

Rubicon Systems (Holdings) Pty Ltd
ACN 106 485 474
and Controlled Entities

Half Year Financial Report
For the six months ended 31 December 2020

This Half Year Financial Report includes the Directors' Report, the Financial Statements and Independent Auditor's Review Report for the six months ended 31 December 2020.

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Directors' Report

The directors present their report, together with the condensed consolidated interim financial statements of Rubicon Systems (Holdings) Pty Ltd and its controlled entities, for the six months ended 31 December 2020 and the auditor's review report thereon.

In order to comply with the directors' information needs, the directors report as follows.

Directors

The names and particulars of the directors of Rubicon Systems (Holdings) Pty Ltd at any time during or since the end of the interim period are:

Name	Particulars
Gordon Dickinson	Chairman
Bruce Rodgerson	Executive Director and Chief Executive Officer
David Aughton	Executive Director
Gino Ciavarella	Executive Director
Anthony Oakes	Non-executive Director
John O'Connell AO	Independent Director (resigned on 21 April 2021)
Philip Harkness	Independent Director
Anthony Morganti	Independent Director (appointed on 23 April 2021)

Principal Activity

The principal activity of Rubicon Systems (Holdings) Pty Ltd during the period was a provider of specialist operational technology to the water and broader utility markets.

Operating Results

Rubicon Systems (Holdings) Pty Ltd reported a net profit after tax, including non-controlling interests, of \$5,193,373 for the six months ended 31 December 2020. The financial result for the six months is summarised as follows:

	31 DEC 2020 \$'000	31 DEC 2019 \$'000
REVENUE	40,203	29,170
EBITDA (BEFORE NON-OPERATING ITEMS) ²	9,708	359
EBIT (BEFORE NON-OPERATING ITEMS) ¹	8,503	(1,058)
NON-OPERATING ITEMS ³	(1,005)	(122)
PROFIT / (LOSS) AFTER TAX	5,193	(2,600)
NET OPERATING CASH OUTFLOW	(6,132)	(10,356)
	31 DEC 2020 \$'000	30 JUN 2020 \$'000
NET ASSETS	46,059	41,395
NET DEBT	13,881	5,745

¹ EBIT is earnings before non-operating items, finance costs and income tax expense.

² EBITDA is EBIT before non-operating items, depreciation and amortisation.

³ Non-operating items are predominantly made up of movements in unrealised foreign exchange differences and other transaction costs.

Note – EBIT, EBITDA and Non-operating items are non-IFRS financial measures, which have not been subject to review or audit by the Group's external auditors. These measures are presented to assist understanding of the underlying performance of the Group.

Dividends

There were no dividends paid during the six months ended 31 December 2020.

Rounding Off

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, amounts in the condensed consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Events Subsequent to Reporting Date

John O'Connell AO resigned as director of the company on 21 April 2021. Anthony Morganti was appointed director of the company on 23 April 2021.

There have been no other matters or circumstances, other than those referred to in the financial statements or notes thereto that have arisen since the end of the six months, that have affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years.

While COVID-19 situation remains concerning, especially overseas, between 31 December 2020 and the date of this report, there have been no material COVID-19 impacts on the operations of the Group. However, due to the fluid nature of this pandemic the Group continues to monitor the dynamic situation and adapt accordingly.

This report of the directors is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors:



Gordon Dickinson

Chairman

Dated this 7th day of May 2021

Directors' Declaration

In the opinion of the directors of Rubicon Systems (Holdings) Pty Ltd:

1. The condensed consolidated interim financial statements and notes, as set out on pages 8 to 16:
 - a. Present fairly the Group's financial position as at 31 December 2020 and of its performance for the six-month period ending on that date; and
 - b. Comply with Australian Accounting Standards AASB 134 *Interim Financial Reporting*; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

On behalf of the Directors:



Gordon Dickinson

Chairman

Dated this 7th day of May 2021

Independent Auditor's Review Report to the Members of Rubicon Systems Holdings Pty Ltd

We have reviewed the accompanying half-year financial report of Rubicon Systems Holdings Pty Ltd, which comprises the condensed consolidated statement of financial position as at 31 December 2020, and the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that presents fairly in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

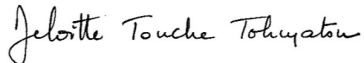
Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not presented fairly, in all material respects, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*. As the auditor of Rubicon Systems Holdings Pty Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Conclusion

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Rubicon Systems Holdings Pty Ltd does not present fairly, in all material respects, the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting*.



DELOITTE TOUCHE TOHMATSU



Isabelle Lefevre
Partner
Chartered Accountants
7 May 2021

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the six months ended 31 December 2020

	NOTE	31 DEC 2020 \$'000	31 DEC 2019 \$'000
REVENUE	2	40,203	29,170
COST OF SALES		(21,396)	(16,229)
GROSS PROFIT		18,807	12,941
OTHER INCOME	2	1,572	35
OTHER GAINS AND LOSSES	2	(747)	(371)
DEPRECIATION AND AMORTISATION EXPENSE		(1,206)	(1,417)
EMPLOYEE BENEFITS EXPENSE		(8,757)	(8,084)
PROFESSIONAL FEES		(1,376)	(1,344)
TRAVEL COSTS		(186)	(643)
OCCUPANCY EXPENSES	4	(158)	(163)
ADMINISTRATIVE EXPENSES		(1,766)	(2,098)
FINANCE COSTS		(496)	(542)
SHARE OF PROFIT OF AN ASSOCIATE AND A JOINT VENTURE		1,323	-
PROFIT/(LOSS) BEFORE INCOME TAX		7,010	(1,686)
INCOME TAX EXPENSE		(1,817)	(914)
TOTAL PROFIT/(LOSS) FOR THE YEAR		5,193	(2,600)
<i>PROFIT/(LOSS) ATTRIBUTABLE TO:</i>			
OWNERS OF RUBICON SYSTEMS (HOLDINGS) PTY LTD		5,234	(2,461)
NON-CONTROLLING INTEREST		(41)	(139)
		5,193	(2,600)
OTHER COMPREHENSIVE RESULT			
<i>ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS:</i>			
EXCHANGE DIFFERENCES ON TRANSLATION OF OVERSEAS SUBSIDIARIES		(529)	162
OTHER COMPREHENSIVE RESULT FOR THE YEAR, NET OF TAX		(529)	162
TOTAL COMPREHENSIVE RESULT FOR THE YEAR		4,664	(2,438)
<i>TOTAL COMPREHENSIVE RESULT ATTRIBUTABLE TO:</i>			
OWNERS OF THE COMPANY		4,671	(2,286)
NON-CONTROLLING INTEREST		(7)	(152)
		4,664	(2,438)

The condensed notes on pages 12 to 18 are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Statement of Financial Position

as at 31 December 2020

	NOTE	31 DEC 2020 \$'000	30 JUN 2020 \$'000
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS		16,703	24,427
TRADE AND OTHER RECEIVABLES		58,045	41,709
INVENTORIES		12,641	11,341
CURRENT TAX ASSET		544	32
OTHER CURRENT ASSETS		1,263	714
TOTAL CURRENT ASSETS		89,196	78,223
NON-CURRENT ASSETS			
INVESTMENTS – ACCOUNTED FOR USING THE EQUITY METHOD		1,397	109
PROPERTY, PLANT AND EQUIPMENT		6,691	6,975
INTANGIBLES	3	434	-
RIGHT OF USE ASSETS	4	2,435	2,841
DEFERRED TAX ASSETS		3,441	5,140
OTHER FINANCIAL ASSETS		350	350
TOTAL NON-CURRENT ASSETS		14,748	15,415
TOTAL ASSETS		103,944	93,638
CURRENT LIABILITIES			
TRADE AND OTHER PAYABLES		14,232	8,939
FINANCIAL LIABILITIES	5	6,562	4,677
LEASE LIABILITIES	5	974	1,038
PROVISIONS		3,927	3,611
TOTAL CURRENT LIABILITIES		25,695	18,265
NON-CURRENT LIABILITIES			
FINANCIAL LIABILITIES	5	24,022	25,495
LEASE LIABILITIES	5	1,828	2,213
PROVISIONS		324	316
DEFERRED TAX LIABILITIES		6,016	5,954
TOTAL NON-CURRENT LIABILITIES		32,190	33,978
TOTAL LIABILITIES		57,885	52,243
NET ASSETS		46,059	41,395
EQUITY			
ISSUED CAPITAL	6	1,508	1,508
RESERVES		(993)	(430)
RETAINED EARNINGS		44,843	39,609
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF RUBICON SYSTEMS (HOLDINGS) PTY LTD		45,358	40,687
NON-CONTROLLING INTEREST		701	708
TOTAL EQUITY		46,059	41,395

The condensed notes on pages 12 to 18 are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Statement of Changes in Equity

for the six months ended 31 December 2020

	SHARE CAPITAL \$'000	RETAINED EARNINGS \$'000	FOREIGN CURRENCY TRANSLATION RESERVE \$'000	EQUITY SETTLED BENEFITS RESERVE \$'000	SUB- TOTAL \$'000	NON- CONTROLLING INTEREST \$'000	TOTAL EQUITY \$'000
BALANCE AT 1 JULY 2019	1,508	37,211	(627)	1,668	39,760	679	40,439
ADJUSTMENTS FROM ADOPTION OF AASB 16	-	(278)	-	-	(278)	-	(278)
ADJUSTED BALANCE AT 1 JULY 2019	1,508	36,933	(627)	1,668	39,482	679	40,161
PROFIT/(LOSS)	-	(2,461)	-	-	(2,461)	(139)	(2,600)
OTHER COMPREHENSIVE INCOME, NET OF TAX	-	-	175	-	175	(13)	162
TOTAL COMPREHENSIVE RESULT	-	(2,461)	175	-	(2,286)	(152)	(2,438)
TRANSACTIONS WITH OWNERS OF RUBICON SYSTEMS (HOLDINGS) PTY LTD CONTRIBUTIONS AND DISTRIBUTIONS:							
DIVIDENDS PAID	-	-	-	-	-	-	-
TOTAL CONTRIBUTIONS AND DISTRIBUTIONS	-	-	-	-	-	-	-
BALANCE AT 31 DECEMBER 2019	1,508	34,472	(452)	1,668	37,196	527	37,723
BALANCE AT 1 JULY 2020	1,508	39,609	(430)	-	40,687	708	41,395
COMPREHENSIVE RESULT							
PROFIT/(LOSS)	-	5,234	-	-	5,234	(41)	5,193
OTHER COMPREHENSIVE RESULT, NET OF TAX	-	-	(563)	-	(563)	34	(529)
TOTAL COMPREHENSIVE RESULT	-	5,234	(563)	-	4,671	(7)	4,664
TRANSACTIONS WITH OWNERS OF RUBICON SYSTEMS (HOLDINGS) PTY LTD CONTRIBUTIONS AND DISTRIBUTIONS:							
DIVIDENDS PAID	-	-	-	-	-	-	-
TOTAL CONTRIBUTIONS AND DISTRIBUTIONS	-	-	-	-	-	-	-
BALANCE AT 31 DECEMBER 2020	1,508	44,843	(993)	-	45,358	701	46,059

The condensed notes on pages 12 to 18 are an integral part of the condensed consolidated interim financial statements.

Condensed Consolidated Statement of Cash Flows

for the six months ended 31 December 2020

	NOTE	31 DEC 2020 \$'000	31 DEC 2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS FROM CUSTOMERS		28,107	27,142
PAYMENTS TO SUPPLIERS AND EMPLOYEES		(35,140)	(35,471)
GRANTS RECEIVED - JOBKEEPER		2,145	-
INTEREST RECEIVED		8	35
FINANCE COSTS		(685)	(472)
INCOME TAX PAID		(567)	(1,590)
NET CASH USED IN OPERATING ACTIVITIES		(6,132)	(10,356)
CASH FLOWS FROM INVESTING ACTIVITIES			
PROCEEDS FROM SALE OF NON-CURRENT ASSETS		15	37
PURCHASE OF NON-CURRENT ASSETS		(503)	(537)
DEVELOPMENT EXPENDITURE		(438)	-
NET CASH USED IN INVESTING ACTIVITIES		(926)	(500)
CASH FLOWS FROM FINANCING ACTIVITIES			
PROCEEDS FROM BORROWINGS		84	21,000
REPAYMENT OF BORROWINGS		(1,606)	(6,591)
REPAYMENT OF LEASE LIABILITIES		(524)	(536)
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		(2,046)	13,873
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(9,104)	3,017
CASH (NET OF BANK OVERDRAFTS) AT BEGINNING OF PERIOD		22,812	4,290
EFFECTS OF EXCHANGE RATE CHANGES		(491)	160
CASH (NET OF BANK OVERDRAFTS) AT END OF SIX MONTHS		13,217	7,467

The condensed notes on pages 12 to 18 are an integral part of the condensed consolidated interim financial statements.

Notes to the Condensed Consolidated Interim Financial Statements

for the six months ended 31 December 2020

Note 1 – Significant Accounting Policies

Reporting Entity

Rubicon Systems (Holdings) Pty Ltd is domiciled in Australia. Rubicon Systems (Holdings) Pty Ltd's registered office is at 1 Cato Street, Hawthorn East, Victoria, 3123. These condensed consolidated interim financial statements comprise Rubicon Systems (Holdings) Pty Ltd and its subsidiaries (collectively 'the Group' and individually 'Group companies'). The Group is a for-profit entity and is a provider of specialist operational technology to the water and broader utility markets.

Statement of Compliance

The half-year financial report is a general-purpose financial report prepared in accordance with AASB 134 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report.

The half-year financial report was authorised for issue by the Board of Directors on 7 May 2021.

Functional and Presentation Currency

These condensed consolidated financial statements are presented in AUD, which is Rubicon Systems (Holdings) Pty Ltd's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

Basis of Preparation

The condensed consolidated interim financial statements have been prepared on the historical cost basis except for non-derivative financial instruments at fair value through profit or loss. Cost is based on fair values of the consideration given in exchange for an asset. All amounts are presented in Australian dollars, unless otherwise indicated.

Rubicon Systems (Holdings) Pty Ltd is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2020 annual financial report for the financial year ended 30 June 2020. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Use of Judgements and Estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements as at and for the year ended 30 June 2020.

COVID-19 Considerations

Given the ongoing economic uncertainties from COVID-19, the Group has continued to monitor its financial reporting procedures and governance practises consistent with those applied in the preparation of the consolidated financial report for the financial year ended 30 June 2020.

While the effects of COVID-19 do not change the areas requiring significant estimation and judgement in the preparation of financial statements, they have resulted in estimation uncertainty and application of further judgement within those areas disclosed as at 30 June 2020. The Group applied significant assumptions and judgements in relation to recoverability of receivables including contract assets, net realisable value of inventory, impairment of non-financial assets (right of use assets, property, plant and equipment) and recoverability of deferred tax assets including those arising from carried forward tax losses.

The Group received JobKeeper grants between 1 July 2020 and 27 September 2020. The Group was ineligible to receive further grants after 27 September 2020.

New and Revised Accounting Standards that are effective for the current year

The AASB has issued a number of standards and amendments to standards that are mandatory for the first time in the reporting period commenced 1 July 2020. The Group has assessed and determined that there are no new or amended standards applicable for the first time for the December 2020 half-year report that materially affect the Group's accounting policies or any of the amounts recognised in the financial statements.

New and Revised Accounting Standards that are not yet adopted

The AASB has issued a number of new or amended accounting standards and interpretations that are not mandatory for the first time in the reporting period commenced 1 July 2020. The Group has assessed and determined that there are no standards or amendments to standards that are not yet effective that are expected to have a material impact on the Group in the current or future reporting period.

Note 2 – Revenue

	31 DEC 2020 \$'000	31 DEC 2019 \$'000
SALES REVENUE		
SALES OF GOODS AND ENGINEERING SERVICES CONTRACTS	40,203	29,170
OTHER INCOME		
INTEREST RECEIVED	9	35
GOVERNMENT GRANTS – JOBKEEPER AUSTRALIA	1,478	-
OTHER	85	-
TOTAL OTHER INCOME	1,572	35
OTHER GAINS AND LOSSES		
UNREALISED FOREIGN EXCHANGE GAINS / (LOSSES)	(772)	(370)
GAIN / (LOSS) ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	25	(1)
TOTAL OTHER GAINS AND LOSSES	(747)	(371)

Revenue Recognition from Contracts with Customers

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major revenue streams.

	Revenue Recognition	31 DEC 2020 \$'000	31 DEC 2019 \$'000
HARDWARE	Over time	34,850	23,819
SOFTWARE	Point in time	-	-
SOFTWARE MAINTENANCE AND SUPPORT	Over time	2,926	2,928
OTHER COMPONENTS AND SUPPORT	Point in time	2,427	2,423
TOTAL SALES REVENUE		40,203	29,170

The length of contract duration varies depending on the scale and complexity of each project.

Note 3 – Intangibles

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which is disclosed below. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred.

All intangible assets recognised by the Group as at 31 December 2020 have finite useful lives.

Development Costs

Cost

2020	\$'000
BALANCE AT 1 JULY	-
ADDITIONS FROM INTERNAL DEVELOPMENT	438
BALANCE AT 31 DECEMBER	438

Amortisation

2020	\$'000
BALANCE AT 1 JULY	-
AMORTISATION CHARGE	(4)
BALANCE AT 31 DECEMBER	(4)

Carrying Amount

2020	\$'000
BALANCE AT 1 JULY	-
BALANCE AT 31 DECEMBER	434

The amortisation period for development costs incurred on the Group's product development is five years.

Note 4 – Leases

The majority of leases related to the rental of premises in Australia, China, New Zealand, Spain, Chile and the USA.

The carrying value of right-of-use assets is presented below:

Right-of Use Asset

2020	\$'000
BALANCE AT 1 JULY	2,841
DEPRECIATION CHARGE	(497)
ADDITIONS TO RIGHT-OF-USE ASSET	206
FOREIGN EXCHANGE TRANSLATION	(81)
LEASE VARIATIONS	(34)
BALANCE AT 31 DECEMBER	2,435
2019	\$'000
BALANCE AT 1 JULY - INITIAL ADOPTION OF AASB 16	3,352
DEPRECIATION CHARGE	(475)
ADDITIONS TO RIGHT-OF-USE ASSET	332
BALANCE AT 31 DECEMBER	3,209

Amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income:

	31 DEC 2020	31 DEC 2019
	\$'000	\$'000
DEPRECIATION EXPENSE ON RIGHT-OF-USE ASSETS	497	475
INTEREST EXPENSE ON LEASE LIABILITIES	49	69
OCCUPANCY EXPENSES		
EXPENSES RELATING TO SHORT TERM OR LOW VALUE LEASES	51	86
OTHER OCCUPANCY EXPENSES	107	77
TOTAL OCCUPANCY EXPENSES	158	163

Note 5 – Financial Liabilities

	31 DEC 2020 \$'000	30 JUN 2020 \$'000
CURRENT		
<i>SECURED LIABILITIES:</i>		
BANK OVERDRAFTS	3,486	1,615
BANK LOANS	2,875	2,875
CHattel MORTGAGE LIABILITY	201	187
	6,562	4,677
LEASE LIABILITY	974	1,038
TOTAL CURRENT LIABILITIES	7,536	5,715
NON-CURRENT		
<i>SECURED LIABILITIES:</i>		
BANK LOANS	23,936	25,373
CHattel MORTGAGE LIABILITY	86	122
	24,022	25,495
LEASE LIABILITY	1,828	2,213
TOTAL NON-CURRENT LIABILITIES	25,850	27,708

A three-year \$38,000,000 senior secured facility with HSBC was entered into in June 2019. The bank facility is secured against the Australian assets of the Group. The senior secured facility comprised a combination of loan facilities (total of \$30,000,000) as well as a revolving multi-option facility (\$8,000,000) to be used for bank guarantees, letters of credits, performance bonds, credit cards and overdrafts.

In accordance with the terms of the facility agreement the Group has made a loan repayment in December 2020 for \$1,500,000. Accordingly, at the reporting date the facility limit was reduced to \$35,000,000 (30 June 2020: \$36,500,000). At reporting date, the Group had drawn \$30,485,000 of the facility (30 June 2020: \$30,115,000) and held cash balances of \$16,703,000 (30 June 2020: \$24,427,000).

The difference between drawn amounts stated above and the carrying amount of bank loans and overdrafts at 31 December 2020 and 31 December 2019 relates to the impact of facility establishment fees which are initially deducted from the carrying amount and unwound over the life of the facilities using the effective interest method.

Note 6 – Issued Capital

Issued capital as at 31 December 2020 amounted to \$1,508,000 (100,000,100 ordinary shares). There were no movements in the issued capital of the company in neither the current nor the prior half-year.

Dividends

No dividends were paid during the half-year nor provided for at the reporting date (half-year 2019 financial year: NIL).

Note 7 – Events Subsequent to Reporting Date

John O'Connell AO resigned as director of the company on 21 April 2021. Anthony Morganti was appointed director of the company on 23 April 2021.

There have been no other matters or circumstances, other than those referred to in the financial statements or notes thereto that have arisen since the end of the six months, that have affected or may affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent years.

While COVID-19 situation remains concerning, especially overseas, between 31 December 2020 and the date of this report, there have been no material COVID-19 impacts on the operations of the Group. However, due to the fluid nature of this pandemic the Group continues to monitor the dynamic situation and adapt accordingly.

Corporate Directory

Registered Office

1 Cato Street
Hawthorn East
Melbourne
VIC, 3123
Australia
Ph: 03 9832 3000

Website Address

www.rubiconwater.com

Auditors

Deloitte Touche Tohmatsu
477 Collins Street
Melbourne
VIC, 3000
Australia

Solicitors

Rob Walker Legal Pty Ltd
1 Cato Street
Hawthorn East
Melbourne
VIC, 3123
Australia