Rubicor

CONNECTED PEOPLE

Annual Report 2009

Contents

Rubicor Group Limited
ABN 74 110 913 365

Our brands

Rubicor consists of 23 diverse recruitment and human capital solutions businesses employing over 400 staff across 43 offices through 24 different brands. We provide permanent, contract and temporary recruitment and human capital solutions to employers and candidates including a suite of organisational development and training services. We have representation in all major Australian and New Zealand cities and regional Australian centres as well as Singapore.

Rubicor's operations are diversified across industries, service types and geographies and we serve a wide range of professional sectors and candidate markets ranging from blue collar through to office support, middle management and senior executive. Rubicor's operating companies are all specialist recruitment providers, operating in clearly defined industry sectors and geographies.

Financial summary

	30 June 2009	30 June 2008	Change
Revenue	$317.0m	$367.0m	–14%
NDR (Gross Margin)	$78.5m	$104.0m	–25%
Underlying EBITDA[1]	$8.0m	$24.7m	–68%
Statutory EBITDA	$5.7m	$24.7m	–77%
Underlying NPAT[1,2]	$(2.8)m	$11.1m	n/a
Statutory NPAT	$(44.0)m	$1.9m	n/a
Underlying EPS[1,2]	(2.6)c	10.5c	n/a
Operating cash flow[3]	$16.7m	$21.0m	–20%

1 Before significant items of $2.3m ($1.6m after tax) largely relating to redundancy, premises relocation and refinance advisory costs.

2 Before amortisation of intangibles ($6.3m), notional interest on deferred payments for business acquisitions under IFRS ($1.7m) and impairment of non-current assets ($32.4m).

3 Before interest and taxation.

"In these tough economic conditions it was pleasing to note that the Rubicor acquisition model has proven itself to be responsive to the conditions. Rubicor has been able to reduce future vendor liabilities by $28.9 million, in line with the lower earnings performance of acquired businesses. Few other acquisition models have this level of flexibility."

Financial performance
Financial year 2009 has been an extremely challenging year for Rubicor. The economic downturn has severely dented business confidence and has led many organisations to institute a freeze on hiring as they have sought to contain costs and protect the job security of existing employees. These tough economic conditions have significantly and adversely affected the performance of Rubicor during the year.

Against this challenging backdrop Rubicor generated the results shown opposite in 2009:

The major factors in the sharp decline in profitability were:

1. the strong drop in permanent recruitment revenue which, at superior margins to temporary work, has a correspondingly larger impact on profits; and
2. the speed of the economic downturn and decline in recruitment which meant we were unable to pull out costs at the same rapid rate as revenue declined.

As the extent of the downturn became apparent, Rubicor undertook an aggressive restructuring program to bring costs down in line with falling revenue and with market conditions. This included reducing staffing levels and co-locating firms where practicable. The cost reduction program has produced $12.0 million of annualised savings. Importantly it has meant a better alignment of the cost base to current trading conditions.

Capital management
Prudent capital management and debt refinancing have been priorities in this unprecedented environment. In line with the need to retain cash, the Directors confirm that there will be no final dividend for the financial year.

The Group continues to operate with the support of its banker who has waived covenant compliance requirements at the end of December 2008 and June 2009. Term facilities have been extended through to the end of July 2010 and incorporate revised covenants and reduced amortisation.

	FY09	FY08	Change
Total Revenue	$317.0m	$367.0m	–14%
Underlying EBITDA	$8.0m	$24.7m	–68%
Underlying NPAT	$(2.8)m	$11.1m	n/a
Underlying EPS	(2.6)c	10.5c	n/a
Operating cash flow	$16.7m	$21.0m	–20%

Vendor payments
In these tough economic conditions it was pleasing to note that the Rubicor acquisition model has proven itself to be responsive to the conditions. As the direct result of the structure of the model, Rubicor has been able to reduce future vendor liabilities by $28.9 million. Because a large portion of vendor payments are deferred at acquisition and because these deferred payments are linked to the future performance of the businesses, the amounts owing to vendors have reduced in line with the lower earnings.

Asset values
Following an extensive review of the carrying value of its assets, the value of goodwill on the balance sheet has declined by $61.0 million to $68.1 million. This is due to a $28.9 million reduction in vendor liabilities (outlined above) and an impairment charge of $32.1 million.

Share price
Market concerns about reduced employment and uncertainty over financing resulted in Rubicor's share price remaining at the unprecedentedly low levels we noted and discussed at the Annual General Meeting last year. Indeed the whole recruitment sector was re-rated downwards amid concerns about the impact of the global financial crisis and attendant economic downturn on our sector. It is hoped that the successful outcome to the financing negotiations, in tandem with a likely return to more stable economic conditions, will allow for more positive re-rating of the stock in the future.

Board and senior management succession
During financial year 2009, Wayman Chapman, our founding Chief Executive Officer, retired from his executive duties. I am pleased to note that Wayman has agreed to stay on as a non-executive Director, enabling Rubicor to retain his industry knowledge and expertise.

Jane Beaumont was promoted from Chief Operating Officer to Chief Executive Officer on 1 April 2009 and is bringing great energy and focus to improving business performance and profitability across the Group.

I would like to acknowledge the contribution of Malcolm Jackman, who retired as a non-executive Director at the Annual General Meeting in November 2008.

Remuneration
At Rubicor, we acknowledge the renewed community concerns about remuneration practices, in particular at the senior executive and director levels. To ensure that our executive remuneration is aligned with shareholders' interests, a significant portion of executive remuneration is at risk and dependent upon both the short-term and long-term performance of the Company.

No short-term incentive has been paid for a second year in a row, reflecting both the Company's financial performance and the share price performance.

In addition, apart from a few exceptions relating to changed responsibilities, executive and management salaries and non-executive Directors' fees remain at levels set in July 2008 or earlier.

Outlook
Looking to the future, the Company has undertaken a review of those industry sectors where growth opportunities are expected, and put in place measures to ensure it is well positioned to take advantage of opportunities.

Our cost base is better aligned to market conditions, the Company is cash flow positive, and returned to trading profitably during the last quarter of financial year 2009.

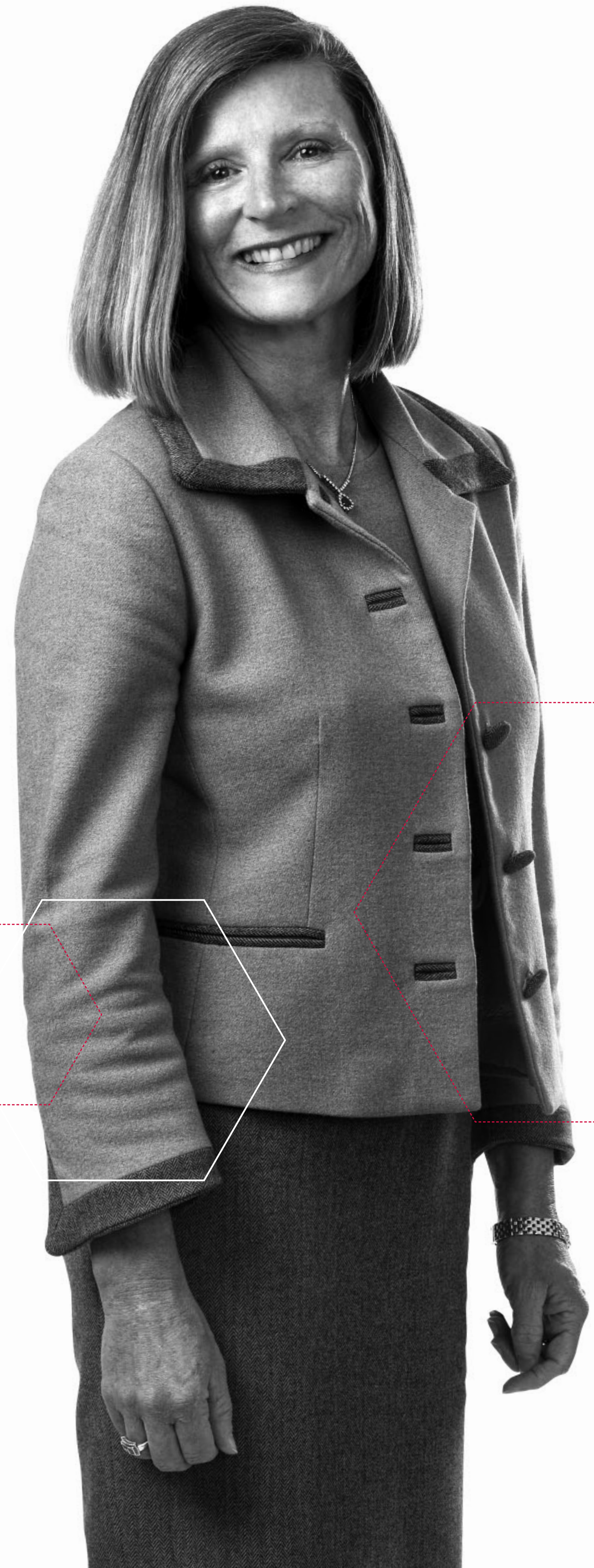
While we remain cautious of the short-term outlook, there are some encouraging signs that confidence is beginning to return to the market.

In the longer term, we believe that the case for established, specialist recruiters such as Rubicor with close ties to clients and a strong candidate base remains compelling.

In conclusion, this has been an extremely difficult business environment requiring strong and decisive action and I commend the efforts of everyone in Rubicor in facing up to these challenges. I am confident that in time shareholders will be rewarded for their patience and loyalty.

Robert Aitken
Chairman

Rob Aitken



"We achieved an excellent track record of growth, mainly through a rapid expansion of the operating businesses, until the challenging economic conditions in late 2008. We are now in a period of consolidation, of debt reduction, of strong cost control and efficiency drives, which will see us emerge from the current economic crisis with a leaner, more efficient and focussed business."

Strategies in the current conditions

There can be no doubt that the global financial crisis has led to very challenging economic conditions in Australasia for the recruitment industry this financial year. These conditions have inevitably impacted the profitability of recruitment industry companies throughout Australasia.

The recruitment market held up during the first quarter of the year. At our Annual General Meeting in November last year, we announced a comparatively strong first quarter result. Nevertheless, since that time there has been a sharp and strong deterioration in recruitment demand.

This economic downturn has impacted permanent recruitment in particular. As they react to market conditions, companies have reduced headcount and have introduced workforce preserving measures to ensure they retain quality employees after having worked so hard to source and retain staff in prior 'candidate short' periods. This has led to far fewer jobs being advertised and to a reluctance to hire new staff.

The temporary and contract recruitment sector has proven more resilient, although experiencing a decline, with companies offloading temporary and contract staff in order to preserve roles for their permanent employees.

During these tough economic conditions at Rubicor we have been focussing on a range of operational initiatives to enhance our performance and to drive cost savings for the benefit of the bottom line. These initiatives have included:

1. rigorous evaluation of individual businesses; and
2. cost and performance efficiency initiatives.

Rigorous evaluation of individual businesses

A key strength of the Rubicor business model is the diversity of the business across industry sectors, mix of temporary and permanent business, and range of geographic locations serviced by the operating businesses. Our business model enables us to be agile and flexible to the changing needs of our customers.

Rubicor's business mix has historically leaned more towards permanent recruitment. As markets improve, we consider the demand for temporary and contract staff will increase before permanent recruitment. We have been focussing on improving capability and candidate pools for temporary and contract work and are targeting a change in our mix of temporary and contract staff from under 40 per cent in financial year 2008 to above 45 per cent by 2010. These moves are positioning us to take advantage of the anticipated increase in demand.

Simultaneously and throughout the second half of financial year 2009, for each industry and geographic location in which we operate, we undertook a sectoral review; looking at the market levers and identifying where we anticipate growth opportunities going forward.

In Australasia, there are some unique growth opportunities, driven by various imperatives:

— government initiatives are providing stimulus in infrastructure and public transport, health and ageing, and government sectors;

— climate change imperatives are driving growth in oil and gas, water, and renewable energy sectors; and

— other growth areas include waste management, IT service provision, and education.

We have been putting in place programs and measures to ensure we are well positioned to take advantage of relationships and recruitment opportunities in these growth sectors as well as meeting increasing demand in our traditional areas of expertise.

Cost and performance efficiency initiatives

Throughout financial year 2009, we have undertaken a wide-ranging bottom-up review of the cost base of the operating businesses. With the aim of improving profitability and performance of all businesses, focus has been universal but with specific emphasis on those businesses requiring assistance to lift their levels of efficiency.

One of the primary areas where we have identified and extracted cost savings has been in the co-location of businesses in major centres; for example, in Sydney we have four brands operating out of the same location, in the premises of Xpand, and four other brands located together in two premises; in Melbourne three brands are now operating out of the same location; in Adelaide all the businesses will co-locate from September; and in Perth two brands have co-located. This program has not only provided significant savings in property and rationalisation, but shared services have been introduced and the benefits of client leverage opportunities are now being identified. In other instances, businesses have relocated to cheaper alternate premises when leases have ended.

Cost reductions from headcount savings and business restructures have been significant and are an ongoing priority. During the financial year as hiring decisions slowed, each business reviewed headcount and aligned consultant and support staff numbers to current market conditions and expected demand. This focus on alignment has resulted in a headcount reduction of 122 consultants.

Simultaneously, Rubicor has reduced payroll costs at the operating business level by a combination of the following:

- salary reductions;
- transfer of staff to part-time conditions, for example nine day fortnights;
- transfer of staff to commission-only structures; and
- reduction in or freezing of the variable reward structure.

Concurrently, a full operational review has identified additional cost savings through supplier re-evaluations, contractual renegotiations and spend reductions in all categories.

Our cost reduction program has identified a total of $12.0 million in annualised savings. These reductions have been implemented throughout the year and, other than final property releases linked to co-locations taking place in September, were fully effective from 1 July 2009.

Although the major rationalisation program is now complete, the Company will continue to closely monitor its cost base and identify any additional opportunity to further reduce costs.

The 2009 financial year is carrying the one-off costs associated with the cost reduction program including redundancy payments, office equipment and fit-out write-offs, and relocation costs. Nevertheless, the benefits for Rubicor from our cost and efficiency initiatives will flow through from the 2010 financial year onwards in the form of a leaner and more efficient cost base.

"Our goal is to emerge from the global financial crisis and challenging economic conditions with a leaner and more efficient cost base, better able to service our clients' needs across a multitude of sectors, geographies and skills."

Capital management

Due to its expansion strategy (up to the acquisition of Gemteq in February 2008), Rubicor inevitably increased its debt position and gearing level to the high end of the target range. Since that time, Rubicor has been in a consolidation phase, ensuring its current businesses are working to optimum efficiency levels. Prudent capital management and debt refinancing have been priorities for the Board and management.

This has particularly been the case in the current challenging economic environment, where market perception has shifted away from the acceptability of highly geared companies to a focus on the de-leveraging of balance sheets.

At present, Rubicor continues to operate with the support of its banker, who waived debt covenant restrictions both in December 2008 and again in June 2009. The Group continues to pursue refinancing options. It is pleasing to announce that subsequent to the year-end the bank revised the debt facilities by extending Rubicor's term facilities until 31 July 2010, improving covenants and reducing amortisation. This is a positive step in a comprehensive refinancing process and Rubicor expects to make further announcements in this regard in the future.

The aim is to lock away new financing facilities in order to ensure senior management can fully focus on the goal of emerging from global financial crisis and challenging economic conditions with an efficient operational base and strong ongoing relationship with clients and candidates, capitalising on future strong demand in this sector.

Operating cash flow in the year was $16.7 million compared to $21.0 million in the prior year. Conversion of EBITDA to cash flow continues to be very strong and highlights the strength of the underlying business operations.

Share price performance

The global financial crisis has and attendant dislocations in debt and equity markets have significantly impacted Rubicor's share price. It is disappointing to see that the value of the Company measured by market capitalisation substantially declined during the 2008 financial year, at odds with the strong trading performance that year, contributing to the devaluation caused by the deterioration in operating performance in 2009.

As we have previously communicated, the Board and management will continue to drive operational performance and to communicate with our stakeholders to help them understand the underlying value of the Company. The bank extension of our term facilities may assist in allaying concerns about capital management. We will continually and proactively explore ways to improve shareholder value.

Long-term recruitment environment

Over the longer term, we believe that the shortage of candidates going in to this current economic slowdown will continue to be a positive for us. Permanent demographic changes from an ageing population will persist in our region, with a resultant shrinking candidate pool.

In addition, increased workforce mobility and the attitude of the younger generations is pointing towards higher employment churn across all industries when the employment market stabilises.

We consider that it will be the well-established specialist recruitment firms, such as Rubicor, who have close relationships with clients and a good candidate pool, who will have the edge in the 'war for talent' which will inevitably return once the current challenging economic conditions recede.

As a result, Rubicor will continue its focus on being a niche specialist with strong franchises in important sectors; close to the relevant markets, clients and candidates.

Jane Beaumont
Chief Executive Officer

Jane Beaumont

Reducing costs through co-location

One of Rubicor's responses to the downturn in the recruitment market has been to reduce costs by sharing office space among operating companies

Xpand, an IT and Digital Media recruitment specialist, had been living up to its name, doubling staff every year for three years in a row, when the full force of the economic downturn hit.

Action was taken to reduce costs and staff numbers were reduced by a third across Sydney, Melbourne and Singapore. However, this left plenty of under-utilised office space. Meanwhile, other Rubicor firms were looking at similar reductions and cost savings strategies.

Legal recruitment specialist Dolman got the ball rolling when it moved a consultant into Xpand's Melbourne office in late 2008. This was followed with Cadden Crowe co-locating its Melbourne team with Xpand in early 2009.

Meanwhile, Rubicor start-up Ensure was the first to take advantage of the surplus capacity in Xpand's Sydney office in early 2009. Then Credit Recruitment moved into Xpand's office in May, followed by Apsley Recruitment in July.

In addition to sharing space, the firms are pursuing economies of scale through shared equipment, IT support and greater purchasing synergies. There is a single reception bearing the names of all firms plus Rubicor, which has freed up staff who had duties as receptionists to concentrate on office management and administrative support. By working in close proximity, member firms are learning from one another's approaches.

"It is so much better to have a full house," says Justin Babet, one of the founders of Xpand, who took over as Managing Director in July.

"Having re-purposed some of the office space, we now sit out on the sales floor together, which means we are much closer to the action. You can sense the extra energy, the place is humming."

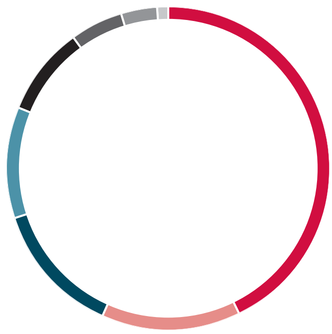
Together, the businesses are looking forward to opportunities to leverage clients and to learn from each other's successes.

Best of both worlds

The Rubicor Group provides specialist recruitment and human capital solutions across permanent contract and temporary positions in a wide range of industry sectors and a wide range of candidate markets from blue collar to office support, middle management and senior executive.

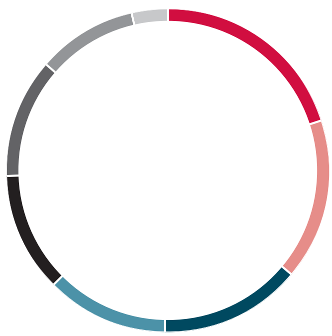
Rubicor consists of 23 diverse operating businesses employing 400 staff. The operating businesses are all specialist recruitment providers. Offices are located in all major Australian and New Zealand cities and regional Australian centres as well as Singapore.

Geography



New South Wales	42.9%
New Zealand	13.9%
South Australia	13.2%
Victoria	11.2%
Western Australia	8.8%
Queensland	5.5%
Australian Capital Territory	3.6%
Singapore	0.9%

Industry



IT	20.1%
Government	16.2%
Financial (including accounting)	14.0%
Business Support	12.2%
Sales and Marketing	12.2%
Blue Collar	11.8%
Resources	10.1%
Legal	3.4%

The Rubicor model allows us to combine the entrepreneurial skills and niche candidate networks of boutique businesses with the scale and diversity of a large, monolithic recruitment organisation.This gives us what we consider to be the best of both worlds.

Our view is that a ‘people’ business is best operated with a versatile and agile approach, encouraging a degree of autonomy and flexibility within tight financial disciplines.

Rubicor allows autonomy of decision-making at the operating business level. At the same time, we maintain strict management control by setting targets, and monitoring and measuring performance against these targets and against company benchmarks.

In the 2009 financial year, in addition to the overarching monitoring and control, we have provided hands-on assistance to businesses identified as requiring improvement. Where appropriate, there has also been a tightening of controls and further defining of parameters for change and performance imperatives.

Optimising client relationships
Rubicor is extending its presence by optimising the way the operating businesses approach clients. The businesses are collaborating in their drive for new revenue and are improving current client relationships where appropriate, by offering additional specialist capabilities of sister companies and/or whole-of-business solutions to meet the diverse needs of major clients.

In this financial year Rubicor has won contracts from two top 20 ASX-listed companies and is servicing their recruitment requirements from a number of operating businesses under one national mandate.

Clients have responded well to the deep candidate pool provided by the specialist Rubicor businesses, supported by strategic account management provided by either Rubicor or the lead service delivery brand.

In addition to more targeted and strategic approaches, operating businesses collaborate at a local level to support their clients by introducing sister companies to deliver specialist services outside their own capabilities, providing quality solutions and deepening Rubicor’s relationship with those clients.

Candidate focus
Our strong candidate focus and our knowledge of the sectors we place them into are of significant advantage in a competitive market.

The biggest single change affecting the dynamics of the recruitment market in recent years, prior to the global financial crisis and its attendant economic impact, has been a skills shortage driven by underlying demographic changes. Despite the global financial crisis, this remains the case and will become even more evident once the economy recovers and demand for candidates returns. It is predicted that this challenge will continue well into the foreseeable future in a number of sectors.

We believe that clients will increasingly be attracted to companies like Rubicor. Our unique combination of specialisation and scalability allows us to continually source the best candidates for our clients.

In addition, top candidates are attracted to a recruitment firm who can manage their careers, with our network of 23 businesses offering local, Australasia-wide and global career opportunities.

We have first-rate people both at Head Office and in our operating businesses who are extremely motivated to realise our vision of creating the leading recruitment group in the region.

Succession planning

Contrary to the popular belief that small service businesses are traditionally dependent upon the original founder or founders for continued success, Rubicor has demonstrated that by careful succession planning and leadership development, operating businesses continue to perform strongly and successfully with a new generation of leaders.

Of the 21 acquired businesses (two in the Rubicor stable are start-ups), 14 now have new leaders with seven experiencing a change in leadership in this financial year. In most cases, promotion has come from within. The success of our leadership and development programs has assisted with very low staff turnover at Rubicor.

Branding

Each of the Rubicor businesses has its own unique brand that is strong and identifiable in the industry in which it operates. A key point of difference for the Rubicor Group is this local, close-to-the-market, independent and established brand strength. Under Rubicor ownership, these individual brands are being maintained.

One of the initiatives over this financial year has been to enhance the ‘umbrella’ Rubicor brand, with the aim of developing a framework that provides marketing advantages to operating businesses and maximises brand equity at the parent company level. This creates a virtuous circle whereby Rubicor leverages the equity in its operating businesses’ brands and they in turn benefit from the recognised value of being part of Rubicor.

Rubicor has developed an ‘endorsed approach’ to the parent brand, where the Rubicor brand logo sits with each of the individual logos. Over time and as the visibility and exposure of Rubicor increases both to clients and candidates, it is anticipated that the Rubicor brand will gain strength in the recruitment industry and this, in turn, will enhance the general standing, reputation and profile of the Company.

Flexibility in vendor payments

Rubicor’s payment model to vendors of acquired businesses is structured to ensure the vendors’ interests are directly aligned with Rubicor and with the shareholders. Part of the acquisition amount is deferred and linked to the post-acquisition performance of the underlying business. In these challenging economic conditions the business model has proven itself to be robust. Amounts owing to vendors reduced by $28.9 million in the year, as payments owed to vendors have reduced in line with lower earnings performance in each business.

The deferred payments to vendors consist of earn-out payments and exit payments. The earn-out payments are linked to the actual performance of the underlying business generated in the period 1-3 years immediately after acquisition by Rubicor, when the vendors are still running the businesses. The exit payments are linked to the actual performance of the underlying business generated in the year that the vendor finally exits the business and for a further 1-2 years thereafter.

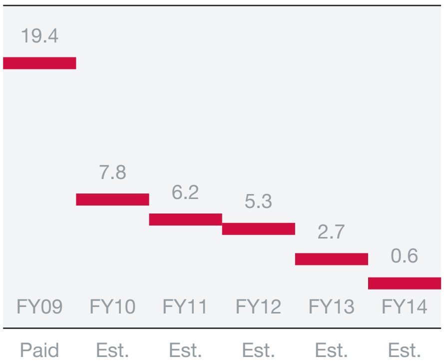
The accounting treatment for the payments owing to vendors is somewhat complex. In essence, we are required to capitalise the deferred payments onto the balance sheet, even the exit payments which will only ever be funded from future cash flows.

On the 2009 balance sheet we have future vendor payments of $3.7 million which relate to earn-out payments. Facilities are in place to meet these forecast payments. In addition, the balance sheet includes $15.6 million of exit payment which will be paid out of the profits to which they relate. We believe this distorts our true debt position.

We are also required to take up an accounting interest expense for the ‘deemed’ interest on these future estimated payments. The expense amounted to $3.0 million in 2009 as compared to $7.2 million in 2008. This is a not a cash charge and makes our statutory profitability seem lower than the true profitability of the company.

Looking forward, total amounts owing to vendors have decreased and payments are expected to more than halve next financial year and be fully paid off within five years, as follows:

Estimated Vendor Earn-Out Payments (FY10–FY24) $million



Succession at Cadden Crowe

Rubicor has demonstrated, by careful succession planning and leadership development, that operating businesses continue to perform strongly and successfully with a new generation of leaders.

When the two founding principals of Cadden Crowe, James Cadden and Michael Crowe, signalled their intention to depart, Rubicor and the Principals were keen to ensure Cadden Crowe should continue to flourish through a carefully managed succession process.

The first step was to find a new leader with outstanding leadership qualities and deep experience in recruiting in the resources, heavy manufacturing, energy, engineering and infrastructure sectors.

Scott Roberts had joined Cadden Crowe in September 2006 and took over responsibility for running the firm's Queensland operations in April 2007. In March 2009 he was invited to become the Managing Principal.

"Scott was involved in all the key decisions within the firm, taking the lead in business planning and budgeting. This provided Scott with input into and ownership of the financial year 2010 numbers," says James Cadden.

"He commands a great deal of respect. He has built excellent relationships with clients, staff and fellow Principals. He is also very decisive and action-oriented. He makes things happen."

Having accepted the position, Scott set about making some changes, with the assistance of Rubicor Head Office which seconded a staff member to help review and drive change. Two team leaders were promoted to take charge of the Sydney/Melbourne operations and the Queensland/Asia Pacific business.

In consultation with Jane Beaumont, Scott made significant changes to the remuneration structure for all staff in the business, including himself.

Scott said, "My view is that bonuses should only be paid for exceeding targets, not just for achieving them and they should be assessed on a cumulative basis so that the Company does not wear the cost if performance is not sustained."

This tough, commercial approach is paying dividends as the firm is now in much better health. Not a single client has left as a result of the management transition and the firm is hitting its revenue and profitability targets.

Scott is very positive on the benefits of being part of a large, listed recruitment company. "I think the Rubicor model is extremely elegant in the way it provides an attractive exit strategy for vendors, but incentivises them to maximise the value of the business even after they have left."

Sustainability and corporate responsibility are moving to the centre of the business agenda. In step with this movement, Rubicor acknowledges the importance of being a sustainable and responsible corporate entity and in balancing this responsibility with the priority of long-term value creation for our shareholders. We are committed to ensuring our interactions with employees, clients, candidates, shareholders, or the wider community are accountable, ethical and principled.

Solid foundation for governance and risk

Rubicor has adopted a written Code of Conduct, which applies to all of Rubicor's executive and non-executive Directors, officers, employees, contractors and consultants and ensures that all persons dealing with Rubicor can be guided by the stated values and practices of Rubicor.

Rubicor has also endorsed each of the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations, exemplifying its commitment to good corporate governance. The Board ensures that Rubicor management maintains the highest level of corporate ethics.

People management – employees, clients, and candidates

We recognise the value and contribution employees make to the success and growth of the business. We have developed a range of employee policies and procedures to support the recruitment, retention, and recognition of employees, including around equality and diversity, health and safety, reward and recognition, and training and development.

We also recognise renewed community concerns about remuneration practices at the senior executive and director levels. To ensure that our executive remuneration is aligned with shareholders' interests, a significant portion of executive remuneration is at risk and dependent upon both the short-term and long-term performance of the Company.

Rubicor is committed to the highest standards of customer care, for both its clients and its candidates, and to meeting or exceeding industry expectations of best practice.

Environmental footprint

While recognising that we have a relatively small carbon footprint, based on the nature of our operations and employee numbers, nevertheless Rubicor aims to be a responsible environmental manager and to minimise the impact of its operations on the environment. This includes reducing waste by recycling and committing to procure recycled paper where possible for photocopy, printer and business stationery requirements. Rubicor also encourages shareholders to receive investor communications electronically.

Social sustainability

Rubicor encourages its operating businesses to contribute back to the communities in which they operate. Some choose to do this through approved charitable donations, others by supporting grassroots community activities. We believe a proactive approach to community engagement is important in instilling a sense of social responsibility or 'good corporate citizen' in our work ethic.

Directors' Report

Your Directors present their annual financial report on the Company and its controlled entities for the financial year ended 30 June 2009. In order to comply with the provisions of the *Corporations Act 2001*, the Directors report as follows:

1. General information

(a) Directors

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

Name	Appointed/Resigned
Robert Aitken	Appointed 6 May 2005
Jane Beaumont	Appointed 29 January 2009
Wayman Chapman	Appointed 2 April 2005
Malcolm Jackman	Resigned 25 November 2008
John Pettigrew	Appointed 2 March 2007
Russel Pillemer	Appointed 10 September 2004

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

(b) Directors' information

Rob Aitken BE (Chem) (Hons), MBA
Rob is Chairman and a non-executive Director of the Company and a member of the Audit and Risk Management Committee, Chair of the Remuneration and Human Resources Committee and Chair of the Nomination and Corporate Governance Committee. Rob joined the Company in May 2005. Rob is 59 years old.

Rob has over 25 years' experience in senior international management roles. Throughout his career, Rob has worked across the manufacturing, industrial marketing and distribution business sectors including roles as Executive General Manager, Southcorp Limited and President, Formica Corporation, USA. Rob has been Chairman of the Rubicor Group Board since 6 May 2005. Rob is also currently a director of Alesco Corporation Limited and Chair of Nuplex Industries Limited.

Interests in shares and options:
1,887,397 shares in Rubicor Group Limited
Nil options in Rubicor Group Limited

Jane Beaumont
Jane joined Rubicor in September 2006, originally in the role of Chief Operating Officer. She was promoted to Chief Executive Officer when Wayman Chapman stepped down as Chief Executive Officer earlier this year. Jane is 52 years old.

Jane has 30 years' recruitment experience in the UK and Australasian markets. Prior to Rubicor, Jane spent five years with Manpower as Vice President Sales responsible for business acquisition and strategic sales. In 2001 she took on the role of Managing Director for Spherion's recruitment group in the Asia Pacific. After Spherion was acquired by Ross Human Directions Limited in June 2004, Jane spent two years as Managing Director for the group's recruitment businesses as a board appointee.

Interests in shares and options:
325,664 shares in Rubicor Group Limited
Nil options in Rubicor Group Limited

Wayman Chapman
Wayman held the position of Chief Executive Officer and was an executive Director of the Company until 31 March 2009. Wayman is currently a non-executive Director of the Company and a member of the Nomination and Corporate Governance Committee. Wayman joined the Company in May 2005. Wayman is 58 years old.

Wayman has over 20 years' experience in the Australian recruiting industry. Joining Morgan & Banks in 1988 to open its Adelaide office, he progressively took responsibility for the Perth, Brisbane and Canberra operations. In 2000, after the merger of Morgan & Banks and TMP worldwide, Wayman became Deputy Chief Executive for the Australasian Recruitment Division. He became joint CEO for the division in 2002, covering operations in 11 cities.

Interests in shares and options:
2,967,864 shares in Rubicor Group Limited
Nil options in Rubicor Group Limited

Malcolm Jackman BSC, BCom, FAICD
Malcolm was a non-executive Director of the Company and Chairman of the Remuneration and Human Resources Committee. He joined the Company in May 2005 and resigned in November 2008. Malcolm is 57 years old.

Malcolm has over 20 years' experience in the staffing services and recruitment industry in New Zealand, Australia and North America.

Between 1996 and 2003, Malcolm was the Australian and New Zealand Chief Executive of Manpower. He also served as President of the Recruitment & Consulting Services Association between 2001 and 2003, and received the Centenary of Federation Medal for his services to the recruitment industry in 2001. From 2003 until 2008 he was Chief Executive Officer of Coates Hire, Australia's largest equipment hire business. Malcolm joined Elders Limited in September 2008 as Chief Executive Officer.

Interests in shares and options:
136,830 shares in Rubicor Group Limited
Nil options in Rubicor Group Limited

Russel Pillemer CA, BCom (Hons)
Russel is a non-executive Director of the Company and a member of the Audit and Risk Management Committee and the Remuneration and Human Resources Committee. He was one of the initial founders and sponsors of Rubicor. Russel is 43 years old.

He has been the CEO of Pengana Capital Limited since 2003 and a director of Centric Wealth Limited since 2002. Russel has 18 years' experience in the investment banking and funds management industries. In 1994 he joined Goldman Sachs & Co, where he had responsibility for leading the financial institutions effort in Australia.

In 1999 he relocated to New York, working in the Financial Institutions Group for Goldman Sachs & Co, specialising in mergers and acquisitions, capital raisings and the provision of general strategic advice to financial services companies.

Directors' Report

1. General information (continued)

(b) Directors' information (continued)

Interests in shares and options:
443,084 shares in Rubicor Group Limited
Nil options in Rubicor Group Limited

John Pettigrew FCPA, FCIS, MAICD
John is a non-executive Director of the Company and is a member of the Nomination and Corporate Governance Committee, a member of the Remuneration and Human Resources Committee and the Chair of the Audit and Risk Management Committee. He joined the Company in March 2007. John is 63 years old.

John has extensive experience in senior finance and commercial roles in a number of corporations and industry sectors. Joining Stockland Trust Group in 1977 as Chief Financial Officer and becoming Finance Director in 1982, John established compliance, audit and risk management committees and led teams to accomplish several successful takeovers. He also had significant roles in structuring and managing listed property trusts, developing the first Australian stapled security and establishing domestic and international unsecured note programs for Stockland.

John is currently also a non-executive director of Astro Japan Property Management Limited.

Interests in shares and options:
310,000 shares in Rubicor Group Limited
Nil options in Rubicor Group Limited

Directorships of other listed companies

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

Name	Period of directorship
Rob Aitken	
– Nuplex Industries Limited	Since 2006
– Alesco Corporation Limited	Since 2003
John Pettigrew	
– Astro Japan Property Management Limited (formerly Babcock & Brown Japan Property)	Since 2005

(c) Principal activities

The principal activity of the Group during the financial year was the provision of contracting and recruitment services over a diversity of industry sectors throughout Australasia and also in Singapore.

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

(d) Company secretary

Sharad Loomba is the General Counsel and Company Secretary. Sharad advises the CEO and the Board on legal matters and manages the legal and company secretarial functions of the Group. Sharad commenced with the Group in May 2007.

Sharad is a corporate/commercial lawyer with over 16 years' experience. He holds a Bachelor of Commerce and Bachelor of Laws from the University of New South Wales and was admitted as a solicitor in New South Wales in December 1992. Sharad began his legal career in 1993 as a solicitor with Allen, Allen & Hemsley and has since worked with Cravath Swaine and Moore in New York, and with Clayton Utz and Landerer & Company in Sydney.

(e) Directors' meetings

	Board		Audit and Risk Management Committee		Remuneration and Human Resources Committee		Nomination and Corporate Governance Committee	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Robert Aitken	24	21	3	3	2	2	3	3
Jane Beaumont	4	4	–	–	–	–	–	–
Wayman Chapman	24	23	–	–	–	–	3	2
Malcolm Jackman	13	7	–	–	–	–	–	–
Russel Pillemer	24	16	3	3	2	1	–	–
John Pettigrew	24	18	3	3	2	1	3	3

2. Business review

(a) Operating results

The consolidated loss of the Group attributable to equity holders after providing for income tax amounted to $43,937 thousand (2008: profit of $1,924 thousand).

(b) Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the Chairman's letter, the Chief Executive Officer's review and the operations review of the published annual report.

(c) Significant changes in state of affairs

During the year the following entities were formed:

– Ensure Recruitment Pty Limited (organic start-up)
– Rubicor Services Pty Limited
– Rubicor (T1) Pty Limited

(d) Future developments

Likely developments in the operations of the consolidated entity in future financial years and the expected results of those operations are referred to generally in the Chairman's letter, the Chief Executive Officer's review and the operations review of the published annual report.

Further information on likely developments, including expected results would, in the Directors' opinion, result in unreasonable prejudice to the Company and the Group and has therefore not been included in this report.

(e) Events subsequent to balance date

Subsequent to year end, the Group's banker has positively revised the debt facilities as follows:

– the cash advance acquisition facility (Note 15(e)) of $22,950 thousand which had an expiry date of 17 August 2009 has been extended until 31 July 2010;
– the quarterly amortisation payments in respect of the cash advance facility (Note 15(d)) have reduced from $1,125 thousand to $250 thousand commencing from 30 September 2009; and
– the covenants relating to the term facilities have been revised.

3. Other information

(a) Loans to Directors and executives

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

(b) Options

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

Date options granted	Expiry date	Issue price of shares	Number under option
October 2005	December 2015	Nil	1,847,459
August 2006	December 2015	Nil	1,028,843
April 2008	December 2018	0.37	957,415
May 2008	December 2018	0.26	170,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. A total of 964,384 options were capable of being exercised during the year ended 30 June 2009. All options have a five-year vesting period and expire five years after they become exercisable. 103,810 options were exercised during the year and no options have been exercised post year end.

(c) Non-audit services

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

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

The Board of Directors has considered the position and, in accordance with the advice received from the Audit and Risk Management Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

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

(d) Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307c of the *Corporations Act 2001* is set out on page 25.

(e) Dividends

In respect of the financial year ended 30 June 2009, no dividends have been paid. In 2008, an interim dividend of 1.5 cents per share fully franked was paid to the holders of fully paid ordinary shares on 4 April 2008.

In addition, dividends were paid during the financial year on redeemable preference shares totalling $2,791 thousand (2008: $2,160 thousand). These dividends are classified as part of vendor liabilities. Refer to Note 36.

(f) Environmental issues

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

(g) Indemnifying officers or auditors

Insurance of officers

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

Directors' Report

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

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

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

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

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

4. Remuneration Report – audited
The Remuneration Report is set out in the following main headings:

(a) Director and senior management details
(b) Relationship between the remuneration policy and Company performance
(c) Principles used to determine the nature and amount of remuneration
(d) Non-executive Director remuneration
(e) Details of remuneration
(f) Executive service agreements
(g) Share-based compensation
(h) Additional information

(a) Director and senior management details
The following persons acted as Directors of the Company during or since the end of the financial year:

- Wayman Chapman (Chief Executive Officer until 31 March 2009, non-executive Director from 1 April 2009)
- Jane Beaumont (Chief Operating Officer until 31 March 2009, Chief Executive Officer from 1 April 2009)
- Robert Aitken (Chairman)
- Malcolm Jackman (resigned 25 November 2008)
- Russel Pillemer
- John Pettigrew

The term 'senior management' is used in this Remuneration Report to refer to the following persons. Except as noted, the named persons held their current position for the whole of the financial year and since the end of the financial year:

- Jane Beaumont (Chief Operating Officer until 31 March 2009, Chief Executive Officer from 1 April 2009)
- Kevin Levine (Chief Financial Officer)
- Sharad Loomba (General Counsel and Company Secretary)
- Mike Page (Operations Manager)

Key management personnel include both the Directors and senior management personnel named above.

(b) Relationship between the remuneration policy and Company performance
The remuneration of executive Directors and key management personnel contains an annual bonus. This total cash bonus is linked to the annual profit levels of the Group. No bonus payments were made due to profit targets not being met.

Executive Directors and key management personnel are aligned with the long-term Company performance via the shareholdings that these individuals retain in the Company through the Senior Executive Share Plan Scheme.

The tables on page 19 set out summary information about the Group's earnings and movements in shareholder wealth for the five years to June 2009:

	30 June 2009 $000	30 June 2008 $000	30 June 2007 $000	30 June 2006 $000	30 June 2005[1] $000
Revenue	316,757	367,350	156,457	65,076	6,096
Net (loss)/profit before tax	(46,124)	5,869	(2,086)	(1,339)	(324)
Net (loss)/profit after tax	(43,937)	1,847	(3,182)	(2,176)	(293)

	30 June 2009 $000	30 June 2008 $000	30 June 2007 $000
Share price at end of year[2] (dollars)	0.03	0.17	0.95
Interim dividend (cents)	–	1.5	–
Final dividend (cents)	–	–	–
Basic (loss)/earnings per share (cents)	(40.7)	1.8	(8.0)
Diluted (loss)/earnings per share (cents)	(40.7)	1.7	(8.0)

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

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

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

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

Alignment of shareholders' interest:

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

Alignment to program participants' interests:

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

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

The Board has established a Remuneration and Human Resources Committee which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for senior executives and Directors. The Corporate Governance Statement provides further information on the role of this committee.

1 Rubicor Group Limited adopted the Australian equivalents to International Financial Reporting Standards with effect from 1 July 2005, which results in various changes to its accounting policies from that date. Results for the year ended 30 June 2005 have been restated.

2 In June 2007, Rubicor Group Limited listed on the ASX, and the Company is unable to provide information prior to 2007.

Executive pay

The executive pay and reward framework has three components:

- Base pay and benefits, including superannuation
- Short-term performance incentives
- Long-term incentives through participation in the Rubicor Senior Executive Share Plan

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

Base pay

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

Base pay is structured as a package, which may be delivered as a mix of cash and other benefits, such as the provision of a motor vehicle, at the executive's discretion.

There are no guaranteed base pay increases in any senior executives' employment contracts.

Short-term incentives

The Board believes that well designed and managed short-term plans are important elements of remuneration, providing tangible incentives for executives to strive to improve the Group's performance for the benefit of shareholders.

If the Group achieves predetermined earnings targets (based on Earning before Interest, Taxation and Amortisation – EBITA) and other additional targets, the short-term incentive (STI) is payable to certain executives. Cash incentives are paid in September each year. Using EBITA targets ensures the STI is only available when value is created for shareholders and when profit is consistent with the business plan. The STI is weighted for performance above the threshold to provide an incentive for executive outperformance.

Directors' Report

4. Remuneration report – audited (continued)
(c) Principles used to determine the nature and amount of remuneration (continued)

Each executive eligible for an STI has STI targets depending on individual accountabilities and overall organisational performance. The maximum STI target bonus is 50% of the base salary.

Each year, the Remuneration and Human Resources Committee considers the appropriate targets and key performance indicators (KPIs) to link to the STI plan and the level of payout as targets are met. This includes setting the maximum payout under the STI plan, and minimum levels of performance to trigger payment of the STI.

For the year ended 30 June 2009, the KPIs linked to STI plans were based on Group objectives. The KPIs require the meeting of a minimum of 60% of the EBITA target. In addition, targets in relation to working capital performance and consultant productivity are included in the current STI.

The Remuneration and Human Resources Committee is responsible for assessing whether STI KPIs are met. To assist in making this assessment, the committee receives detailed reports.

The STI target annual payment and targets are reviewed annually.

Long-term incentives

For the year ended 30 June 2009, long-term incentive (LTI) awards were made to the following key executives in the amounts as noted below:

Key executive	Amount
Jane Beaumont	$250 thousand
Kevin Levine	$195 thousand
Sharad Loomba	$130 thousand

These amounts are weighted 25% if the executive remains until 30 June 2011 (and payable on that date) and 75% for achievement of STI targets (above) with the same weightings applied. Any LTI amounts payable will be paid 50% after FY09 results are approved by the Board and 50% on 30 June 2010.

Details of the LTI awards for the year ended 30 June 2008 are given in Section (g) – 'Share-based compensation' of this report.

(d) Non-executive Director remuneration

Non-executive Directors' fees are reviewed annually and are determined by the Board based on recommendations from the Remuneration and Human Resources Committee. In making its recommendations, the Remuneration and Human Resources Committee takes into account fees paid to other non-executive Directors of comparable companies and where necessary will seek external advice.

In accordance with the Constitution, the Directors are entitled to receive fees not exceeding $600 thousand per annum in aggregate to be divided among the Directors as they may determine. Fees for non-executive Directors are not linked to performance. Currently the non-executives receive the following fees per annum:

- Robert Aitken – $145.6 thousand
- Wayman Chapman – $76.8 thousand
- Malcolm Jackman – $80.8 thousand
- Russel Pillemer – $82.8 thousand
- John Pettigrew – $92.8 thousand

In addition to the fees above, Wayman Chapman will receive a consulting fee of $30 thousand for the period April – September 2009. This is subject to renewal after this date.

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

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

(e) Details of remuneration

Details of remuneration of the Directors and the key management personnel of Rubicor Group Limited are set out in the tables on pages 21 and 22.

The key management personnel of Rubicor Group Limited includes the Directors as per page 18 previously and the following executive officers who have authority and responsibility for planning, directing and controlling activities of the Company and Group.

- Jane Beaumont (Chief Operating Officer until 31 March 2009, Chief Executive Officer from 1 April 2009)
- Kevin Levine (Chief Financial Officer)
- Sharad Loomba (General Counsel and Company Secretary)

The key management personnel of the Group are the same as for the Company as set out above. In addition, Operations Manager, Mike Page, is a Company and Group executive whose remuneration must be disclosed under the *Corporations Act 2001* as he is one of the five highest remunerated executives.

Name	Short-term employee benefits: Cash salary and fees $	Short-term employee benefits: Cash bonus[2] $	Post-employment benefits: Super-annuation $	Long-term employee benefit $	Share-based payment[3]: Shares $	Total $
2009						
Non-executive Directors						
Robert Aitken						
Chairman	133,578	–	12,022	–	–	145,600
Wayman Chapman						
Commenced 1 April 2009	31,376	–	2,824	–	(6,175)	28,025
Malcolm Jackman						
Resigned 25 November 2008	33,667	–	–	–	–	33,667
Russel Pillemer	75,963	–	6,837	–	–	82,800
John Pettigrew	82,997	–	7,470	–	–	90,467
Executive Director						
Jane Beaumont[1]						
Chief Executive Officer						
Appointed 1 April 2009	100,917	–	9,083	20,833	(2,858)	127,975
Wayman Chapman[1]						
Chief Executive Officer						
Resigned 31 March 2009	282,195	81,270	25,398	–	(18,522)	370,341
Other key management personnel						
Kevin Levine[1]	295,872	–	26,628	16,250	(13,720)	325,030
Jane Beaumont[1]	267,432	–	24,068	–	(8,575)	282,925
Sharad Loomba[1]	261,255	–	13,745	10,833	(9,513)	276,320
Total key management personnel compensation	1,565,252	81,270	128,075	47,916	(59,363)	1,763,150
Other Company/Group executives						
Mike Page[1]	225,386	–	20,285	–	–	245,671

1 Denotes one of the five highest paid executives of the Company and the Group, as required to be disclosed in accordance with the *Corporations Act 2001*.

2 100% of STI bonuses were forfeited by key management personnel as relevant performance criteria were not met. Wayman Chapman received a discretionary bonus on retirement for his contribution to Rubicor Group Limited.

3 A true-up of share-based payments has been performed in the current year due to non-market conditions not being met, resulting in the credit balances.

Directors' Report

4. Remuneration report – audited (continued)
(e) Details of remuneration

Name	Short-term employee benefits: Cash salary and fees $	Short-term employee benefits: Cash bonus[2] $	Post-employment benefits: Super-annuation $	Share-based payment: Shares $	Total $
2008					
Non-executive Directors					
Robert Aitken					
Chairman	131,330	–	8,670	–	140,000
Malcolm Jackman	78,000	–	–	–	78,000
Russel Pillemer	75,046	–	4,954	–	80,000
John Pettigrew	80,674	–	5,326	–	86,000
Executive Director					
Wayman Chapman[1]					
Chief Executive Officer	394,495	–	35,505	62,858	492,858
Other key management personnel					
Kevin Levine[1]	275,229	–	24,771	34,917	334,917
Jane Beaumont[1]	302,752	–	27,248	29,098	359,098
Sharad Loomba[1]	237,314	–	12,686	24,211	274,211
Total key management personnel compensation	1,574,840	–	119,160	151,084	1,845,084
Other Company executives					
Mike Page[1]					
Commenced 6 August 2007	186,446	–	16,911	86	203,443

Other transactions with key management personnel:
Information on share-based payments and other transactions with key management personnel is set out in Notes 6 and 25 respectively.

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

Remuneration and other terms of employment for the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, General Counsel and Company Secretary and Operations Manager.
Each of these agreements provides for the payment of performance-related cash bonuses and when eligible, participation in the Senior Executive Share Plan.

All contracts with executives may be terminated by either party with a notice period of three months, subject to termination payments detailed below. Executives are typically restricted for two years (except the Chief Operating Officer, General Counsel and Company Secretary and Operations Manager, who are restricted for six months) after termination from conducting or engaging in competing businesses and from solicitation of clients and employees of the Company.

1 Denotes one of the five highest paid executives of the Company and the Group, as required to be disclosed in accordance with the *Corporations Act 2001*.

2 100% of bonuses were forfeited by key management personnel as relevant performance criteria were not met.

Jane Beaumont *Chief Executive Officer, Chief Operating Officer*

Chief Executive Officer – as from 1 April 2009

- Term of agreement – unlimited in term but capable of termination on three months' notice and the Company retains the right to terminate the contract immediately by making a payment in lieu of notice.
- Base salary, inclusive of superannuation, of $440 thousand per annum, to be reviewed annually by the Remuneration and Human Resources Committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to $110 thousand.

Chief Operating Officer – until 31 March 2009

- Term of agreement – unlimited in term but capable of termination on three months' notice and the Company retains the right to terminate the contract immediately by making a payment in lieu of notice.
- Base salary, inclusive of superannuation, of $330 thousand per annum, to be reviewed annually by the Remuneration and Human Resources Committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equals to $82.5 thousand.

Wayman Chapman *Chief Executive Officer – resigned 31 March 2009*

- Term of agreement – unlimited in term but capable of termination on three months' notice and the Company retains the right to terminate the contract immediately by making payment in lieu of notice.
- Base salary, inclusive of superannuation, of $430 thousand per annum, to be reviewed annually by the Remuneration and Human Resources Committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to $107.5 thousand.

Kevin Levine *Chief Financial Officer*

- Term of agreement – unlimited in term but capable of termination on three months' notice and the Company retains the right to terminate the contract immediately by making a payment in lieu of notice.
- Base salary, inclusive of superannuation, of $322.5 thousand per annum, to be reviewed annually by the Remuneration and Human Resources Committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to $80.625 thousand.

Sharad Loomba *General Counsel and Company Secretary*

- Term of agreement – unlimited in term but capable of termination on three months' notice and the Company retains the right to terminate the contract immediately by making a payment in lieu of notice.
- Base salary, inclusive of superannuation, of $275 thousand per annum for the year ended 30 June 2009, to be reviewed annually by the Remuneration and Human Resources Committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to $68.750 thousand.

Mike Page *Operations Manager*

- Term of agreement – unlimited in term but capable of termination on three months' notice and the Company retains the right to terminate the contract immediately by making a payment in lieu of notice.
- Base salary, inclusive of superannuation, of $240 thousand for the year ended 30 June 2009, to be reviewed annually by the Remuneration and Human Resources Committee.
- Payment of a termination benefit on early termination by the Company, other than for gross misconduct, equal to the corresponding portion of salary package in lieu of any part of the notice period that the Company does not require the executive to serve.

(g) Share-based compensation

Senior Executive Share Plan

Shares

The Company established the Senior Executive Share Plan on 24 April 2007. The Senior Executive Share Plan is intended to provide incentives to attract, retain and motivate key executives whose present and potential contributions are important to the success of the Company and its subsidiaries by offering them an opportunity to share in the ownership of the Company. The Senior Executive Share Plan is administered by the Board in its discretion. The terms and conditions of the Senior Executive Share Plan are summarised below.

Plan Shares were made available under the Senior Executive Share Plan to the following key executives of the Company in August and November 2007:

Key executive	Amount
Wayman Chapman	$300 thousand
Kevin Levine	$180 thousand
Jane Beaumont	$150 thousand
Sharad Loomba	$120 thousand

The Plan Shares were acquired at a price equal to the weighted average market price for shares for the five trading days prior to issue of the Plan Shares ($0.91). The Company provided a loan to participants under the Share Plan for 100% of the purchase price of the Plan Shares to enable the participant to acquire the Plan Shares (Loan). The Loan has been provided on an interest-free basis. The Loan is repayable on the fifth anniversary of the date when the Loan was provided or otherwise in accordance with its terms (although the Board may vary the repayment period). If the performance conditions attaching to Plan Shares issued under the Share Plan have been satisfied, the Board will waive the loan repayment except for the portion equal to the fringe benefits tax payable on the Loan. The Loans from the Company to the above key executives will be repayable and the Plan Shares will become transferable by the key executive upon the satisfaction of certain performance hurdles based on the performance of the Company measured by:

- earnings per share growth over the period 1 July 2007 to 30 June 2010; and
- total shareholder return ranking against the S&P/ASX Small Ordinaries index.

The number of ordinary shares acquired is in relation to the services to be performed for three years up to 30 June 2010:

Key executive	2008 shares
Wayman Chapman	423,204
Kevin Levine	235,088
Jane Beaumont	195,906
Sharad Loomba	163,003

Directors' Report

4. Remuneration report – audited (continued)
(g) Share-based compensation (continued)
Senior Executive Share Plan (continued)
Shares (continued)
As required by AASB2, the fair value of the shares issued is determined as the market price at grant date.

$59.363 thousand has been recognised as a share-based payment benefit on a graded vesting pattern for the financial year ended 30 June 2009 (2008: expense of $151 thousand) in relation to the executive senior share plan (refer to Note 18). A true-up of share-based payments has been performed in the current year due to non-market conditions not being met.

Options
None of the Directors of Rubicor Group Limited, other key management personnel or other executives of the Group or the Company are eligible to participate in the Company's Employee Share Option Plan.

(h) Additional information
Details of remuneration: options and shares.
For each grant of options and shares on pages 21 to 24 of this report, the percentage of the available grant that was vested in the financial year and the percentage forfeited because the person did not meet the service and performance criteria is set out below:

		Senior Executive Share Plan Shares				
Name	Year granted	Number granted	Number vested	% of grant vested	% of grant forfeited	% of compensation for the year consisting of Plan Shares
Wayman Chapman	2008	423,204	0	0	0	0
Kevin Levine	2008	235,088	0	0	0	0
Jane Beaumont	2008	195,906	0	0	0	0
Sharad Loomba	2008	163,003	0	0	0	0
Mike Page	n/a	n/a	n/a	n/a	n/a	n/a

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

Jane Beaumont
Director

Rob Aitken
Robert Aitken
Director

Dated this 29th day of September 2009.

Auditor's Independence Declaration

Deloitte.

Deloitte Touche Tohmatsu
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The Board of Directors
Rubicor Group Limited
Level 16, 1 York Street
SYDNEY NSW 2000

29 September 2009

Dear Board Members

Rubicor Group Limited

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

As lead audit partner for the audit of the financial statements of Rubicor Group Limited for the financial year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner

Chartered Accountant

Corporate Governance Statement

The Board of Directors of the Company (Board) is responsible for the overall corporate governance of the Company and has adopted as a guiding principle that it act honestly, conscientiously and fairly in accordance with the law and in the interests of the shareholders with a view to building sustainable value for them, the Company's employees and other stakeholders in the Company.

The Board has adopted a suite of governance materials which are available in the corporate governance section of the Company's website (www.rubicor.com.au), under 'About Us'. The governance materials have been prepared and adopted on the basis that corporate governance procedures can add to the performance of the Company and the creation of shareholder value, and help to engender the confidence of the investment market.

This statement sets out the material governance principles and processes adopted by the Board. The Board supports the Corporate Governance Principles and Recommendations, 2nd edition as released by the ASX Corporate Governance Council in 2007 (ASX Principles). The Board considers and applies these recommendations to the extent there is sound reason to do so given the circumstances of the Company.

The Board is responsible for the management of the affairs of the Company and its subsidiaries, including:

- strategic and financial performance;
- executive management;
- audit and risk management;
- strategic planning;
- corporate governance; and
- performance evaluation.

The Board must comprise at least three Directors, and will meet no less than six times formally per year. The Board has met 24 times during FY09.

Directors' attendance at meetings this year is set out on page 16.

The role of senior management is to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board is to oversee the activities of management in carrying out these delegated duties. The Board shall approve all delegations of authority to Board committees and management.

Senior management is invited to attend Board meetings, however the initial part of each meeting is independent of senior management.

Responsibilities reserved for the Board are contained in the Board Charter, which is available on the Corporate Governance section of the Company's website. Management is responsible for the day-to-day operation of the Company in line with Board approved delegations of authority.

Board composition

The Board comprised five Directors as at 30 June 2009, including three independent, non-executive Directors, one non-executive Director and one executive Director. The members of the Board are:

- Robert Aitken – independent non-executive Chairman;
- Jane Beaumont – Chief Executive Officer;
- Russel Pillemer – independent non-executive Director;
- John Pettigrew – independent non-executive Director; and
- Wayman Chapman – non-executive Director.

Independent Directors are those who have the ability to exercise their duties unfettered by any business or other relationship. It is the approach and attitude of each non-executive Director which is critical to determining independence and this must be considered in relation to each Director. Other relevant factors to be taken into account are set out in the Board Charter which is available on the Corporate Governance section of the Company's website.

In accordance with the criteria for an "independent" Director, as set out in the Company's Board Charter, Robert Aitken, John Pettigrew and Russel Pillemer are considered by the Board as independent non-executive Directors. Wayman Chapman is considered by the Board as a non-independent non-executive Director because he previously held the position of Chief Executive Officer of the Company from May 2005 to March 2009.

A Director may not simultaneously hold the positions of Chief Executive Officer and Chairman of the Board. The Chairman is a non-executive independent Director and there is a clear division of responsibility between the Chairman and the Chief Executive Officer. The Chairman's role is clearly defined in the Board Charter.

With the exception of the Chief Executive Officer, no Director is entitled to hold office for a period beyond three years from re-election, but Directors are eligible for re-election. Of the current Directors Wayman Chapman will retire and offer himself for re-election at the Company's 2009 Annual General Meeting to be held on 26 November 2009.

The Board has established a Nomination and Corporate Governance Committee, which is responsible for:

- periodically assessing the skills required to discharge the Board's duties, having regard to the strategic direction of the Company;
- proposing candidates for directorships for consideration by the Board, having regard to the desired composition as stated in the Board Charter; and
- reviewing any retiring Director's performance and recommending to the Board whether that Director should be re-appointed.

The committee will consider whether it is necessary and desirable to recruit additional Directors, bearing in mind:

- the mix of skills and experience of existing Directors;
- the business and strategic needs of the Company;
- the need to replace Directors before scheduled retirements; and
- the opportunity to obtain the services of particular persons with desirable skills when they are available.

The Nomination and Corporate Governance Committee Charter sets out this procedure for the selection and appointment of new Directors and re-election of incumbent Directors.

New Directors are provided with formal appointment letters setting out the key terms and conditions of their appointment, including remuneration. In addition all senior executives are provided with executive service contracts, which include expectations of their role, term of appointment, termination entitlements and rights and responsibilities.

Details of the Directors, their qualifications, period in office, skills and experiences are detailed on pages 15–16.

Conflicts of interests

Directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or possible conflicts of interest. If a Director considers there may be a conflict, the Director is required to:

- immediately inform the Board of the potential conflict; and
- abstain from voting on any motion relating to the matter and be absent during all Board deliberations relating to the matter.

The Board Charter, available on the Company's website, provides further detail on managing conflicts of interest.

Board committees

In order to effectively fulfil its duties, the Board has established the following committees:

- the Audit and Risk Management Committee, which is responsible for monitoring and advising the Board on the Company's audit, risk management and regulatory compliance policies and procedures;
- the Remuneration and Human Resources Committee, which is responsible for overseeing the remuneration and human resources policies and practices of the Company; and
- the Nomination and Corporate Governance Committee, which is responsible for advising the Board on the composition of the Board and its committees, reviewing the performance of the Board, its committees and the individual Directors and advising the Board on its corporate governance policies.

Each committee has a formal charter approved by the Board, outlining its composition, role and responsibilities. These charters are available on the Corporate Governance section of the Company's website.

Audit and Risk Management Committee

The Audit and Risk Management Committee's functions include:

- assisting the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance, the audit process, and the Company's process for monitoring compliance with laws and regulations and the Company's Code of Conduct;
- determining the scope of the internal audit function and ensuring its resources are sufficient and used appropriately;
- reviewing of internal audit performance and independence;
- assisting the Board with the adoption and application of appropriate ethical standards and management of the Company and the conduct of the Company's business;
- assisting the Board in supervising the Company's risk management framework (such framework is described under a separate heading "Risk management" later in this Statement); and
- reviewing the adequacy of the Company's insurance policies.

The Audit and Risk Management Committee also monitors the independence of the Company's external auditor. The committee must approve in advance the terms of engagement of the external auditor to perform audit and related work. Any non-audit work to be performed by the external auditor must be approved by the committee and, in doing so, the committee ensures the external auditor's independence and integrity is maintained. The lead engagement audit partners of the Company's external auditor will be rotated from the engagement after five years.

The Audit and Risk Management Committee is responsible for reviewing the performance of the external auditors, and the selection and appointment of the external auditor. The committee will recommend to the Board the re-appointment of the current external auditor or a tender process to select a new external auditor.

The committee ensures that it meets with the external auditors, independent of management, and with management independent of the external auditors. The Board has requested that the external auditor attend the 2009 Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Corporate Governance Statement

Composition
The committee comprises a minimum of three non-executive Directors who are financially literate, one of whom must have expertise in financial reporting. There is a majority of independent Directors on the committee. The Board of the Company will nominate the Chairman of the committee, who must be an independent, non-executive Director who is not the Chairman of the Board. The committee may invite other persons to attend meetings of the committee, including the Chief Executive Officer, the Chief Financial Officer and the Company's external auditors.

The current members of the committee are John Pettigrew (Chairman of the committee), Russel Pillemer and Robert Aitken. All members are considered to be independent non-executive Directors. Details of the qualifications of the members are detailed on pages 15–16.

The committee will meet as often as required to undertake its role effectively. The committee met three times during FY09. Directors' attendance at meetings is set out on page 16.

A copy of the Audit and Risk Management Committee Charter is available on the Corporate Governance section of the Company's website.

Remuneration and Human Resources Committee
The Remuneration and Human Resources Committee's functions are to endeavour to ensure:

– that the Directors and the executive management team of the Company are remunerated fairly and appropriately;
– that the Company's remuneration policies and outcomes strike an appropriate balance between the interests of the Company's shareholders, and the need to reward and motivate the Company's executives and employees in order to secure the long-term benefits of their energy and loyalty; and
– that the human resources policies and practices are consistent with and complementary to the strategic direction and objectives of the Company as determined by the Board.

Composition
The committee will comprise a minimum of two non-executive Directors, including if practicable, a majority of independent non-executive Directors. The Board of the Company will nominate the Chairman of the committee, who must be an independent non-executive Director.

The current members of the committee are Robert Aitken (Chairman of the committee), Russel Pillemer and John Pettigrew. All of the members are considered to be independent non-executive Directors.

The committee will meet as often as required to perform its role effectively. The committee met two times during FY09. Directors' attendance at meetings is set out on page 16.

A copy of the Remuneration and Human Resources Committee Charter is available on the Corporate Governance section of the Company's website.

Nomination and Corporate Governance Committee
The Nomination and Corporate Governance Committee's functions are to:

– review and advise the Board on the composition of the Board and its committees (and in so doing, administer the Selection and Appointment of Directors Policy described earlier in this Statement);
– review the performance of the Board as a whole and the individual members of the Board;
– ensure that proper succession plans are in place for consideration by the Board;
– advise the Board on good governance standards and appropriate corporate governance policies for the Company; and
– critically review the Company's performance against its corporate governance policies.

Composition
The committee comprises a minimum of two non-executive Directors, including if practicable, a majority of independent non-executive Directors. The Board of the Company will nominate the Chairman of the committee, who must be an independent non-executive Director.

The current members of the committee are Robert Aitken (Chairman of the committee), Wayman Chapman and John Pettigrew. Of these members, both Robert Aitken and John Pettigrew are considered to be independent non-executive Directors.

The committee will meet as often as required to perform its role effectively. The committee met three times during FY09. Directors' attendance at meetings is set out on page 16.

A copy of the Nomination and Corporate Governance Committee Charter is available on the Corporate Governance section of the Company's website.

Performance review/evaluation
The Board and Nomination and Corporate Governance Committee Charters outline responsibility for the performance review of the Board, the Chairman of the Board and the individual performance of all Directors and senior management.

During FY09, the Chairman met with each Director and assessed the performance of the Board, committees and individual Directors as well as the members of the senior management team. The Chairman of the Audit and Risk Management Committee interviewed the Chairman of the Board. The observations from these interviews were communicated to and discussed amongst the Board and any actions to improve performance agreed. The process followed was consistent with that outlined in the Board Charter.

During FY09, the Chief Executive Officer conducted performance reviews with the three members of the executive team. The senior executives' performance was reviewed against performance measures which align with the Company's strategy, with feedback from both the Board and the Chief Executive Officer conveyed.

Education and induction

New Directors will undergo an induction process in which they will be given a full briefing on the Company. Where possible, this will include meetings with Directors, key executives, tours of the premises, a Board manual and presentations from management.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development.

Independent professional advice and access to the Company's information

Each Director has the right of access to the Company's information and to the Company's executives. Further, the Board collectively and each Director, subject to informing the Chairman, has the right to seek independent professional advice from a suitably qualified advisor, at the Company's expense, with the approval of the Chairman, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

Each Director also has access to the General Counsel and Company Secretary.

Risk management

The Company has a risk management framework to allow it to achieve its business objectives while assisting management and ideally, providing early warnings of risks. The Risk Management Policy, covering both financial and operating risks, documents this framework.

The objective of this Risk Management Policy is to:

– encourage appropriate tolerance of risks across all the Company businesses;
– establish procedures to analyse risks within agreed parameters across all the Company businesses;
– establish appropriate risk delegations and corresponding frameworks across the Company; and
– ensure the Company has in place a risk framework which can measurably react should the risk profile change.

Key components of the Risk Management Policy which bring together a number of procedures and controls within the Company are as follows:

– identification and assessment of all risks;
– monitoring and wherever possible, mitigation of identified risks;
– periodic reporting; and
– assessment of effectiveness of the risk management framework.

The Risk Management Policy outlines guidance on the identification of commonly identified risks relevant to Rubicor, such as:

– financial risks;
– operations risks; and
– combined risks.

An executive Risk Management Committee has been established to assess identified risks as recorded on the risk register and review mitigation strategies. This committee meets prior to each Audit and Risk Management Committee meeting and assists in reporting to the committee. The Audit and Risk Management Committee regularly reports to the Board about committee activities, issues, and related recommendations. As suggested by Recommendation 7.2 of the ASX Principles, management provides ongoing reporting to the Board through the Audit and Risk Management Committee that indicates that the Company's management of its material business risks is operating satisfactorily.

A copy of the Risk Management Policy is available on the Corporate Governance section of the Company's website.

Attestations by Chief Executive Officer and Chief Financial Officer

The Chief Executive Officer and Chief Financial Officer made the declarations required by section 295A of the Corporations Act and recommended under Recommendation 7.3 of the ASX Principles. In order for the CEO and CFO to make the declarations, appropriate attestations were made by management to the CEO and CFO.

Remuneration

In relation to remuneration issues, the Board (with the assistance of the Remuneration and Human Resources Committee) has established a policy to ensure that it remunerates fairly and responsibly.

The remuneration philosophy is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain talented and motivated Directors and employees.

Any equity-based executive remuneration will be made in accordance with thresholds set in plans approved by shareholders at the General Meeting. As prescribed in the Company's Share Trading Policy, executives are not permitted to enter into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.

The structure of executive remuneration is distinctly different to that of non-executive Directors as detailed in the Remuneration Report. Executive officers and senior management acting in their capacity as employees of the Company and subsidiary(ies) may receive a mix of fixed and variable pay, and a blend of short- and long-term incentives. Non-executive Directors may receive only fixed remuneration.

Corporate Governance Statement

There are no retirement schemes in place for the non-executive Directors, other than statutory superannuation benefits.

The Remuneration Report and details about the Remuneration Philosophy of the Company are set out on pages 18–24.

Continuous disclosure

The Company takes its disclosure obligations seriously and seeks to comply with the spirit as well as the content of the ASX requirements. The Company has adopted a Continuous Disclosure Policy in relation to information disclosures and relevant procedures.

The policy sets out principles that the Company will apply in relation to the disclosure of material information, including that the Company:

- will not give analysts or other select groups of market participants any material price sensitive non-public information at any time;
- will not generally respond to market rumours and speculation except where:
  - the speculation or rumours indicate that the subject matter is no longer confidential and therefore the exception to disclosure set out in the Listing Rules no longer applies;
  - the ASX formally requests disclosure by the Company on the matter; or
  - the Board considers that it is appropriate to make a disclosure in the circumstances; and
- will only allow authorised company spokespersons to make any public statement on behalf of the Company.

A copy of the Continuous Disclosure Policy is available on the Corporate Governance section of the Company's website.

In accordance with ASX Listing Rule 4.10.17, this annual report contains a review of the operations and activities of the Company which are set out on pages 4–13.

Share Trading Policy

The Company has adopted a Share Trading Policy to regulate dealings by the Company's executives and non-executive Directors, officers, employees, contractors and consultants (employees) in the Company's securities. All employees are required to conduct their personal investment activity in a manner that is lawful and avoids conflicts of interest between the employee's personal interests and those of the Company and its clients.

The Company is keen to promote shareholder and general market confidence in the integrity of the Company's internal controls and procedures, and to provide guidance on avoiding any breach of the insider trading laws.

A copy of the Share Trading Policy is available on the Corporate Governance section of the Company's website.

Code of Conduct

The Company has adopted a written Code of Conduct, which applies to all of the Company's executives and non-executive Directors, officers, employees, contractors and consultants.

The purpose of the Code of Conduct is to ensure that:

- high standards of corporate and individual behaviour are observed by all employees in the context of their employment with the Company;
- employees are aware of their responsibilities to the Company under their contract of employment and always act in an ethical and professional manner;
- legal, ethical and other obligations to legitimate stakeholders are complied with; and
- all persons dealing with the Company, whether it be employees, shareholders, suppliers, clients or competitors, can be guided by the stated values and practices of the Company.

Employees are encouraged to report any potential breaches of the Code and the Company ensures employees are not disadvantaged for any reports made in good faith. The Company will deal with any reports promptly and fairly.

A copy of the Code of Conduct is available on the Corporate Governance section of the Company's website.

Shareholder communication

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights, the Company has established a Shareholder Communications Policy to:

- promote effective communications with shareholders of the Company;
- ensure all information relevant to their shareholding is disseminated to shareholders; and
- encourage effective participation by shareholders at the Company General Meetings.

A copy of the Shareholder Communications Policy is available on the Corporate Governance section of the Company's website.

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

Deloitte.

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Report on the Financial Report

We have audited the accompanying financial report of Rubicor Group Limited which comprises the balance sheet as at 30 June 2009, and the income statement, cash flow statement and statement of statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 33 to 81.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies 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 and fair presentation of the financial report 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

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

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

Auditor's Opinion
In our opinion:

(a) the financial report of Rubicor Group Limited is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2009 and of their performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Regarding Continuation as a Going Concern
Without qualifying our opinion, we draw attention to Note 1(d) "Going Concern" to the financial statements which indicates that the consolidated entity (Group) incurred a net loss of $43,937,000 during the year ended 30 June 2009 and, as of that date, the consolidated entity's current liabilities exceeded its current assets by $40,670,000. As at 30 June 2009 the company's (parent entity's) current liabilities exceeded its current assets by $70,329,000 (2008: $30,153,000) and the company had net liabilities of $460,000 (2008: net assets of $46,959,000). These conditions, along with the other matters as set forth in Note 1(d) "Going Concern", indicate the existence of a material uncertainty which may cast significant doubt about the company's and the consolidated entity's ability to continue as going concerns and whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial statements.

Report on the Remuneration Report
We have audited the Remuneration Report included in pages 18 to 24 of the Directors' report for the year ended 30 June 2009. The Directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion
In our opinion the Remuneration Report of Rubicor Group Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Michael Kaplan
Partner
Chartered Accountants

Sydney, 29 September 2009

Liability limited by a scheme approved under Professional Standards Legislation.

Directors' Declaration

The Directors declare that:

(a) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

(b) 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 Company and the consolidated entity; and

(c) the Directors have been given the declarations by section 295A of the *Corporations Act 2001*.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross-guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross-guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in Note 21 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross-guarantee.

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

On behalf of the Directors

Jane Beaumont
Director

Robert Aitken
Director

Sydney, dated the 29th day of September 2009.

Income Statement

For the financial year ended 30 June	Note	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Revenue	2	316,757	367,350	799	15,012
On hired labour costs		(238,238)	(263,323)	–	–
Employee benefits expense		(47,224)	(52,283)	(3,629)	(3,502)
Rental expense on operating leases		(6,145)	(5,038)	(304)	(115)
Other expenses	3	(19,466)	(22,052)	(2,418)	(2,943)
Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA)		5,684	24,654	(5,552)	8,452
Depreciation of property, plant and equipment	3	(1,093)	(1,160)	(59)	(28)
Amortisation of intangible assets		(6,368)	(5,972)	(171)	(134)
Finance costs	3	(11,972)	(11,653)	(10,003)	(9,204)
Impairment losses relating to non-current assets	10, 11, 12	(32,375)	–	(34,308)	–
(Loss)/Profit before income tax expense		(46,124)	5,869	(50,093)	(914)
Income tax benefit/(expense)	5	2,187	(4,022)	2,627	3,085
(Loss)/Profit for the year		(43,937)	1,847	(47,466)	2,171
Attributable to:					
Equity holders of the parent		(43,937)	1,924	(47,466)	2,171
Minority interest		–	(77)	–	–
		(43,937)	1,847	(47,466)	2,171
Basic (loss)/profit per share (cents)	35	(40.7)	1.8		
Diluted (loss)/profit per share (cents)	35	(40.7)	1.7		

The accompanying notes form part of these financial statements.

Balance Sheet

As at 30 June	Note	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Assets					
Current assets					
Cash and cash equivalents	7	2,951	1,168	–	8
Trade and other receivables	8	36,274	50,750	26,341	22,678
Current tax receivable	13(a)	1,058	2,275	656	91
Other assets	9	1,068	1,321	292	455
Total current assets		41,351	55,514	27,289	23,232
Non-current assets					
Trade and other receivables	8	137	129	12,565	8,856
Other financial assets	10	–	–	84,614	138,993
Property, plant and equipment	12	3,871	4,543	326	325
Deferred tax assets	13(a)	4,384	2,369	909	1,225
Intangible assets	11	80,987	147,989	244	265
Other assets	9	127	56	–	–
Total non-current assets		89,506	155,086	98,658	149,664
Total assets		130,857	210,600	125,947	172,896
Liabilities					
Current liabilities					
Trade and other payables	14	20,963	24,417	1,485	1,273
Borrowings	15	59,498	40,854	95,902	51,979
Provisions	16	1,560	1,855	231	133
Total current liabilities		82,021	67,126	97,618	53,385
Non-current liabilities					
Borrowings	15	31,674	82,757	28,716	72,520
Provisions	16	1,713	1,495	73	32
Total non-current liabilities		33,387	84,252	28,789	72,552
Total liabilities		115,408	151,378	126,407	125,937
Net assets/(liabilities)		15,449	59,222	(460)	46,959
Equity					
Share capital	17	64,605	64,605	64,605	64,605
Reserves	18	252	88	447	400
Accumulated losses	19	(49,408)	(5,394)	(65,512)	(18,046)
		15,449	59,299	(460)	46,959
Equity attributable to equity holders of the parent		15,449	59,299	(460)	46,959
Minority interest		–	(77)	–	–
Total equity		15,449	59,222	(460)	46,959

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the financial year ended 30 June 2009	Consolidated							
	Equity-settled employee benefit reserve $000	Foreign currency translation reserve $000	Hedging reserve $000	Share capital $000	Accumulated losses $000	Attributable to equity holders of the parent $000	Minority interests $000	Total $000
2009								
Equity as at 1 July 2008	485	(312)	(85)	64,605	(5,394)	59,299	(77)	59,222
Translation difference relating to foreign entities	–	117	–	–	–	117	–	117
Transfer to carrying amount of non-financial hedged item on cash flow hedge	–	–	85	–	–	85	–	85
Net income recognised directly in equity	–	117	85	–	–	202	–	202
(Loss) for the period	–	–	–	–	(43,937)	(43,937)	–	(43,937)
Total recognised income and expense	–	117	85	–	(43,937)	(43,735)	–	(43,735)
Minority interest transfer on acquisition of controlled entities	–	–	–	–	(77)	(77)	77	–
Share-based payments	(38)	–	–	–	–	(38)	–	(38)
Equity as at 30 June 2009	447	(195)	–	64,605	(49,408)	15,449	–	15,449

For the financial year ended 30 June 2009	Consolidated							
	Equity-settled employee benefit reserve $000	Foreign currency translation reserve $000	Hedging reserve $000	Share capital $000	Accumulated losses $000	Attributable to equity holders of the parent $000	Minority interests $000	Total $000
2008								
Equity as at 1 July 2007	203	356	–	65,453	(5,651)	60,361	–	60,361
Translation difference relating to foreign entities	–	(668)	–	–	–	(668)	–	(668)
Loss on cash flow hedges	–	–	(85)	–	–	(85)	–	(85)
Net income recognised directly in equity	–	(668)	(85)	–	–	(753)	–	(753)
Profit/(loss) for the period	–	–	–	–	1,924	1,924	(77)	1,847
Total recognised income and expense	–	(668)	(85)	–	1,924	1,171	(77)	1,094
Payment of dividends	–	–	–	–	(1,667)	(1,667)	–	(1,667)
Share-based payments	282	–	–	–	–	282	–	282
Employee shares acquired	–	–	–	(738)	–	(738)	–	(738)
Transaction costs relating to IPO	–	–	–	(110)	–	(110)	–	(110)
Equity as at 30 June 2008	485	(312)	(85)	64,605	(5,394)	59,299	(77)	59,222

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the financial year ended 30 June 2009	Parent Equity-settled employee benefit reserve $000	Hedging reserve $000	Share capital $000	Accumulated losses $000	Total $000
2009					
Equity as at 1 July 2008	485	(85)	64,605	(18,046)	46,959
Transfer to carrying amount of non-financial hedged item on cash flow hedge	–	85	–	–	85
Net income recognised directly in equity	–	85	–	–	85
(Loss) attributable to members of the parent entity	–	–	–	(47,466)	(47,466)
Total recognised income and expense	–	85	–	(47,466)	(47,381)
Share-based payments	(38)	–	–	–	(38)
Equity as at 30 June 2009	447	–	64,605	(65,512)	(460)

For the financial year ended 30 June 2008	Parent Equity-settled employee benefit reserve $000	Hedging reserve $000	Share capital $000	Accumulated losses $000	Total $000
2008					
Equity as at 1 July 2007	203	–	65,453	(18,550)	47,106
Loss on cash flow hedges	–	(85)	–	–	(85)
Net income recognised directly in equity	–	(85)	–	–	(85)
Profit attributable to members of the parent entity	–	–	–	2,171	2,171
Total recognised income and expense	–	(85)	–	2,171	2,086
Payment of dividends	–	–	–	(1,667)	(1,667)
Share-based payments	282	–	–	–	282
Employee shares acquired	–	–	(738)	–	(738)
Transaction costs relating to IPO	–	–	(110)	–	(110)
Equity as at 30 June 2008	485	(85)	64,605	(18,046)	46,959

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the financial year ended 30 June	Note	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Cash from operating activities					
Receipts from customers (inclusive of GST)		361,998	399,793	–	–
Payments to suppliers and employees (inclusive of GST)		(345,318)	(378,836)	(4,550)	(941)
		16,680	20,957	(4,550)	(941)
Finance costs paid		(6,877)	(4,213)	(5,720)	(3,975)
Interest received		127	175	20	380
Income taxes refunded/(paid)		1,628	(7,879)	1,274	(2,770)
Total cash inflow/(outflow) from operating activities	20(a)	11,558	9,040	(8,976)	(7,306)
Cash flows from investing activities					
Dividends received		–	–	–	14,630
Amounts (advanced to)/received from related parties		–	(738)	6,825	(18,563)
Payment for property, plant and equipment		(715)	(1,881)	(60)	(300)
Proceeds from sale of property, plant and equipment		6	–	–	–
Payment for intangible assets		(424)	(1,054)	(150)	(399)
Payment for other financial assets		–	(36)	–	–
Payment for controlled entities acquired (net of cash acquired):					
– relating to current year	32	–	(35,152)	–	(35,152)
– relating to prior years		(16,786)	(15,374)	(8,736)	(15,374)
– transaction costs	32	–	(2,465)	–	(2,465)
Dividends paid to vendors – Redeemable preference shares		(2,791)	(2,160)	(1,792)	(2,160)
Net cash outflow from investing activities		(20,710)	(58,860)	(3,913)	(59,783)
Cash flows from financing activities					
Repayment of third party borrowings		(12)	–	–	–
Proceeds from third party borrowings		7,578	38,988	7,592	50,355
Proceeds from related party borrowings		–	–	–	7,888
Dividends paid to equity holders of the parent		–	(1,667)	–	(1,667)
Net cash inflow from financing activities		7,566	37,321	7,592	56,576
Net cash decrease in cash and cash equivalents		(1,586)	(12,499)	(5,297)	(10,513)
Cash and cash equivalents at beginning of year		(756)	11,743	8	10,521
Cash and cash equivalents at end of year	7	(2,342)	(756)	(5,289)	8

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

(a) General information

The financial report covers the Group (consolidated entity) of Rubicor Group Limited and its controlled entities (consolidated financial statements), and Rubicor Group Limited as an individual company (parent entity financial statements). Rubicor Group Limited is a public company listed on the Australian Securities Exchange (trading under the symbol 'RUB'), incorporated and domiciled in Australia.

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

Rubicor Group Limited
Level 16, 1 York Street
Sydney NSW 2000

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

(b) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and Interpretations, and complies with other requirements of the law.

The financial report includes the separate financial statements of the Company and the consolidated financial statements of the Group.

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

The financial statements were authorised for issue by the Board of Directors on 29 September 2009.

(c) Basis of preparation

The financial report has been prepared on an accruals basis and is based on historical costs, except for certain financial instruments which are carried at fair value. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

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

(d) Going concern

The Directors have prepared the financial report on a 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 income statement for the year ended 30 June 2009 reflects a consolidated Group net loss of $43,937 thousand and the balance sheet reflects an excess of current liabilities over current assets in respect of the Group of $40,670 thousand. The parent entity's balance sheet reflects a working capital deficit of $70,329 thousand (2008: $30,153 thousand) and net liabilities of $460 thousand (2008: net assets of $46,959 thousand).

During the year, the Group's bankers waived covenant breaches at 31 December 2008 and 30 June 2009.

To continue as going concerns, the parent entity and the Group require:

- the continued support of its bankers with regards to renegotiation of facilities expiring within 12 months of the date of this report, and/or successful refinancing of some or all of its facilities with alternative financiers; and
- the generation of net cash inflows from operating activities in line with expected levels to meet normal operating liabilities, including certain acquisition related vendor payments.

Management is confident that it will achieve successful outcomes in regards to the matters outlined above, and therefore that the parent entity and the Group will continue as going concerns. However, if the parent entity and the Group are unable to obtain the continued support of their bankers with regard to the refinancing of existing facilities or successfully refinancing some or all of their existing facilities with alternative financiers and generate the expected level of operating cash flows, significant uncertainty would exist as to whether the parent entity and the Group will continue as going concerns and, therefore, whether they will realise their assets and extinguish their 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 or to the amounts and classification of liabilities that might be necessary should the parent entity and the Group not continue as going concerns.

(e) Adoption of new and revised Accounting Standards

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has resulted in no changes to the Company's and the Group's accounting policies.

Notes to the Financial Statements

1. Accounting policies (continued)

(f) Property, plant and equipment

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

(i) Plant and equipment

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

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

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

(ii) Depreciation

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

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

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	Estimated useful lives
Leasehold improvements	4–7 years
Leased assets	5–10 years
Motor vehicles	5 years
Office equipment	2.5–7 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(g) Business combinations

The purchase method of accounting is used to account for all business combinations. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the fair value of the instruments is their published market price at the date of exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable indicator of fair value and that other evidence and valuation methods provide a more reliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill (refer to Note 1(i)). If the cost of acquisition is less than the Group's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where a business combination agreement provides for an adjustment to the cost of acquisition that is contingent on future events, the amount of such adjustment is included in the cost of acquisition at the acquisition date if the adjustment is probable and can be measured reliably. If the future events do not occur or the adjustment amount is revised, the cost of the business combination is adjusted accordingly.

(h) Financial instruments

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

(i) Trade and other receivables

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

Trade receivables are non-interest bearing and credit terms are generally 30 days.

(ii) Investments

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

(iii) Cash and cash equivalents

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

Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(iv) Financial liabilities and equity

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

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

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

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

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

(viii) Derivative financial instruments and hedge accounting
Foreign exchange forward contracts are entered into in order to manage the Group's exposure to foreign exchange rate risk. Further details of derivative financial instruments are disclosed in Note 28 to the financial statements.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

The Group designates certain derivatives as hedges of foreign currency risk of firm commitments (cash flow hedges). The fair value of a hedging derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and if it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Hedge accounting
Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 28 contains details of the fair values of the derivative instruments used for hedging purposes. Movements in the hedge reserve are also detailed in the statement of changes in equity.

Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is deferred in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss as part of other expenses or other income.

Amounts deferred in equity are recycled in profit or loss in the periods when the hedged item is recognised in profit or loss in the same line of the income statement as the recognised hedged item.

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

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the business combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired. Each acquired business operates autonomously, therefore cash-generating units are determined at a subsidiary level.

(ii) Candidate databases
Acquired candidate databases are recorded at fair value as at the effective date of the relevant acquisition and then amortised on a straight-line basis over their useful life to the Group of five years.

(iii) Preferred supplier arrangements
Acquired preferred supplier arrangements are recorded at fair value as at the date of the relevant acquisition and are then amortised on a straight-line basis over their useful life to the Group of five years.

(iv) Course material content
Acquired training content and material is recorded at fair value as at the date of the relevant acquisition and is amortised on a straight-line basis over their useful life to the Group of 10 years.

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

Notes to the Financial Statements

1. Accounting policies (continued)

(i) Intangible assets (continued)

(vi) Brands

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

(j) Impairment

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

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

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

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

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

(k) Non-current assets held for sale

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

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

(l) Employee benefits

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

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

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

Defined contribution plans

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

(m) Provisions

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

(n) Income tax

Current tax

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

Deferred tax

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

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

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

Tax consolidation

Rubicor Group Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Rubicor Group Limited is responsible for recognising the current tax assets and liabilities for the tax consolidated group, as well as deferred tax assets arising from unused tax losses and other relevant unused tax credits.

Deferred tax assets and liabilities (other than unused tax losses and unused tax credits) are accounted for by each company in the Group measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in it own right. On adoption of the tax consolidation legislation, the entities in the tax consolidated group entered into a tax sharing agreement which limits the joint and several liability of the wholly owned entities, in case of default by the head entity, Rubicor Group Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Rubicor Group Limited for any current tax payable assumed and are compensated by Rubicor Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Rubicor Group Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements. The funding amounts are recognised as intercompany receivables or payables.

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

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

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

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

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

(p) Revenue recognition
Revenue from permanent placements is recognised as work is performed in accordance with agreed terms for retainer-based appointments, or on candidate appointment as accepted by both the client and candidate for non-retainer-based appointments.

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

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

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

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

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

Revenue from dividends and distributions from controlled entities is recognised by the parent entity when they are declared or publicly recommended by the controlled entities.

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

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

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

(r) Basis of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Rubicor Group Limited (parent entity) as at 30 June 2009 and the results of all subsidiaries for the year then ended. Rubicor Group Limited and its subsidiaries are referred to in this financial report as the 'Group'.

A subsidiary is any entity over which Rubicor Group Limited has the power to control the financial and operating policies so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Notes to the Financial Statements

1. Accounting policies (continued)

(r) Basis of consolidation (continued)

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

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

(s) Critical accounting estimates and judgments

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

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

(i) Estimated impairment of goodwill and brands

The Group annually tests whether goodwill and brands have suffered any impairment. The recoverable amounts of cash generating units have been determined based on the higher of selling price less costs to sell and value in use calculations, the details of which can be found in Note 11(a). If any of these assumptions were to change, this could have a material impact on the amounts of goodwill recognised.

(ii) Acquired intangible assets

The Group has purchased various entities. In the consolidated financial statements the purchase price has been allocated between identifiable intangible assets, such as preferred supplier agreements, course material content, brands and candidate databases, and goodwill. This allocation has been done based on a valuation of the identifiable assets and liabilities acquired. The valuation is based on estimated expected cash flows attributable to each applicable intangible asset.

(iii) Cost of business combinations and associated Vendor earn-out liability

As a consequence of the deferred earn-out structure of the business acquisitions, the cost of combination and the associated Vendor earn-out liability has been determined by calculating the present value of estimated future cash flows associated with the deferred earn-out consideration payments. These cash flows are based, among other things, on management's assessment as to both the likely period in which the earn-out payments will be made and the future operating results of the acquired entities. If any of the assumptions and estimates made in regard to these assessments were to change, this could have a material impact on the cost of combination and the associated Vendor earn-out liability which is disclosed in Note 15 in the financial report.

(iv) Valuation of shares issued as purchase consideration

The valuation of shares has been determined based on an independent valuation. See Note 17 for further details.

(t) Goods and services tax (GST)

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

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

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

(u) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments. The Group operates in one business segment (the human resources industry) and three geographical segments, namely Australia, New Zealand and Singapore.

(v) Share-based payments

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

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

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

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

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

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

Share-based compensation benefits are provided to employees via the Key Employee Share Option Plan (KESOP) (refer to Note 34) and Senior Executive Share Plan (refer to Note 33).

(w) New Accounting Standards and Interpretations

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial report, a number of Standards and Interpretations were in issue but not yet effective.

Initial application of the following Standards will not affect any of the amounts recognised in the financial report, but will change the disclosures presently made in relation to the Group's and the Company's financial report:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 "Amendments to Australian Accounting Standards arising from AASB 101', AASB 2007-10 'Further Amendments to Australian Accounting Standards arising from AASB 101'	1 January 2009	30 June 2010
AASB 8 'Operating Segments', AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8'	1 January 2009	30 June 2010
AASB 2009-2 'Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments'	1 January 2009 (and that ends on or after 30 April 2009)	30 June 2010

Initial application of the following Standards and Interpretations may have a material impact on the financial report of the Group and the Company but has not been evaluated yet:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	30 June 2010
AASB 3 'Business Combinations' (revised), AASB 127 'Consolidated and Separate Financial Statements' (revised), AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	Business combinations occurring after the beginning of annual reporting periods beginning 1 July 2009	30 June 2010
AASB 2008-1 'Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations'	1 January 2009	30 June 2010

Notes to the Financial Statements

1. Accounting policies (continued)

(w) New Accounting Standards and Interpretations (continued)

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2008-2 'Amendments to Australian Accounting Standards – Puttable Financial Instruments and Obligations arising on Liquidation'	1 January 2009	30 June 2010
AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 January 2009	30 June 2010
AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 July 2009	30 June 2010
AASB 2008-7 'Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'	1 January 2009	30 June 2010
AASB 2008-8 'Amendments to Australian Accounting Standards – Eligible Hedged Items'	1 July 2009	30 June 2010
AASB 2009-4 'Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	1 July 2009	30 June 2010
AASB 2009-5 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process'	1 January 2010	30 June 2011
AASB 2009-6 'Amendments to Australian Accounting Standards'	1 January 2009	30 June 2010
AASB 2009-7 'Amendments to Australian Accounting Standards'	1 January 2009	30 June 2010
AASB Interpretation 15 'Agreements for the Construction of Real Estate'	1 January 2009	30 June 2010
AASB Interpretation 16 'Hedges of a Net Investment in a Foreign Operation'	1 October 2008	30 June 2010
AASB Interpretation 17 'Distributions of Non-cash Assets to Owners', AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners'	1 July 2009	30 June 2010
AASB Interpretation 18 'Transfers of Assets from Customers'	1 July 2009	30 June 2010

(x) Dividends

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

(y) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, 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 year.

(ii) Diluted earnings per share

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

2. Revenue and other income

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Revenue from:				
Recruitment services	311,990	360,463	–	–
Interest	127	328	20	380
Dividends from subsidiaries	–	–	–	14,631
Recharge income	158	760	–	–
Organisational development fees	3,562	4,322	–	–
Other	920	1,477	779	1
Total revenue	316,757	367,350	799	15,012

3. Expenses
(a) Other expenses

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Advertising and marketing	2,515	3,067	28	–
Administration	14,681	16,324	2,171	2,760
Payroll tax costs	2,270	2,661	219	183
Total	19,466	22,052	2,418	2,943

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

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Finance costs				
Interest expense on Vendor earn-out liability (refer to Note 15)	3,008	7,175	2,202	4,963
Amortisation of borrowing costs	2,087	265	2,081	265
Interest and finance charges on other borrowings	6,877	4,213	5,720	3,976
	11,972	11,653	10,003	9,204
Depreciation				
Property, plant and equipment	806	737	59	28
Leasehold improvements	287	423	–	–
	1,093	1,160	59	28
Rental expense on operating leases (net of $216 thousand included in restructuring costs)	6,145	5,038	304	115
Defined contribution superannuation expense	16,383	17,652	246	241
Share-based payment (benefit)/expense	(29)	290	(29)	290
Allowance for impairment of trade receivables	799	325	–	–
Other significant expenses				
Costs of acquisitions that did not proceed	–	192	–	192
Impairment of non-current assets:				
– Shares in controlled entities	–	–	34,308	–
– Goodwill	32,058	–	–	–
– Leasehold improvements	317	–	–	–
	32,375	–	34,308	–
Restructuring costs (staff redundancy, premises relocation and refinancing advisory costs)	1,794	–	258	–
Loss on disposal of property, plant and equipment	8	194	–	–
Foreign exchange losses	141	–	–	–
Loss on onerous contract	216	–	–	–

Notes to the Financial Statements

4. Auditor's remuneration

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Auditor of the parent entity – Deloitte Touche Tohmatsu				
Audit or review of financial reports under the *Corporations Act 2001*	430,000	436,021	430,000	436,021
Tax compliance services	28,000	39,802	28,000	39,802
Due diligence services	–	181,501	–	181,501
Finance advisory services	287,000	43,874	287,000	43,874
Total remuneration	745,000	701,198	745,000	701,198
Related practices of Deloitte Touche Tohmatsu				
Audit of financial reports[1]	61,792	48,414	61,792	48,414
Tax compliance services	9,568	9,493	9,568	9,493
Advisory services[1]	21,009	6,746	21,009	6,746
	92,369	64,653	92,369	64,653
Other auditors				
Audit of financial reports[2]	6,850	–	6,850	–
	6,850	–	6,850	–

1 Relates to Deloitte Touche Tohmatsu – New Zealand firm.

2 Relates to services provided by Mazars LLP, Singapore.

5. Income tax (benefit)/expense
(a) Components of tax (benefit)/expense

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Current tax expense/(benefit)	131	1,663	(2,907)	(3,767)
Deferred tax – origination and reversal of temporary differences	(2,051)	2,311	280	645
(Over)/under provision of tax in prior year	(267)	48	–	37
Income tax (benefit)/expense	(2,187)	4,022	(2,627)	(3,085)

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

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
(Loss)/profit before tax	(46,124)	5,869	(50,093)	(914)
Prima facie tax on (loss)/profit from ordinary activities before income tax at 30% (2008: 30%)	(13,837)	1,761	(15,028)	(274)
Add:				
Tax effect of:				
– impairment loss on non-current assets that are not deductible	9,713	–	–	–
– temporary difference not recognised	–	–	10,292	–
– non-assessable dividend income	–	–	–	(4,390)
– non-deductible interest	610	1,883	661	1,489
– share option expense	(9)	87	(9)	45
– other non-allowable items	(106)	75	(140)	8
– (over)/under provision of tax in prior year	(267)	48	–	37
– difference in overseas tax rates	(47)	168	–	–
– effect of tax losses not brought to account	1,756	–	1,597	–
Income tax (benefit)/expense	(2,187)	4,022	(2,627)	(3,085)

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(c) Amounts recognised directly in equity
Aggregate current and deferred tax arising in the reporting period and not recognised in the income statement but recognised directly in equity

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Deferred tax assets recognised directly in equity (Note 13a)	36	(83)	36	(83)
Income tax expense	36	(83)	36	(83)

(d) Unrecognised deferred tax assets

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Tax losses – revenue	1,756	–	1,597	–
	1,756	–	1,597	–

Notes to the Financial Statements

6. Key management personnel disclosures

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

	Consolidated 2009 $	Consolidated 2008 $	Parent 2009 $	Parent 2008 $
Short-term employee benefits	1,646,522	1,574,840	1,646,522	1,574,840
Post-employment benefits	128,075	119,160	128,075	119,160
Long-term employee benefits	47,916	–	47,916	–
Share-based payments	(59,363)	151,084	(59,363)	151,084
Total	1,763,150	1,845,084	1,763,150	1,845,084

(b) Individual Director and key management personnel disclosures

Detailed remuneration disclosures are included in the Directors' report. The relevant information can be found in sections 4(a)–(h) of the Remuneration Report on pages 18–24.

(c) Equity instrument disclosures relating to key management personnel

Share holdings

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

Ordinary shares

Name	Balance at the start of the year	Purchased	Balance at the end of the year
2009			
Directors			
Wayman Chapman	2,967,864	–	2,967,864
Robert Aitken	1,887,397	–	1,887,397
Malcolm Jackman	136,830	–	136,830
Russel Pillemer	443,085	–	443,085
John Pettigrew	310,000	–	310,000
Jane Beaumont	325,664	–	325,664
Other key management personnel of the Group			
Kevin Levine	1,172,493	–	1,172,493
Sharad Loomba	163,003	–	163,003

Ordinary shares

Name	Balance at the start of the year	Purchased	Granted as remuneration (refer Note 33)	Balance at the end of the year
2008				
Directors				
Wayman Chapman	2,544,660	–	423,204	2,967,864
Robert Aitken	1,287,397	600,000	–	1,887,397
Malcolm Jackman	136,830	–	–	136,830
Russel Pillemer	443,085	–	–	443,085
John Pettigrew	200,000	110,000	–	310,000
Other key management personnel of the Group				
Kevin Levine	937,405	–	235,088	1,172,493
Jane Beaumont	129,758	–	195,906	325,664
Sharad Loomba	–	–	163,003	163,003

(d) Key management personnel transactions with the Company and its controlled entities

Information regarding individual key management personnel's service contracts with the Group is provided in the Remuneration Report (refer to pages 18–24). Wayman Chapman will receive a consulting fee of $30 thousand for the period April–September 2009. This is subject to renewal after this date.

Loans to key management personnel

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

Name	Balance at the start of the year $	Loans made $	Interest payable for the year $	Balance at the end of the year $	Highest indebtedness during the year $
2009					
Kevin Levine	116,603	–	8,398	125,001	125,001
2008					
Kevin Levine	107,729	–	8,874	116,603	116,603

7. Cash and cash equivalents

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Cash on hand	13	19	–	–
Cash at bank	2,938	1,149	–	8
Total cash and cash equivalents	2,951	1,168	–	8
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:				
Cash and cash equivalents	2,951	1,168	–	8
Bank overdraft	(5,293)	(1,924)	(5,289)	–
	(2,342)	(756)	(5,289)	8

8. Trade and other receivables

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Trade receivables	33,538	46,196	–	–
Allowance for impairment of receivables	(362)	(253)	–	–
	33,176	45,943	–	–
Other receivables	3,098	4,807	1	25
Amounts receivable from:				
Wholly owned subsidiaries	–	–	26,340	22,653
	36,274	50,750	26,341	22,678

The loans to wholly owned subsidiaries have no fixed repayment terms. Except for loans to overseas entities, the loans are non-interest bearing. The loans to overseas (New Zealand and Singapore) based entities totalled $10,866 thousand (2008: $5,192 thousand) and bear interest at 9.66% (2008: 8.28%).

Notes to the Financial Statements

8. Trade and other receivables (continued)

The aging of past due trade receivables at year end is detailed below:

	Consolidated		Parent	
	2009 $000	2008 $000	2009 $000	2008 $000
Past due 0–30 days	7,994	9,498	–	–
Past due 31–60 days	1,983	2,929	–	–
Past due 60+ days	1,099	1,855	–	–
Total	11,076	14,282	–	–
The movement in the allowance for doubtful accounts in respect of trade receivables is detailed below:				
Balance at beginning of year	253	230	–	–
Amounts written off as uncollectible	(691)	(325)	–	–
Increase in allowance recognised in the profit and loss	799	352	–	–
Foreign currency exchange differences	1	(4)	–	–
Balance at end of year	362	253	–	–

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

The Group has used the following basis to assess the allowance loss for trade receivables and as a result is unable to specifically allocate the allowance to the aging categories shown above:

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

Included in the Group's trade receivable balance are debtors with a carrying amount of $10,714 thousand (2008: $14,029 thousand) which are past due at the reporting date which the Group has not provided for as there has been no significant change in credit quality and the Group believes that the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

	Consolidated		Parent	
	2009 $000	2008 $000	2009 $000	2008 $000
Non-current				
Staff advance	12	12	–	–
Loan to key management personnel (Note 6(d))	125	117	125	117
Amounts receivable from:				
– wholly owned subsidiaries	–	–	12,440	8,739
	137	129	12,565	8,856

9. Other assets

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Current				
Prepayments	1,068	1,321	292	455
	1,068	1,321	292	455
Non-current				
Rental guarantee deposit	80	54	–	–
Deferred acquisition costs	3	2	–	–
Other	44	–	–	–
	127	56	–	–

10. Other financial assets

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Shares in controlled entities (at cost) (Note 21)	–	–	118,922	138,993
Accumulated impairment	–	–	(34,308)	–
	–	–	84,614	138,993

11. Intangible assets

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Preferred supplier agreements				
Cost	2,014	2,014	–	–
Accumulated amortisation and impairment	(1,309)	(906)	–	–
Net carrying value	705	1,108	–	–
Course material content				
Cost	542	542	–	–
Accumulated amortisation and impairment	(199)	(145)	–	–
Net carrying value	343	397	–	–
Candidate databases				
Cost	22,757	22,757	–	–
Accumulated amortisation and impairment	(13,314)	(8,996)	–	–
Net carrying value	9,443	13,761	–	–
Computer software				
Cost	6,073	5,690	549	399
Accumulated amortisation and impairment	(4,250)	(2,647)	(305)	(134)
Net carrying value	1,823	3,043	244	265
Brands				
Cost	591	591	–	–
Accumulated amortisation and impairment	–	–	–	–
Net carrying value	591	591	–	–
Goodwill				
Arising on consolidation at cost	100,140	129,089	–	–
Accumulated impairment (a)	(32,058)	–	–	–
Net carrying value	68,082	129,089	–	–
Total intangible assets	80,987	147,989	244	265

Notes to the Financial Statements

11. Intangible assets (continued)

(a) Impairment tests for goodwill

Goodwill is allocated to recruitment cash-generating units (CGUs), being the autonomously operated businesses acquired by the Group (refer to Note 21). The recoverable amount of the CGUs is determined based on value-in-use calculations.

The following key assumptions were used in the value-in-use calculations:

- Management has based the value-in-use calculations on the most recently completed management approved forecast performance for the forthcoming one-year period. Future cash flows between years two and five are projected using forecast average revenue growth rates declining from 4.8% to 3.0% and costs are calculated taking into account expected gross and operating margins. Thereafter cash flows are projected at a constant growth rate of 3.0% (2008: 3.0%) into perpetuity. An average pre-tax discount rate of 17.1% (2008: 16.9%), reflecting the assessed risks associated with the CGU segments, has been applied to determine the present value of the future cash flow projections.
- During the year ended 30 June 2009, the Group assessed the recoverable amount of goodwill, and determined that goodwill associated with the Group's CGUs was impaired by $32,058 thousand. The main contributing factor to the impairment of the CGUs is the current general uncertainties in respect of the Australian and New Zealand economic conditions and associated demand for employment. The impairment charge for the year has been shown directly on the face of the income statement.
- Sensitivity analysis shows that EBITDA and the discount rate assumption are key components on the outcome of the recoverable amount. The following table shows the potential impact on impairment from the movement in the underlying assumptions:

	$000
Change in EBITDA – reduction of 10%	2,360
Change in discount rate – increase of 1%	2,778

The Directors have not identified any other likely changes in other significant assumptions since 30 June 2009 and the signing of the financial statements that would cause the carrying value of the recognised goodwill to exceed its recoverable amount.

(b) Intangible assets – detailed reconciliation

	Consolidated						
	Goodwill $000	Candidate database $000	Preferred supplier agreements $000	Computer software $000	Course material content $000	Brands $000	Total $000
2009							
Cost brought forward	129,089	22,757	2,014	5,690	542	591	160,683
Reduction in estimated deferred vendor consideration	(28,889)	–	–	–	–	–	(28,889)
Disposals other than through business combinations	–	–	–	(24)	–	–	(24)
Additions other than through business combinations	–	–	–	424	–	–	424
Impairment of goodwill	(32,058)	–	–	–	–	–	(32,058)
Net foreign currency exchange differences	(60)	–	–	(17)	–	–	(77)
	68,082	22,757	2,014	6,073	542	591	100,059
Amortisation brought forward	–	(8,996)	(906)	(2,647)	(145)	–	(12,694)
Disposals	–	–	–	24	–	–	24
Amortisation expense	–	(4,291)	(403)	(1,620)	(54)	–	(6,368)
Net foreign currency exchange differences	–	(27)	–	(7)	–	–	(34)
	–	(13,314)	(1,309)	(4,250)	(199)	–	(19,072)
Closing written-down value	68,082	9,443	705	1,823	343	591	80,987

	Consolidated						
	Goodwill $000	Candidate database $000	Preferred supplier agreements $000	Computer software $000	Course material content $000	Brands $000	Total $000
2008							
Cost brought forward	77,004	17,950	1,741	1,333	542	350	98,920
Goodwill generated through business combinations	42,911	–	–	–	–	–	42,911
Goodwill and intangibles acquired through business combinations	6,554	4,807	273	3,073	–	241	14,948
Additions relating to prior year business combinations	2,620	–	–	–	–	–	2,620
Additions other than through business combinations	–	–	–	1,054	–	–	1,054
Reallocation from fixed assets	–	–	–	230	–	–	230
	129,089	22,757	2,014	5,690	542	591	160,683
Amortisation brought forward	–	(5,166)	(529)	(874)	(117)	–	(6,686)
Amortisation expense	–	(4,006)	(392)	(1,547)	(27)	–	(5,972)
Net foreign currency exchange differences	–	176	15	(226)	(1)	–	(36)
	–	(8,996)	(906)	(2,647)	(145)	–	(12,694)
Closing written-down value	129,089	13,761	1,108	3,043	397	591	147,989

	Parent	
	Software 2009 $000	Software 2008 $000
Cost brought forward	399	–
Additions	150	399
	549	399
Amortisation brought forward	(134)	–
Amortisation expense	(171)	(134)
	(305)	(134)
Closing written-down value	244	265

12. Property plant and equipment

	Parent		
	Office equipment $000	Leasehold improvements $000	Total $000
2009			
Cost			
Balance at the beginning of the year	292	89	381
Additions	30	30	60
Disposals	(3)	–	(3)
Balance at 30 June 2009	319	119	438
Depreciation and impairment losses			
Balance at the beginning of the year	(55)	(1)	(56)
Depreciation expense	(49)	(10)	(59)
Disposals	3	–	3
Balance at 30 June 2009	(101)	(11)	(112)
Carrying amount – 30 June 2009	218	108	326

Notes to the Financial Statements

12. Property plant and equipment (continued)

	Parent		
	Office equipment $000	Leasehold improvements $000	Total $000
2008			
Cost			
Balance at the beginning of the year	314	–	314
Additions	208	92	300
Disposals	–	(3)	(3)
Reallocation to intangibles	(230)	–	(230)
Balance at 30 June 2008	292	89	381
Depreciation and impairment losses			
Balance at the beginning of year	(28)	–	(28)
Depreciation expense	(27)	(1)	(28)
Balance at 30 June 2008	(55)	(1)	(56)
Carrying amount – 30 June 2008	237	88	325

	Consolidated				
	Motor vehicles $000	Office equipment $000	Leasehold improvements $000	Leased assets $000	Total $000
2009					
Cost					
Balance at the beginning of the year	53	3,209	2,898	52	6,212
Payment for purchase of property, plant and equipment	–	458	443	–	901
Disposals	–	(231)	(178)	–	(409)
Net foreign currency exchange differences	–	18	8	–	26
Balance at 30 June 2009	53	3,454	3,171	52	6,730
Depreciation and impairment losses					
Balance at the beginning of the year	(53)	(891)	(711)	(14)	(1,669)
Disposals	–	166	39	–	205
Depreciation expense	–	(788)	(287)	(18)	(1,093)
Net foreign currency exchange differences	–	(12)	27	–	15
Impairment losses	–	–	(317)	–	(317)
Balance at 30 June 2009	(53)	(1,525)	(1,249)	(32)	(2,859)
Carrying amount – 30 June 2009	–	1,929	1,922	20	3,871

Certain assets have been pledged as security – see Note 15(f).

	Motor vehicles $000	Office equipment $000	Leasehold improvements $000	Leased assets $000	Total $000
2008					
Balance at the beginning of the year	41	2,090	2,145	107	4,383
Additions through acquisitions	39	520	167	20	746
Payment for purchase of property plant and equipment	17	1,072	792	–	1,881
Disposals	(44)	(124)	(126)	(75)	(369)
Reallocation to intangibles	–	(230)	–	–	(230)
Net foreign currency exchange differences	–	(119)	(80)	–	(199)
Balance at 30 June 2008	53	3,209	2,898	52	6,212
Depreciation and impairment losses					
Balance at the beginning of the year	(34)	(392)	(426)	(20)	(872)
Disposals	10	111	43	11	175
Depreciation expense	(29)	(703)	(423)	(5)	(1,160)
Net foreign currency exchange differences	–	93	95	–	188
Balance at 30 June 2008	(53)	(891)	(711)	(14)	(1,669)
Carrying amount – 30 June 2008	–	2,318	2,187	38	4,543

Certain assets have been pledged as security – see Note 15(f).

13. Taxation

Assets

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Current				
Income tax receivable	1,058	2,275	656	91
Net carrying value	1,058	2,275	656	91
Non-current				
Deferred tax assets comprise the following temporary differences:				
Cash flow hedges	–	36	–	36
Intangible assets	1,963	718	–	(39)
Make good costs	77	48	–	–
Property, plant and equipment	141	60	–	–
Accrued income	(616)	(1,105)	–	–
Accrued expenses	49	164	–	–
Accrued rent	165	129	–	–
Doubtful debts	108	77	–	(76)
Employee benefits	1,545	999	84	45
Transaction costs	167	216	167	216
Other provisions	245	126	118	104
Borrowing costs	(89)	(38)	(89)	–
IPO costs	629	939	629	939
	4,384	2,369	909	1,225

Movements

Consolidated

	Cash flow hedges $000	Accrued income $000	Accrued expenses $000	Intangible assets $000	Make good costs $000	Fixed assets $000	Accrued rent $000
At 1 July 2007	–	–	–	1,587	29	–	–
(Charged)/credited to the income statement	–	(1,105)	164	(869)	19	60	129
Charged directly to equity	36	–	–	–	–	–	–
At 30 June 2008	36	(1,105)	164	718	48	60	129
(Charged)/credited to the income statement	–	489	(115)	1,245	29	81	36
Charged directly to equity	(36)	–	–	–	–	–	–
At 30 June 2009	–	(616)	49	1,963	77	141	165

	Impairment of trade receivables $000	Employee benefits $000	Transaction costs $000	IPO costs $000	Borrowing costs $000	Other provisions $000	Total $000
At 1 July 2007	70	1,137	308	1,188	–	278	4,597
Credited/(charged) to the income statement	7	(138)	(92)	(296)	(38)	(152)	(2,311)
Charged directly to equity	–	–	–	47	–	–	83
At 30 June 2008	77	999	216	939	(38)	126	2,369
Credited/(charged) to the income statement	31	546	(49)	(310)	(51)	119	2,051
Charged directly to equity	–	–	–	–	–	–	(36)
At 30 June 2009	108	1,545	167	629	(89)	245	4,384

Notes to the Financial Statements

13. Taxation (continued)
Assets (continued)
Movements

	Parent								
	Cash flow hedges $000	Intangible assets $000	Impairment of trade receivables $000	Employee benefits $000	Transaction costs $000	IPO costs $000	Borrowing costs $000	Other provisions $000	Total $000
At 1 July 2007	–	–	–	33	308	1,188	–	258	1,787
(Charged)/credited to the income statement	–	(39)	(76)	12	(92)	(296)	–	(154)	(645)
Charged directly to equity	36	–	–	–	–	47	–	–	83
At 30 June 2008	36	(39)	(76)	45	216	939	–	104	1,225
(Charged)/credited to the income statement	–	39	76	39	(49)	(310)	(89)	14	(280)
Charged directly to equity	(36)	–	–	–	–	–	–	–	(36)
At 30 June 2009	–	–	–	84	167	629	(89)	118	909

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

14. Trade and other payables

	Consolidated		Parent	
	2009 $000	2008 $000	2009 $000	2008 $000
Current				
Trade payable	3,372	4,031	305	383
Other creditors and accruals	17,591	20,386	1,180	890
	20,963	24,417	1,485	1,273

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

15. Borrowings

	Note	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Current					
Unsecured liabilities					
Vendor earn-out liability	(a)	7,554	19,381	6,365	11,409
		7,554	19,381	6,365	11,409
Secured liabilities					
Invoice finance debt	(b)	19,157	19,540	19,157	19,540
Bank overdraft	(c)	5,293	1,924	5,289	–
Finance lease obligation	(f)	44	9	–	–
Owing to subsidiaries	(g)	–	–	37,641	21,030
Cash advance facility (net of borrowing costs)	(d)	4,500	–	4,500	–
Cash advance acquisition facility	(e)	22,950	–	22,950	–
		51,944	21,473	89,537	40,570
		59,498	40,854	95,902	51,979
Non-current					
Unsecured liabilities					
Other loans		–	–	–	538
Vendor earn-out liability	(a)	11,661	45,820	8,700	35,097
		11,661	45,820	8,700	35,635
Secured liabilities					
Finance lease obligation	(f)	5	51	–	–
Cash advance facility (net of borrowing costs)	(d)	20,008	14,461	20,016	14,461
Cash advance acquisition facility	(e)	–	22,425	–	22,424
		20,013	36,937	20,016	36,885
		31,674	82,757	28,716	72,520

(a) 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.

For Australian business acquisitions, the Vendor earn-out liability has been structured through the issue to vendors of Series B Redeemable Preference Shares which are progressively redeemed at each earn-out payment date. All redemption payments made are contingent on the profit performance of the acquired business over the payment period. Each holder of Series B Redeemable Preference Shares is entitled to receive franked dividends for each year based on the Net Profit Before Tax of the vendor business acquired. The dividends are payable by the Company in priority to any other dividends in respect of any other shares. If these dividends are not paid then they will accumulate. The holders do not have rights to any other dividends or any entitlement to receive notice of, attend or vote at any general meeting of the Company.

For New Zealand business acquisitions, earn-out payments have not been structured through preference shares; however, additional share consideration payments equivalent in structure to the preference dividends referred to above have been incorporated as part of the share purchase consideration.

The Vendor earn-out liability has been determined by calculating the present value of the estimated future cash flows associated with the earn-out payments, including the associated preference dividend and additional share consideration payments. The cash flows have been discounted at rates between 11.4% and 12.5%, representing the assessed risk-adjusted rate of return for the acquired businesses at their acquisition dates.

Notes to the Financial Statements

15. Borrowings (continued)

(b) Invoice finance debt

$22,000 thousand invoice financing facility which has a three year term expiring on 31 July 2010. The facility is subject to an annual review, but may be terminated by either party by giving 30 days' notice. Based on the BBSY at 30 June 2009, the effective interest rate would be 7.2% excluding the administration fee.

The facility balance of $19,540 thousand was classified in error as a non-current liability in the 30 June 2008 financial statements, and has been reclassified to current in the 2008 comparatives of these financial statements.

(c) Bank overdraft facility

$7,000 thousand cash overdraft facility to assist with ongoing working capital requirements. This facility is subject to annual review and attracts interest at a margin of 1% above the bank reference rate. Interest is calculated daily and is payable monthly in arrears.

(d) Cash advance facility

$28,900 thousand cash advance facility solely to fund earn-out obligations for all acquired entities with exception of Steelweld and Gemteq. This is a three year facility expiring on 31 July 2010. Quarterly amortisation payments of $1,125 thousand apply from 30 September 2008; however, repayments in respect of the 31 March 2009 and 30 June 2009 quarters have been waived by the bank. This facility attracts interest at a margin over BBSY. Based on the BBSY at 30 June 2009, the effective rate would be 7.45%. Subsequent to year end the quarterly amortisation payments have been reduced to $250 thousand commencing from 30 September 2009.

(e) Cash advance acquisition facility

$29,000 thousand cash advance acquisition facility solely to fund earn-out obligations for the acquisition of Steelweld and Gemteq. As at 30 June 2009, the facility expiry date was 17 August 2009; however, subsequent to year end this facility has been extended to 31 July 2010 and the facility limit has been reduced to $27,000 thousand. The facility attracts interest at a margin over BBSY. Based on the BBSY at 30 June 2009, the effective interest rate would be 7.2%.

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

Existing facilities

The finance lease obligation is secured against the underlying finance lease assets with net book value of $20 thousand (2008: $38 thousand).

The cash advance facility, the cash advance acquisition facility and the bank overdraft facility are secured by a fixed and floating charge over the assets of the parent and subsidiaries together with a mortgage over all shares held by the parent entity in the consolidated entities. (Refer to the balance sheet for value of security.)

(g) Owing to subsidiaries

The loans from wholly owned subsidiaries represent transfers from subsidiaries to the parent of cash holdings in excess of the subsidiaries' working capital requirements. This payable is unsecured, interest free and repayable at call.

(h) Other facilities

These relate to bank guarantees in respect of rental properties.

(i) Financing arrangements

Restricted access was available at balance date to the following lines of credit:

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Loan Facilities				
Cash advance facility (d)	28,900	34,000	28,900	34,000
Cash advance acquisition facility (e)	29,000	41,500	29,000	41,500
	57,900	75,500	57,900	75,500
Used at balance date				
Cash advance facility (d)	25,403	15,672	25,403	15,672
Cash advance acquisition facility (e)	22,950	22,425	22,950	22,425
	48,353	38,097	48,353	38,097
Unused at balance date				
Cash advance facility (d)	3,497	18,328	3,497	18,328
Cash advance acquisition facility (e)	6,050	19,075	6,050	19,075
	9,547	37,403	9,547	37,403
Credit standby arrangements				
Bank overdraft (c)	7,000	7,000	7,000	7,000
Other facilities (h)	4,075	2,345	3,596	2,220
Invoice finance (b)	22,000	27,000	22,000	25,000
	33,075	36,345	32,596	34,220
Used at balance date				
Bank overdraft (c)	5,293	1,924	5,289	–
Other facilities (h)	1,997	1,726	1,518	1,541
Invoice finance (b)	19,157	19,540	19,157	19,540
	26,447	23,190	25,964	21,081
Unused at balance date				
Bank overdraft (c)	1,707	5,076	1,711	7,000
Other facilities (h)	2,078	619	2,078	679
Invoice finance (b)	2,843	7,460	2,843	5,460
	6,628	13,155	6,632	13,139

Notes to the Financial Statements

16. Provisions

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Current	1,560	1,855	231	133
Non-current	1,713	1,495	73	32
	3,273	3,350	304	165
Current				
Employee benefits	1,560	1,855	231	133
	1,560	1,855	231	133
Non-current				
Employee benefits	598	584	–	12
Make good	565	407	20	20
Straight-lining of rent provision	550	504	53	–
	1,713	1,495	73	32

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

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

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

	Consolidated			
	Straight-lining of rent		Make good provision	
	2009 $000	2008 $000	2009 $000	2008 $000
Carrying amount at beginning of year	504	–	407	328
Increase in provision	46	504	158	79
Carrying amount at end of year	550	504	565	407

	Parent			
	Straight-lining of rent		Make good provision	
	2009 $000	2008 $000	2009 $000	2008 $000
Carrying amount at beginning of year	–	–	20	–
Increase in provision	53	–	–	20
Carrying amount at end of year	53	–	20	20

17. Contributed equity

	Note	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
109,610,814 (2008: 105,548,832) fully paid ordinary shares	(a)	65,343	64,402	65,343	64,402
Nil (2008: 4,439,756) Series C Convertible shares	(b)	–	941	–	941
Treasury shares	34	(738)	(738)	(738)	(738)
		64,605	64,605	64,605	64,605

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

(a) Ordinary shares

	Date	Number of shares	$000
2009			
Balance at 1 July 2008		106,566,033	64,402
Conversion of Series C shares into ordinary shares	Nov 2008	4,026,545	921
Conversion of Series C shares into ordinary shares	Apr 2009	35,437	20
		110,628,015	65,343
Treasury shares		(1,017,201)	(738)
Balance at 30 June 2009		109,610,814	64,605
2008			
Balance at 1 July 2007		105,000,000	64,189
Conversion of Series C shares into ordinary shares	Sept 2007	746,543	136
Conversion of Series C shares into ordinary shares	Dec 2007	339,254	52
Conversion of Series C shares into ordinary shares	May 2008	480,236	135
Portion of IPO cost eligible for inclusion in equity		–	(110)
		106,566,033	64,402
Treasury shares		(1,017,201)	(738)
Balance at 30 June 2008		105,548,832	63,664

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

(b) Series C convertible shares
2009

	Date	Number of shares	$000
Balance at 1 July 2008		4,439,756	941
Conversion to ordinary shares	Nov 2008	(4,345,105)	(921)
Conversion to ordinary shares	Apr 2009	(94,651)	(20)
Balance at 30 June 2009		–	–
2008			
Balance at 1 July 2007		6,245,775	1,264
Conversion to ordinary shares	Sept 2007	(831,128)	(136)
Conversion to ordinary shares	Dec 2007	(339,254)	(52)
Conversion to ordinary shares	May 2008	(635,637)	(135)
Balance at 30 June 2008		4,439,756	941

Notes to the Financial Statements

17. Contributed equity (continued)

(b) Series C convertible shares (continued)

Series C convertible shares were issued to vendors in connection with the acquisition of their businesses by the Company. These are convertible into ordinary shares subject to the attainment of certain performance hurdles linked to the profitability of the acquired business.

The shares vest two years after the completion date of the acquisitions. The holders of the shares have the same right as ordinary shareholders to attend and vote at a general meeting of the Company.

The holders of the Series C convertible shares have the same entitlement to dividends as ordinary shareholders.

The Company must, in so far as permitted by any applicable law, convert the Series C convertible shares into ordinary shares on the dates and in the amounts set out in the Relevant Subscription Agreements. The value of the Series C convertible shares, being a component of the acquisition consideration, forms part of Rubicor's investment in the acquired subsidiaries.

The Series C convertible shares were independently valued. The fair value at issue dates were independently determined using a Monte Carlo option pricing model. The key model inputs for shares issued included:

(i) The shares vest two years after the completion date of acquisition.
(ii) The shares will convert into ordinary shares on the dates and in the amounts set out in the Relevant Subscription Agreement.
(iii) The expected dividend yield is 6%.
(iv) The risk-free interest rate is 5.4%.
(v) The expected price volatility of the Company's shares is 45%.

18. Reserves

	Consolidated		Parent	
	2009 $000	2008 $000	2009 $000	2008 $000
Option reserve (a)	447	485	447	485
Foreign currency translation reserve (b)	(195)	(312)	–	–
Hedging reserve (c)	–	(85)	–	(85)
	252	88	447	400

(a) Option reserve
This reserve is to recognise the value of options recognised to date.

(b) Foreign currency translation reserve
This reserve is to recognise the value of translation differences of foreign entities.

(c) Hedging reserve
This reserve is to recognise the movement in the cash flow hedge value to date.

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

	Hedging reserve		Option reserve		Foreign currency and translation reserve	
	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000
Balance 1 July	(85)	–	485	203	(312)	356
Loss on cash flow hedges	–	(85)	–	–	–	–
Transfer to carrying amount of non-financial hedged item on cash flow hedge	85	–	–	–	–	–
Option expense	–	–	(38)	282	–	–
Currency translation differences arising during the year	–	–	–	–	117	(668)
Balance 30 June	–	(85)	447	485	(195)	(312)

19. Accumulated losses

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Accumulated losses at the beginning of the period	(5,394)	(5,651)	(18,046)	(18,550)
Net (loss)/profit attributable to members of the parent entity	(43,937)	1,924	(47,466)	2,171
Minority interest on acquisition of controlled entities	(77)	–	–	–
Dividends provided for or paid (Note 36)	–	(1,667)	–	(1,667)
Balance 30 June	(49,408)	(5,394)	(65,512)	(18,046)

20. Cash flow information

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

	Consolidated 2009 $000	Consolidated 2008 $000	Parent 2009 $000	Parent 2008 $000
Net (loss)/profit for the period	(43,937)	1,847	(47,466)	2,171
Dividend received from subsidiaries	–	–	–	(14,631)
Non-cash flows in (loss)/profit				
Amortisation of intangible assets	6,368	5,972	171	134
Loss on sale of property, plant and equipment	150	194	–	–
Depreciation/amortisation of property, plant and equipment	1,093	1,160	59	28
Share-based payments expense	(38)	290	(38)	290
Amortisation of borrowing costs	2,087	265	2,081	265
Interest on Vendor earn-out liability	3,008	7,175	2,202	4,963
Impairment of non-current assets	32,375	–	34,308	–
Changes in operating assets and liabilities				
(Increase)/decrease in trade and term receivables	14,467	(6,116)	–	50
(Increase)/decrease in other assets	184	(793)	–	(253)
Increase/(decrease) in trade payables and accruals	(3,156)	2,929	921	(32)
(Decrease)/increase in income tax payable	1,217	(6,701)	(1,669)	(981)
Decrease/(increase) in deferred taxes	(2,014)	2,681	316	608
Increase in provisions	(246)	137	139	82
Cash flow from operations	11,558	9,040	(8,976)	(7,306)

Notes to the Financial Statements

21. Controlled entities

Name	Country of incorporation	Percentage owned 2009	Percentage owned 2008
Parent entity			
Rubicor Group Limited	Australia	100	100
Subsidiaries of parent entity			
Locher & Associates Pty Limited	Australia	100	100
Locher Holdings Pty Limited	Australia	100	100
Gel Group Pty Limited	Australia	100	100
Cadden Crowe Pty Limited	Australia	100	100
Apsley Nominees Pty Limited	Australia	100	100
JGA Employment Services Pty Limited	Australia	100	100
Apsley Recruitment Pty Limited	Australia	100	100
Cadden Crowe (Victoria) Pty Limited	Australia	100	100
Cadden Crowe (Queensland) Pty Limited	Australia	100	100
Skillsearch Contracting Pty Limited	Australia	100	100
Careers Unlimited Pty Limited	Australia	100	100
SMF Recruitment Pty Limited	Australia	100	100
Xpand Group Pty Limited	Australia	100	100
CIT Professionals Pty Limited	Australia	100	100
Rubicor CRS Pty Limited	Australia	100	100
Wizard Personnel & Office Services Pty Limited	Australia	100	100
Dolman Pty Limited (iv)	Australia	100	100
Challenge Recruitment Limited	Australia	100	100
Steelweld Personnel Pty Limited	Australia	100	100
Rubicor Gemteq Pty Limited	Australia	100	100
Orbis Recruitment Pty Limited	Australia	100	50.1
Ensure Recruitment Pty Limited (v)	Australia	50.1	–
Rubicor (T1) Pty Limited	Australia	100	–
Rubicor Services Pty Limited	Australia	100	–
Rubicor New Zealand Limited	New Zealand	100	100
Wheeler Campbell Consulting Limited (i), (ii)	New Zealand	100	83
Health Recruitment NZ Limited (i), (iii)	New Zealand	100	83
Gaulter Russell NZ Limited (i)	New Zealand	100	85
Numero (NZ) Limited (i)	New Zealand	100	87
Powerhouse People Ltd (i)	New Zealand	100	80
Rubicor Group Pte Limited (Singapore)	Singapore	100	100

(i) Rubicor Group Limited has immediate control over 100% of the economic benefits arising from these partly owned entities, by virtue of the fact the minority shareholders interest will be contractually acquired by the Company on a predetermined time and purchase consideration basis, and furthermore the minority interest parties have effectively forgone their rights and benefits of ownership by contractually agreeing in the interim period to vote their interest in accordance with the written instructions of the Company. In substance the arrangements represent the acquisition of a 100% interest on a deferred settlement basis and have therefore been accounted for on this basis.

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

(iii) Includes Care Direct Limited.

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

(v) Rubicor Group has immediate control over 50.1% of the economic benefits arising from Ensure Recruitment Pty Limited. Rubicor has control over the strategic running of the company and has consolidated the company in full and disclosed the minority interest.

22. Deed of cross-guarantee

Rubicor parent company and Challenge Recruitment Limited are parties to a deed of cross-guarantee under which each company guarantees the debt of others. By entering into the deed, the wholly owned entities have been relieved from the requirement to prepare a financial report and Directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities & Investments Commission.

(a) Consolidated income statement and a summary of movements in consolidated retained profits

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

Set out below is a consolidated income statement for the years ended 30 June 2009 and 2008 of the Closed Group consisting of Rubicor parent company and Challenge Recruitment Limited. The deed of cross-guarantee was entered into on 2 May 2008; therefore, the prior year figures only consist of the parent company and are included in the primary financial statements.

Income statement

	2009 $000	2008 $000
Revenue	125,117	169,687
On hired labour costs	(112,817)	(139,039)
Employee benefits expense	(10,834)	(12,011)
Rental expense on operating leases	(1,636)	(1,374)
Other expenses	(5,456)	(9,089)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	(5,626)	8,174
Depreciation of property, plant and equipment	(247)	(266)
Amortisation of intangible assets	(405)	(303)
Finance costs	(10,034)	(9,205)
Impairment losses relating to non-current assets	(34,308)	–
Loss before income tax expense	(50,620)	(1,600)
Income tax benefit	3,158	3,771
(Loss)/profit for the year	(47,462)	2,171

Notes to the Financial Statements

(b) Balance sheet

Set out below is a consolidated balance sheet as at 30 June 2009 and 2008 of the Closed Group consisting of Rubicor parent company and Challenge Recruitment Limited.

Balance sheet

	2009 $000	2008 $000
Assets		
Current assets		
Cash and cash equivalents	1,589	11
Trade and other receivables	38,090	27,969
Current tax receivable	656	11,592
Other assets	513	752
Total current assets	40,848	40,324
Non-current assets		
Trade and other receivables	14,732	8,856
Other financial assets	84,614	133,133
Property, plant and equipment	685	751
Deferred tax assets	1,564	3,314
Intangible assets	1,493	7,509
Total non-current assets	103,088	153,563
Total assets	143,936	193,887
Liabilities		
Current liabilities		
Trade and other payables	7,260	7,974
Borrowings	109,021	11,987
Provisions	553	612
Total current liabilities	116,834	20,573
Non-current liabilities		
Borrowings	28,716	126,087
Provisions	326	158
Total non-current liabilities	29,042	126,245
Total liabilities	145,876	146,818
Net (liabilities)/assets	(1,940)	47,069
Equity		
Share capital	64,605	64,715
Reserves	447	400
Accumulated losses	(66,992)	(18,046)
Total equity	(1,940)	47,069

23. Capital commitments

The parent entity and the consolidated entity had nil capital commitments at balance date.

24. Segment information

Business segments

The consolidated entity operates in one business segment, the recruitment industry. This is the primary format of segment reporting for the Group.

Geographical segments

Although the consolidated entity is managed on a global basis, it is operated in three main geographical areas, namely Australia, New Zealand and Singapore.

The Group's revenue from external customers and information about its segment assets by geographical location is detailed below:

	Segment revenue from sales to external customers		Segment assets		Acquisitions of segment assets	
	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000
Australia	293,315	334,940	126,791	184,392	–	32,900
New Zealand	22,620	31,763	4,987	25,569	–	–
Singapore	822	647	(921)	592	–	–
Total	316,757	367,350	130,857	210,553	–	32,900

25. Related party transactions

Group/Company transactions with related parties outside the Group

There have been no transactions with related parties outside the Group during the financial years ended 30 June 2009 and 30 June 2008, other than key management personnel disclosures in Note 6.

26. Secured liabilities

The following security is held by the parent company's and consolidated entity's bankers:

- fixed and floating charge over all assets of the parent entity;
- fixed and floating charge over all assets of the controlled entities; and
- mortgage over all the shares held by the parent entity in the controlled entities.

Security provided in respect of other secured liabilities is disclosed in Note 15(f).

27. Contingent liabilities

The parent entity and Group had contingent liabilities at 30 June 2009 in respect of:

Cross-guarantees by and between Rubicor Group Limited and Challenge Recruitment Limited. These are described in Note 22. Deficiency of assets exists in Rubicor Group Limited and no deficiency of assets exists in Challenge Recruitment Limited.

Security for borrowings and leases is detailed in Note 15.

Estimates of the potential financial effect of contingent liabilities that may become payable:

	Consolidated		Parent	
	2009 $000	2008 $000	2009 $000	2008 $000
Contingent liabilities				
The parent entity's bank has provided bank guarantees in respect of leased premises totalling:	–	–	1,790	1,666
	–	–	1,790	1,666

Notes to the Financial Statements

28. Financial instruments

(a) Significant accounting policies

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

(b) Capital risk management

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

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

(c) Financial risk management objectives

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

The Audit and Risk Management Committee oversees how management monitors compliance with risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks.

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

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

(d) Market risk

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

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

(e) Foreign currency risk management

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

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

	Consolidated			
	Liabilities		Assets	
	2009 $000	2008 $000	2009 $000	2008 $000
British pound	–	–	–	313
Hong Kong dollar	–	–	–	96
US dollar	–	–	32	41
Other	–	–	–	148
	–	–	32	598

(i) Forward foreign exchange contracts

In the prior year the parent entity entered into a contract to hedge the foreign currency exposure it had on certain New Zealand dollar denominated acquisition consideration obligations. The hedge was designated as a cash flow hedge. No such arrangements exist at 30 June 2009.

The following table details the forward currency contracts outstanding as at the reporting date:

	Average exchange rate		Foreign currency		Contract value		Fair value	
Outstanding contracts	2009	2008	2009 NZD $000	2008 NZD $000	2009 AUD $000	2008 AUD $000	2009 AUD $000	2008 AUD $000
Buy New Zealand dollars								
3 to 6 months	–	1.24	–	10,000	–	8,050	–	122

(ii) Foreign currency sensitivity

At 30 June 2009, if the currencies shown below strengthened or weakened against the Australian dollar by the percentage shown, with all other variables held constant, the impact on net profit for the year and equity as at 30 June 2009 (arising from foreign exchange contracts held at balance date and monetary assets and liabilities held at balance date in a currency different to the functional currency of the respective entities holding the assets or liabilities) would be as follows:

	New Zealand dollar impact		US dollar impact		British pound impact		Hong Kong dollar impact		Other currency impact	
	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000	2009 $000	2008 $000
Net profit	–	–	3	4	–	31	–	10	–	15
Equity	–	12	–	–	–	–	–	–	–	–

Change in currency[1] – 10%

The sensitivity analysis has been based on the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign currency rates based on historical volatility.

In management's opinion, the sensitivity analysis is not fully representative of the inherent foreign exchange risk as the year end exposure does not necessarily reflect the exposure during the course of the year.

The Group includes certain entities whose functional currencies are different from the Group's presentation currency, being the Australian dollar. The main operating entities outside of Australia are based in New Zealand. These entities transact primarily in their functional currency and do not have significant foreign currency exposures due to outstanding foreign currency denominated items.

As stated in the Group's Accounting Policies per Note 1(p), on consolidation the assets and liabilities of these entities are translated into Australian dollars at exchange rates prevailing at the balance sheet date. The income and expenses of these entities are translated at the average exchange rates for the period. Exchange differences arising are classified as equity and are transferred to a foreign exchange reserve. The Group's future reported profits could therefore be impacted by changes in rates of exchange between the Australian and New Zealand dollar.

1 This has been based on the change in the exchange rate against the Australian dollar in the financial years ended 30 June 2009 and 30 June 2008.

Notes to the Financial Statements

28. Financial instruments (continued)

(f) Interest rate risk management

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

The parent's and the Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity

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

At the reporting date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group's loss before tax would decrease/increase by $719 thousand (2008: profit before tax decrease/increase by $584 thousand) and the parent's loss before tax would decrease/increase by $719 thousand (2008: profit before tax decrease/increase by $564 thousand). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

The parent's and Group's sensitivity to interest rates has increased during the current period mainly due to the increase in variable rate debt instruments.

(g) Credit risk management

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

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

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

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

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

(h) Liquidity risk management

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

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

Liquidity and interest risk tables

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

Financial liabilities – consolidated

Consolidated	Weighted average effective interest rate	0–3 months $000	3 months to 1 year $000	1–5 years $000	5+ years $000	Total $000
2009						
Trade and other payables	–	9,916	–	–	–	9,916
Bank overdraft	10.75%	5,293	–	–	–	5,293
Finance lease liability	11.8%	11	33	5	–	49
Invoice finance debt	7.2%	345	1,034	19,257	–	20,636
Cash advance facility	7.45%	1,581	4,682	20,120	–	26,383
Cash advance acquisition facility	7.2%	413	1,239	23,069	–	24,721
Vendor earn-out liability[1]	12.18%	–	7,554	–	–	7,554
Total		17,559	14,542	62,451	–	94,552
2008						
Trade and other payables	–	12,906	–	–	–	12,906
Bank overdraft	12.75%	1,924	–	–	–	1,924
Finance lease liability	11.8%	2	7	51	–	60
Invoice finance debt	9.41%	460	1,379	19,712	–	21,551
Cash advance facility	8.81%	319	956	14,573	–	15,848
Cash advance acquisition facility	8.56%	480	1,440	22,589	–	24,509
Vendor earn-out liability[1]	12.26%	–	19,755	–	–	19,755
Total		16,091	23,537	56,925	–	96,553

Financial liabilities – parent

Parent	Weighted average effective interest rate	0–3 months $000	3 months to 1 year $000	1–5 years $000	5+ years $000	Total $000
2009						
Trade and other payables	–	1,263	–	–	–	1,263
Bank overdraft	10.75%	5,289	–	–	–	5,289
Invoice finance debt	7.2%	345	1,034	19,257	–	20,636
Cash advance facility	7.45%	1,581	4,682	20,127	–	26,390
Cash advance acquisition facility	7.2%	413	1,239	23,069	–	24,721
Vendor earn-out liability[2]	10.19%	–	6,365	–	–	6,365
Payable to subsidiaries	–	37,641	–	–	–	37,641
Total		46,532	13,320	62,453	–	122,305
2008						
Trade and other payables	–	1,005	–	–	–	1,005
Invoice finance debt	9.41%	460	1,379	19,712	–	21,551
Cash advance facility	8.81%	319	956	14,573	–	15,848
Cash advance acquisition facility	8.56%	480	1,440	22,589	–	24,509
Other bank borrowings	3.88%	134	404	–	–	538
Vendor earn-out liability[2]	12.08%	–	11,627	–	–	11,627
Payable to subsidiaries	–	21,033	–	–	–	21,033
Total		23,431	15,806	56,874	–	96,111

1 This disclosure relates only to that portion of the vendor earn-out liability which has crystallised at balance date. The remaining contingent consideration has not been shown.

2 This disclosure relates only to that portion of the vendor earn-out liability which has crystallised at balance date. The remaining contingent consideration has not been shown.

Notes to the Financial Statements

28. Financial instruments (continued)
(h) Liquidity risk management (continued)
The following table details the parent's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted net cash inflows/(outflows) on the derivative instrument that settle on a net basis and the undiscounted gross inflows/(outflows) on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the yield curves existing at the reporting date.

	0–6 months		Total	
Consolidated and parent	2009 $000	2008 $000	2009 $000	2008 $000
Forward exchange contracts	–	124	–	124

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.

29. Operating lease arrangements
(a) Leases as lessee
Non-cancellable operating lease rentals are payable as follows:

	Consolidated		Parent	
	2009 $000	2008 $000	2009 $000	2008 $000
Leases as lessee				
Less than one year	3,792	4,361	252	242
Between one and five years	7,231	7,114	733	985
More than five years	144	–	–	–
Total	11,167	11,475	985	1,227

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

30. Finance and hire purchase leases
The present value of finance lease liabilities is as follows:

	Consolidated		Parent	
	2009 $000	2008 $000	2009 $000	2008 $000
Less than one year	51	14	–	–
Between one and five years	10	57	–	–
Minimum future lease payments[1]	61	71	–	–
Less future finance charges	(12)	(11)	–	–
Present value of minimum lease payments	49	60	–	–
Recognised in the financial statements as:				
Borrowings:				
Current (Note 15)	44	9	–	–
Non-current (Note 15)	5	51	–	–
Total	49	60	–	–

The finance and hire purchase leases are secured against the underlying assets, with a net book value of $20 thousand (2008: $38 thousand) (Note 12).

31. Events after the balance sheet date
Subsequent to year end the Company's banker has positively revised the debt facilities as follows:

- the cash advance acquisition facility (Note 15(e)) which has been drawn to $22,950 thousand and had an expiry date of 17 August 2009 has been extended until 31 July 2010;
- the quarterly amortisation payments in respect of the cash advance facility (Note 15(d)) have reduced from $1,125 thousand to $250 thousand commencing from 30 September 2009; and
- the covenants relating to the term facilities have been revised.

1 Minimum future lease payments includes the aggregate of all lease payments and any guaranteed residual.

Notes to the Financial Statements

32. Business combinations

(a) Details of acquired businesses and contribution to revenue and net profit of the Group by the acquired entities from their acquisition dates are as follows:

2009

No businesses were acquired in the current financial year.

The following entities were formed but have not been disclosed as part of this note, since no assets or liabilities were acquired:

- Ensure Recruitment Pty Limited (organic start-up)
- Rubicor Services Pty Limited
- Rubicor (T1) Pty Limited

2008

Name of business acquired	Challenge	Steelweld	Orbis	Gemteq
Principal activity	Recruitment	Recruitment	Recruitment	Recruitment
Date of acquisition	4 Jul 2007	30 Sep 2007	1 Feb 2008	8 Feb 2008
Proportion of shares acquired %	100	100	50.1	100
	$000	$000	$000	$000
Revenue contribution	154,675	6,350	183	8,306
EBITA	2,572	1,132	(219)	2,684
Less: amortisation of intangibles	(1,383)	(36)	–	(223)
Less: parent notional interest (non-cash) on vendor liabilities	(692)	–	–	(601)
Less: parent bank interest	–	(129)	–	(602)
Profit/(loss) before tax	497	967	(219)	1,258
Income tax (expense)/benefit	(382)	(290)	66	(561)
Profit/(loss) after tax	115	677	(153)	697
Minority interest	–	–	(77)	–

(b) Allocation of purchase consideration

	2009 $000	2008 $000
The purchase price was allocated as follows:		
Cash	–	35,575
Transaction costs	–	2,465
Series B Redeemable Preference Shares (Vendor earn-out and exit liability)	–	18,920
Total purchase consideration	–	56,960
Fair value of net identifiable tangible assets acquired	–	(899)
Fair value of identifiable intangible assets acquired	–	14,948
Goodwill	–	42,911
	–	56,960
Cash consideration	–	35,575
Less: cash acquired	–	(423)
Cash consideration net of cash acquired	–	35,152

(c) Net assets acquired
2008

Net assets acquired	Challenge Recruitment Ltd		Steelweld Personnel Pty Ltd		Gemteq Executive		Orbis Recruitment		
	Book value $000	Fair value on acquisition $000	Book value $000	Fair value on acquisition $000	Book value $000	Fair value on acquisition $000	Book value $000	Fair value on acquisition $000	Total fair value on acquisition $000
Cash	423	423	–	–	–	–	–	–	423
Receivables	16,201	16,201	–	–	26	26	150	150	16,377
Plant and equipment	534	534	11	11	201	201	–	–	746
Identifiable intangibles	245	5,575	–	248	42	2,571	–	–	8,394
Goodwill	6,554	6,554	–	–	–	–	–	–	6,554
Deferred tax assets	395	395	–	–	11	11	–	–	406
Current tax liabilities	(402)	(402)	–	–	–	–	–	–	(402)
Payables	(6,856)	(6,856)	–	–	–	–	–	–	(6,856)
Provisions	(763)	(763)	–	–	–	–	–	–	(763)
Current and non-current loans	(10,830)	(10,830)	–	–	–	–	–	–	(10,830)
Total net assets	5,501	10,831	11	259	280	2,809	150	150	14,049
Goodwill on acquisition									42,911
Total									56,960

The goodwill attributable to Challenge and Gemteq acquisitions is considered to be a significant percentage of the total Group goodwill and as such has been disclosed. Goodwill relating to the Challenge and Gemteq acquisitions totalled $8,967 thousand and $30,384 thousand respectively.

The consideration paid for Challenge and Gemteq acquisition is considered to be material to the Group and as such has been disclosed. The total estimated consideration relating to the Challenge and Gemteq acquisitions totalled $18,988 thousand and $31,902 thousand respectively.

The factors that contributed to the cost that resulted in the recognition of goodwill were synergies, future growth and employees.

Refer to Note 1(f) and Note 11 for details of intangibles recognised on consolidation.

33. Senior Executive Share Plan

The Company established the Senior Executive Share Plan on 24 April 2007. The Senior Executive Share Plan is intended to provide incentives to attract, retain and motivate key executives whose present and potential contributions are important to the success of the Company and its subsidiaries by offering them an opportunity to share in the ownership of the Company. The Senior Executive Share Plan is administered by the Board in its discretion. The terms and conditions of the Senior Executive Share Plan are summarised below.

Plan Shares were made available under the Senior Executive Share Plan to the following key executives of the Company in August and November 2007:

Key executive	Amount
Wayman Chapman	$300 thousand
Kevin Levine	$180 thousand
Jane Beaumont	$150 thousand
Sharad Loomba	$120 thousand

Notes to the Financial Statements

33. Senior Executive Share Plan (continued)

The Plan Shares were acquired at a price equal to the weighted average market price for shares for the five trading days prior to acquisition of the Plan Shares. The Company provided a loan to participants under the Share Plan for 100% of the purchase price of the Plan Shares to enable the participant to acquire the Plan Shares (Loan). The Loan has been provided on an interest-free basis. The Loan is repayable on the fifth anniversary of the date when the Loan was provided or otherwise in accordance with its terms (although the Board may vary the repayment period). If the performance conditions attaching to Plan Shares issued under the Share Plan have been satisfied, the Board will waive the loan repayment except for the portion equal to the fringe benefits tax payable on the Loan. The Loans from the Company to the above key executives will be repayable and the Plan Shares will become transferable by the key executive upon the satisfaction of certain performance hurdles based on the performance of the Company measured by:

- earnings per share growth over the period 1 July 2007 to 30 June 2010; and
- total shareholder return ranking against the S&P/ASX Small Ordinaries index.

The number of ordinary shares acquired is in relation to the services to be performed for three years up to 30 June 2010:

Key executive	2008 shares
Wayman Chapman	423,204
Kevin Levine	235,088
Jane Beaumont	195,906
Sharad Loomba	163,003

As required by AASB2, the fair value of the shares issued is determined as the market price at grant date.

$59.363 thousand has been recognised as a share-based payment benefit on a graded vesting pattern for the year ended 30 June 2009 (2008: expense of $151 thousand) in relation to the Senior Executive Share Plan (refer to Note 18). A true-up of share-based payments has been performed in the current year due to non-market conditions not being met.

34. Share-based payments

Key Employee Share Option Plan

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

Vesting of the share options awarded takes place over a five year period, with 40% of the options vesting after two years and the rest vesting thereafter in three equal tranches. The options cannot be exercised until the occurrence of a specified liquidity event.

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

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

The expiry date of the options is the earlier of:

- five years following the five year vesting period;
- the expiration date set out in the relevant Award Invitation;
- the date on which any condition relating to the exercise of the options can no longer be satisfied; or
- the date that the relevant participant ceased to be employed or engaged by the consolidated entity.

The fair value at grant date is independently determined using a Monte Carlo option pricing model. The key model inputs for options granted include:

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

$70 thousand has been recognised as a share-based payment expense on a graded vesting pattern for the year ended 30 June 2009 (2008: $139 thousand) and $9 thousand has been exercised during the year (2008: $8 thousand) (refer to Note 18). In addition, there has been a true-up of prior period expense for employees who are no longer eligible. This resulted in a reduction to the share-based payment expense in the income statement of $86 thousand.

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

Options series	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $
Issued October 2005	1,847,459	31 October 2005	See above	Nil	0.37
Issued August 2006	1,028,843	31 August 2006	See above	Nil	0.58
Issued April 2008	957,415	28 April 2008	See above	0.37	0.11
Issued May 2008	170,000	27 May 2008	See above	0.26	0.04

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

	2009		2008	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at beginning of the financial year	3,673,584	0.11	2,876,302	Nil
Granted during the year	–	Nil	1,127,415	0.35
Exercised during the financial year (i)	(103,810)	0.11	(47,317)	0.17
Expired during the financial year	(744,323)	Nil	(282,816)	Nil
Balance at end of the financial year (ii)	2,825,451	0.11	3,673,584	0.11
Exercisable at end of the financial year	964,384	Nil	305,357	Nil

(i) Exercised during the financial year

The following share options granted under the Employee Share Option Plan were exercised during the financial year:

	Number exercised	Exercise date	Share price at exercise date $
Issued August 2006	57,095	25/09/08	0.135
Issued August 2006	10,381	07/11/08	0.065
Issued August 2006	20,762	06/03/09	0.025
Issued August 2006	15,572	10/03/09	0.028

(ii) Balance at the end of the financial year

The share options outstanding at the end of the financial year had an average exercise price of 0.11 (2008: 0.11), and a weighted average remaining contractual life of 7.3 years (2008: 8.8 years).

Notes to the Financial Statements

35. (Loss)/Profit per share

	Consolidated	
	2009 cents	2008 cents
(a) Basic (loss)/profit per share		
(Loss)/Profit attributable to the ordinary equity holders of the Company	(40.7)	1.8
(b) Diluted (loss)/profit per share		
(Loss)/Profit attributable to the ordinary equity holders of the Company	(40.7)	1.7
	2009 number	2008 number
(c) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	107,960,426	105,026,309
Adjustments for calculation of diluted earnings per share	–	6,466,499
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	107,960,426	111,492,808

Information concerning the classification of securities

(i) Options

Options granted to employees under the Employee Share Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they dilute. The options have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 34.

The options on issue have been included in the calculation of diluted earnings per share in 2008 but have not been included in the calculation of diluted earnings per share in 2009 due to the fact that it is anti-dilutive.

(ii) Series C shares

The Series C shares are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share from their date of issue. The Series C convertible shares vest at different times and are subject to performance hurdles. During the year, 4,439,756 C shares converted to ordinary shares. There are no remaining shares at 30 June 2009. The shares have not been included in the determination of basic earnings per share.

The Series C shares on issue during 2008 were included in the calculation of diluted earnings per share in that year.

36. Dividends

(a) Ordinary shares

	2009		2008	
	Cents per share	Total $000	Cents per share	Total $000
Ordinary shares				
Interim dividend: Franked to 100%	–	–	1.5	1,667

(b) Series B redeemable preference shares

Dividends totalling $2,791 thousand (2008: $2,160 thousand) paid in October 2008 have been applied against the Vendor earn-out liability as the liability includes the present value of future dividend payments (refer to Note 15(a)). The dividends paid were franked.

(c) Franking credits

	Parent	
	2009 $000	2008 $000
Franking credits available for subsequent financial years based on a tax rate of 30% (2008: 30%)	10,978	9,815

The balance of the franking account includes:

(i) franking credits that arose from the payment of the amount of the provision for income tax;

(ii) franking debits that arose from the refund of the amount of the provision for income tax;

(iii) franking debits that arose from the payment of dividends recognised as a liability at the reporting date; and

(iv) franking credits that arose from the receipt of dividends recognised as receivables at the reporting date.

Shareholder Information
As at 18 September 2009

Number of security holders and securities on issue
Quoted equity securities
Rubicor has issued 110,628,015 fully paid ordinary shares which are held by 1,167 shareholders.

Unquoted equity securities
Rubicor has issued 225 Series B redeemable preference shares which are held by 40 shareholders.

Rubicor has issued 2,650,613 options under the Employee Option Plan and these are held by 61 optionholders.

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

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

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

Distribution of security holders
Quoted equity securities
Ordinary fully paid ordinary shares

Holding	Number of shareholders	Number of shares	%
1–1,000	22	17,595	0.02
1,001–5,000	206	765,907	0.69
5,001–10,000	203	1,824,418	1.65
10,001–100,000	562	20,632,819	18.65
100,001 and over	174	87,387,276	78.99
Total	1,167	110,628,015	100

Unquoted equity securities
Series B redeemable preference shares

Holding	Number of shareholders	Number of shares	%
1–1,000	40	225	100
1,001–5,000	0	0	0
5,001–10,000	0	0	0
10,001–100,000	0	0	0
100,001 and over	0	0	0
Total	40	225	100

Rubicor employee options

Options granted on various dates with various vesting dates and various expiry dates – all vested options may be converted to fully paid ordinary shares on a one-for-one basis with a nil exercise price:

Holding	Number of optionholders	Number of options	%
1–1,000	0	0	0
1,001–5,000	1	4,360	1
5,001–10,000	4	25,953	1
10,001–100,000	44	1,581,343	85
100,001 and over	2	246,542	13
Total	51	1,858,198	100

Options granted on various dates with various vesting dates and various expiry dates – all vested options may be converted to fully paid ordinary shares on a one-for-one basis with a 37 cent exercise price:

Holding	Number of optionholders	Number of options	%
1–1,000	0	0	0
1,001–5,000	0	0	0
5,001–10,000	0	0	0
10,001–100,000	9	502,415	81
100,001 and over	1	120,000	19
Total	10	622,415	100

Options granted on various dates with various vesting dates and various expiry dates – all vested options may be converted to fully paid ordinary shares on a one-for-one basis with a 26 cent exercise price:

Holding	Number of optionholders	Number of options	%
1–1,000	0	0	0
1,001–5,000	0	0	0
5,001–10,000	0	0	0
10,001–100,000	3	170,000	100
100,001 and over	0	0	0
Total	3	170,000	100

Unmarketable parcel of shares

The number of shareholders holding less than a marketable parcel of ordinary shares is 437. 10,639 shares comprise a marketable parcel at Rubicor's closing share price of $0.047.

Substantial shareholders

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

Fully paid ordinary shares

Name	Number	%
Humanis Group Limited	8,267,944	7.48[1]
Salmary Pty Limited <Salmary Unit Trust>, Pathold No 107 Pty Limited <EMD Group Super Acc>, George P Miltenyi, Mary E Miltenyi, Peter J Lewis and Susan E Flynn	5,667,941	5.30[2]

1 As notified to the Company on 18 March 2009.

2 As notified to the Company on 19 November 2008

Shareholder Information
As at 18 September 2009

Unquoted equity securities
Series B redeemable preference shares
There are 225 Series B redeemable preference shares issued to 40 shareholders.

There are no shareholders who hold 20% or more of the Series B redeemable preference shares.

Rubicor employee options
There are 1,858,198 (with a nil exercise price) unquoted options issued to 51 optionholders under the Employee Share Option Plan.

There are 170,000 (with a 26 cent exercise price) unquoted options issued to three optionholders under the Employee Share Option Plan.

There are 622,415 (with a 37 cent exercise price) unquoted options issued to 10 optionholders under the Employee Share Option Plan.

There are no optionholders who hold 20% or more of the options under the Employee Share Option Plan.

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

Twenty largest shareholders
Fully paid ordinary shares
Details of the 20 largest shareholders of quoted securities (grouped) by registered shareholding are:

Name		Number of shares	%
1	Humanis Group Limited	8,267,944	7.47
2	Salmary Pty Limited	2,575,817	2.33
3	Mr Wayman Douglas Chapman and Mrs Ruth Winifred Chapman <The Chapman Family A/C>	2,544,660	2.30
4	Salmary Pty Limited <Salmary Unit A/C>	2,443,361	2.21
5	Maurtray Pty Limited	2,287,300	2.07
6	Daleford Way Pty Ltd	2,000,000	1.81
7	Mr Michael McLagan and Mrs Pat McLagan <SPAM Super Fund A/C>	1,975,400	1.79
8	National Nominess Limited	1,892,004	1.71
9	Mr Steven Petrovski and Mrs Katrina Petrovski	1,756,000	1.59
10	Ria Super Pty Ltd <Aitken Super Fund A/C>	1,479,378	1.34
11	Mr Andrew Timothy Thompson	1,421,000	1.28
12	UBS Wealth Management Australia Nominees Pty Ltd	1,310,686	1.18
13	Eatonia Holdings Pty Limited <Jonathon Shein Investment A/C>	1,287,397	1.16
14	Brownvalley Investments Pty Ltd	1,202,897	1.09
15	Mr Steven Bruce Troughton and Mrs Wendy Ann Troughton <Superannuation Account>	1,200,000	1.08
16	J P Morgan Nominess Australia Limited	1,177,171	1.06
17	Jaswear Pty Limited <The Bowler Family A/C>	1,157,416	1.05
18	Quotidian No 2 Pty Ltd	1,123,371	1.02
19	Mr James Malackey	1,026,150	0.93
20	Cadden Human Resource Services Pty Ltd <Jeswill Super A/C>	982,919	0.89
Total		39,110,871	35.36

Directors
Executive Director
Jane Beaumont
Chief Executive Officer

Non-Executive Directors
Robert Aitken, Chairman
Wayman Chapman
Russel Pillemer
John Pettigrew

Chief Financial Officer
Kevin Levine

Company Secretary
Sharad Loomba

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