements for the financial year ended 30 June 2014.

Amendments to AASBs and the new Interpretation that are mandatorily effective for the current reporting period

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

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

- AASB 1031 'Materiality' (2013)
- AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'
- AASB 2013-5 'Amendments to Australian Accounting Standards – Investment Entities'
- AASB 2013-9 'Amendments to Australian Accounting Standards' – Part B: 'Materiality'
- AASB 2014-1 'Amendments to Australian Accounting Standards'

Adoption of the above standards did not have any material impact on the disclosures or the amounts recognised in the Group's condensed consolidated financial statements.

Rubicor Group Limited and Controlled Entities

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Notes to the Financial Statements For the half-year ended 31 December 2014

1. Accounting policies (continued)

(d) Going concern

The Directors have prepared the half-year financial report on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. The statement of profit or loss and other comprehensive income for the half-year ended 31 December 2014 reflects a consolidated Group loss of \$0.5 million, and the statement of financial position reflects an excess of current liabilities over current assets of \$3.5 million and a total net asset deficiency of \$1.0 million as at 31 December 2014. The statement of cash flows reflects net cash outflows from operations of \$0.8 million.

The Directors have reviewed a profit or loss and cash flow forecast through to 28 February 2016. The forecast indicates that whilst the Group will operate on a profitable EBITDA basis, there are several months where the existing overall facility limit of \$15 million is expected to be exceeded, indicating that additional funding is likely to be required.

Management is confident that it will be able to negotiate an increased overall facility limit either with its existing or, if necessary, an alternative financier, or otherwise raise equity from shareholders or other sources. However, if the Group is unable to generate its expected levels of operating profits and cash flows, or successfully negotiate increased facility limits or raise alternate equity funding, then significant uncertainty would exist as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

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

2. Gain on debt forgiven

	Consolidated	
	Half-year	Half-year
	ended	ended
	31 Dec 14	31 Dec 13
	\$000	\$000
Gain on debt forgiven	-	88,608
Total	-	88,608

In July 2013 the Company restructured its debt facilities. As a result, all debt obligations in respect of the Loan facilities (Term and Subordinated facility) and Bank Overdraft facility, which in aggregate amounted to \$95.6 million at settlement, were extinguished in full, in exchange for \$7.0 million. This resulted in a gain of \$88.6 million.

Rubicor Group Limited and Controlled Entities

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Notes to the Financial Statements
For the half-year ended 31 December 2014

3. Expenses

(a) Other expenses

	Consolidated	
	Half-year ended 31 Dec 14 \$000	Half-year ended 31 Dec 13 \$000
Advertising and marketing	366	304
Administration	3,571	3,733
Payroll tax costs	519	509
Total	4,456	4,546

(b) (Loss)/profit before income tax includes the following specific expenses:

Finance costs:

Interest expense on Vendor earn-out liability (refer Note 9)	49	51
Amortisation of borrowing costs	229	207
Interest and finance charges on third party borrowings	775	475
Total	1,053	733

Defined contribution superannuation expense:

On hired labour costs	5,738	5,216
Employee benefits expense	915	841
Total	6,653	6,057

Depreciation of property, plant and equipment	275	307
Share based payment expense	-	1

Restructuring expense:

Onerous lease expense	-	93
Staff redundancy	-	111
	-	204

Other significant expenses:

Impairment of non-current assets:		
Property, plant and equipment	-	3
	-	3

Rubicor Group Limited and Controlled Entities

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Notes to the Financial Statements
For the half-year ended 31 December 2014

4. Income tax expense

(a) Components of tax (benefit)/expense

	Consolidated	
	Half-year ended 31 Dec 14 \$000	Half-year ended 31 Dec 13 \$000
Current tax (benefit)/expense	(251)	347
Deferred tax assets written down due to debt forgiven	-	761
Deferred tax liabilities brought to account due to debt forgiven	-	995
Deferred tax income relating to the origination and reversal of temporary differences	182	(307)
Income tax (benefit)/expense	(69)	1,796

(b)

	Consolidated	
	Half-year ended 31 Dec 14 \$000	Half-year ended 31 Dec 13 \$000
(Loss)/profit before tax	(529)	88,025
Prima facie tax on (loss)/profit from ordinary activities before income tax at 30% (2013: 30%)	(159)	26,408
Add:		
Tax effect of:		
- non-deductible interest	44	15
- other non-allowable/non-assessable items	55	109
- difference in overseas tax rates	29	18
- effect of tax losses not brought to account	149	72
- effect of recoupment of tax losses not previously recognised	(74)	-
- other allowable items	(13)	-
- non-assessable gain on debt forgiven	-	(26,582)
- effect of deferred tax assets written down due to debt forgiven	-	761
- effect of deferred tax liabilities brought to account due to debt forgiven	-	995
- effect of previously unrecognised deductible temporary differences now recognised as deferred tax assets	(100)	-
Income tax (benefit)/expense	(69)	1,796

Rubicor Group Limited and Controlled Entities

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**Notes to the Financial Statements
For the half-year ended 31 December 2014**

5. Segment information

Business segments

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

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

- Australia;
- New Zealand;
- Other.

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

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

Segment revenues and results

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

	Australia		New Zealand		Other		Unallocated		Consolidated entity	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
(a) Revenue	95,002	94,989	6,588	6,341	588	361	-	88,608	102,178	190,299
Total segment revenue:	95,002	94,989	6,588	6,341	588	361	-	88,608	102,178	190,299
(b) Result										
Segment result before depreciation and amortisation	2,772	2,647	206	365	(200)	(380)	-	88,608	2,778	91,240
Depreciation	(230)	(281)	(24)	(23)	(21)	(3)	-	-	(275)	(307)
Segment result after depreciation and before amortisation	2,542	2,366	182	342	(221)	(383)	-	88,608	2,503	90,933
Amortisation									(57)	(52)
Central administration costs and directors' salaries									(1,936)	(1,942)
Restructuring expense									-	(204)
Interest revenue									14	26
Finance costs									(1,004)	(682)
Interest on vendor earn out liabilities									(49)	(51)
Impairment of non-current assets									-	(3)
(Loss)/profit before tax									(529)	88,025
Income tax benefit/(expense)									69	(1,796)
(Loss)/profit after tax									(460)	86,229

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**Notes to the Financial Statements
For the half-year ended 31 December 2014**

5. Segment information (continued)

(c) Segment assets and liabilities

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

6. Events after the balance date

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

7. Cash and cash equivalents

	Consolidated	
	31 Dec 14	30 Jun 14
	\$000	\$000
Cash on hand	5	6
Cash at bank	359	267
Cash on deposit ¹	2,139	2,086
Total cash and cash equivalents	2,503	2,359

¹ Cash on deposit in relation to rental and other guarantees. The balance is not available for use by the Group.

8. Intangible assets

	Consolidated	
	31 Dec 14	30 Jun 14
	\$000	\$000
Computer Software		
Cost	6,540	5,836
Accumulated amortisation and impairment	(5,106)	(5,040)
Net carrying value	1,434	796

9. Borrowings

	Consolidated	
	31 Dec 14	30 Jun 14
	\$000	\$000
Current		
Unsecured liabilities		
Other	40	274
	40	274
Secured liabilities		
Debtor finance facility (net of borrowing costs) (a)	12,350	10,175
	12,350	10,175
	12,390	10,499
Non-Current		
Unsecured liabilities		
Vendor earn-out liability (b)	822	785
	822	785

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Notes to the Financial Statements For the half-year ended 31 December 2014

9. Borrowings (continued)

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

The facility was established in July 2013 and has an initial limit of \$15 million. The facility provides funding based on approved receivables and the limit adjusts in line with the value of the approved receivables. This facility has a three year term with no annual review, no financial covenants and no facility amortisation repayments. Funding provided under this facility is however dependent upon the purchased receivables remaining approved until they are collected.

At 31 December 2014, this facility attracted interest at a margin over bank reference rates.

(b) Vendor earn-out liability

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

10. Contingent liabilities

The Group has provided bank guarantees and deposits amounting to \$2.1 million (30 June 2014: \$2.2 million) in respect of leasehold agreements. These bank guarantees are fully cash backed by funds drawn from the debtor finance facility (refer Note 9) and are secured against any claims, proceedings, losses or liabilities which may arise from these instruments.

11. Fair value of financial instruments

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

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

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

Company details

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

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