



2012 ANNUAL REPORT

committed to growth

financial software
solutions that deliver

Bravura Solutions is a leading global supplier of wealth management and transfer agency applications, delivered on premise or on demand. We specialise in administration and management solutions for superannuation & pension, life insurance, investment, private wealth & portfolio administration, transfer agency and financial messaging.

NOTICE OF AGM

The Annual General Meeting of Bravura Solutions Limited will be held on Tuesday, 23 October 2012 at the Swissotel, Level 8, 68 Market Street Sydney NSW 2000 in the Blaxland A Room at 10.30am.

Bravura Solutions Limited ABN 15 111 148 826

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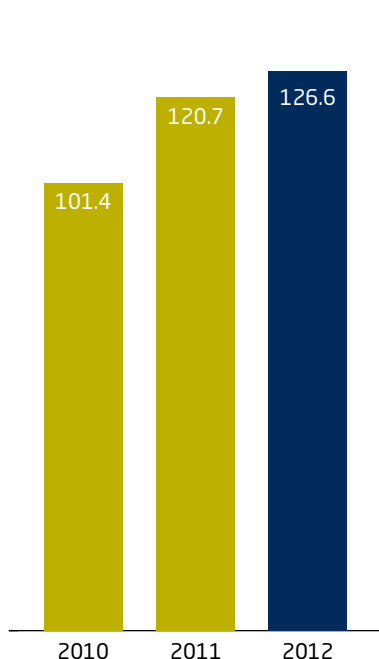
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HIGHLIGHTS

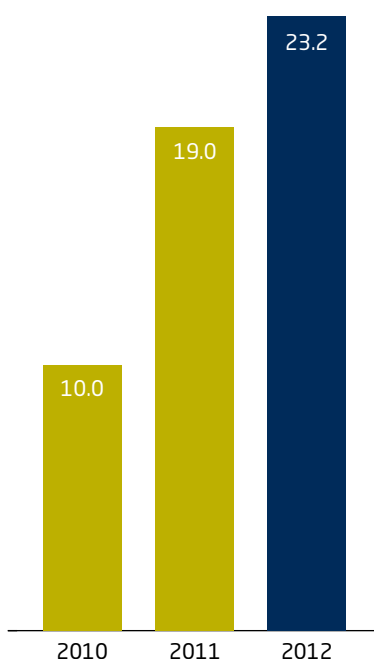
Bravura Solutions stands at the forefront of our industry, setting the benchmark for innovative solutions that deliver reduced costs, greater efficiencies, improved speed to market and better service for the customers of our clients.

IMPROVED FINANCIAL POSITION

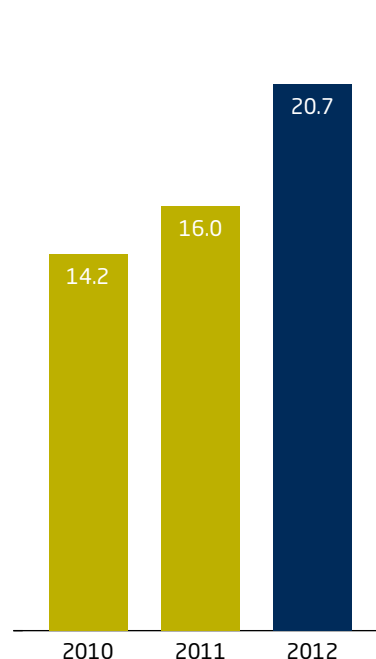
SALES REVENUE (A\$M)



EBITDA (A\$M)



OPERATING CASH FLOW (A\$M)



SALES REVENUE
(A\$M)

126.6

5% INCREASE OVER
PREVIOUS YEAR

EBITDA
(A\$M)

23.2

22% INCREASE OVER
PREVIOUS YEAR

OPERATING
CASH FLOW (A\$M)

20.7

29% IMPROVEMENT

SOLID SALES AND CLIENT RETENTION

5

NEW CONTRACTS SIGNED
WITH EXISTING CLIENTS

3

CLIENT IMPLEMENTATIONS
SUCCESSFULLY WENT LIVE

79

UPGRADE PROJECTS
UNDERTAKEN GLOBALLY

SUCCESSFUL OPERATIONAL INITIATIVES

3

INDUSTRY ACCOLADES RECEIVED:
FINTECH100 LISTING, XCELENT
AWARD FOR SERVICE, GOOD
ACCREDITATION STANDARD

1 M +

KIWISAVER MEMBERS
SUPPORTED ON OUR
APPLICATIONS

DOUBLED

INDIAN OPERATIONS
TO SUPPORT WEALTH
MANAGEMENT AND
TRANSFER AGENCY
DIVISIONS

DELIVERED

ROBUST FUNCTIONALITY
THROUGH EXTENSIVE
RESEARCH AND
DEVELOPMENT

CHAIRMAN'S INTRODUCTION

On behalf of the Board of Directors of Bravura Solutions, I am pleased to present our shareholders with the 2012 Annual Report.

I am happy to report on a strong year that has seen heightened stability instilled across the business, leaving us on an excellent footing going into the new financial year.

We can proudly convey robust financial results, the growing success of our new Sonata wealth management application, and continued market leadership in the UK and European transfer agency market. We also have in place a stable and highly experienced Executive Team and Board of Directors that are committed to success, company profitability, cost management, sales and revenue growth.

I would like to take this opportunity to congratulate and thank Tony Klim for his first full year as the Chief Executive Officer of Bravura Solutions. This year's report is a credit to his leadership.

FINANCIAL PERFORMANCE

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

For the 12 months ended 30 June 2012, we delivered the following financial results:

- > EBITDA improved by \$4.2 million to \$23.2 million
- > Sales revenue grew by five per cent to \$126.6 million
- > Net operating cash flow increased to \$20.7 million
- > Net profit after tax was \$5.4 million

OUR MARKET

Regulation continues to act as a significant driver for change in the financial services landscape. The first half of the coming financial year will see the enforcement of the UK Retail Distribution Review (RDR) in December, following Australia's enforcement of its Future of Financial Advice (FoFA) regulations in July. Both RDR and FoFA affect fee and charging structures for financial institutions.



We proudly convey robust financial results, the growing success of our wealth management solution and continued leadership in the UK and European transfer agency market.

NET PROFIT**INCREASED BY
126 PER CENT****FROM THE
PRIOR YEAR****STRATEGIC****COST
MANAGEMENT
FOCUS****THROUGH UTILISATION OF
LOWER COST RESOURCES****REMAINED WITHIN ALL****BANKING
COVENANTS****FOR THE FULL
FINANCIAL YEAR**

It has become an absolute imperative that we not only produce offerings that comply with these changes, but also possess expertise regarding regulation to effectively support our clients. We must deliver software that has the flexibility to continuously evolve to meet future needs. In meeting these imperatives we secure both client satisfaction and continual business expansion.

In the UK we anticipate a larger sector of mass affluent investors requiring self-direct solutions, as well as product providers requiring alternative and new channels to market, which our software can enable.

In Australia, we expect a number of factors to broaden the market for our software applications, including dealer group consolidation, advisers operating on a wider range of platform providers, wealth managers broadening their product suites, businesses looking to enhance their platforms to cater for high net worth individuals – whilst looking to simultaneously retain and attract the mass market with simplified products and scalable advice, and even new market players launching platforms to offer specialist or niche services.

We will also see the continued roll out of the government's Stronger Super initiative, which includes the implementation of MySuper, offering us opportunities relating to product configuration. We secure a revenue stream from required work for our heritage products, as well as creating an attractive business case to purchase our Sonata wealth management application. As an easily

configurable application, clients can quickly and cost-effectively configure new products – rather than requiring hard coding for every new product or legislative change.

With regulations needing to be rolled out through a number of client sites, and our administration systems adapted to accommodate, we provide economies of scale for individual clients, as they share costs involved to develop and implement upgrades, and secure company revenue.

TRANSFER AGENCY

As legislation continues to drive regulatory change, we are seeing an increased demand from our key transfer agency clients for development and product enhancements. We have dedicated thousands of man hours to fulfilling our clients' requirements, resulting in a significant revenue stream for the business.

Into the new year, we will work to secure contract renewals with many of our transfer agency clients, including large multi-national organisations.

We continue to deliver hosted services to more than 80 per cent of our UK client base, allowing them to focus entirely on running their businesses without the need to allocate time, money and resources to changing IT infrastructure requirements, providing faster response times and higher service levels.

We remain a major European transfer agency software provider. Our continuing dedication to our transfer agency suite ensures that we maintain healthy profit margins from this business.

WEALTH MANAGEMENT

In FY2011 we launched our next generation wealth management solution, Sonata, taking 15 years of rich functionality from our existing wealth management application, Talisman and enhancing the underlying technology into a modern and open architecture.

Following Sonata's launch, we soon signed a contract with and implemented the software for New Zealand life insurer, Partners Life, and at the end of FY2011, we announced a five year contract with Russell Investments to use Sonata as well.

In FY2012, Partners Life went on to achieve outstanding success, becoming the fastest growing life insurer in New Zealand and an advocate for the use of technology to enable business innovation and expansion.

During the financial year we worked closely with Russell Investments, launching its Russell iQ™ suite on Sonata in June. Going into FY2013 we continue to work with Russell Investments to jointly implement additional products onto their Sonata platform.

CHAIRMAN'S INTRODUCTION

REGULATORY CHANGE

Bravura Solutions must deliver software that has the flexibility to evolve continuously to meet future regulatory requirements. By meeting these legislative needs, we ensure both client compliance and satisfaction, as well as continued organic business expansion.

Regulation continues to act as a significant driver for change in the financial services landscape, with the enforcement of the UK Retail Distribution Review (RDR), and Australia's enforcement of its Future of Financial Advice (FoFA) regulations coming into force over the coming year.

RDR forms a key part of the UK's Financial Services Authority consumer protection strategy of improving investment advice. Its aim is to establish a resilient, effective and attractive retail investment market that consumers can have confidence in and trust at a time when they need more help and advice than ever with their retirement and investment planning.

FoFA reforms focus on improving the quality of financial advice, particularly product recommendations, and expanding the availability of more affordable forms of advice. The reforms will ultimately improve investor protection and instil confidence in the financial advice industry.

In June and July, we were very pleased to secure two contracts in EMEA for our Sonata application, further extending Sonata's footprint.

Sonata has undergone continued development this year, demonstrating our long-term commitment to the wealth management market. We have focused on enhancing Sonata's wrap platform functionality for the UK platform market to operate in a post RDR environment, and facilitating migration from our heritage products to Sonata by incorporating defined contribution functionality to accommodate industry and retail superannuation.

We have also commenced development for corporate master trust and corporate defined benefit functionality that will be delivered progressively over the next 24 months.

In addition, as part of a strategic review of our wealth management offerings undertaken by the Executive Team, a decision was taken to reshape and reinvigorate our private wealth and portfolio administration business.

In order to better serve our Garradin client base with quality product releases and outstanding service, as well as focused product enhancements, we have established a dedicated Garradin business unit within Bravura Solutions.

This new business unit combines product development, sales and service, with deep domain expertise to ensure the delivery of superior results. This strategic move allows us to ensure long-term sustainability and commitment to the Garradin product, while continuing to nurture long-term client partnerships and develop new ones.

COST MANAGEMENT

The Board has maintained a steady focus on cost management, and our expansion into offshore markets in Poland and India to utilise lower cost resources and further improve our client focus has met with success.

We have benefitted from improvements in productivity through the optimisation of product development and the creation of additional capacity for new client implementations, as well as enhanced quality assurance and testing.

We have also improved upon our service delivery efficiencies, providing further flexibility and enhanced support to clients, as well as improved enquiry turnaround times.

ACQUISITION STRATEGY

Bravura Solutions continues with its current strategy to review suitable acquisition targets in line with growing the Transfer Agency and Wealth Management divisions of the Company. We continue to actively evaluate suitable organisations for acquisition in Australia, the UK and Europe.

FINANCIAL MANAGEMENT

New banking arrangement

We are extremely pleased to have selected Commonwealth Bank Australia (CBA) which is a long-term client, as our new banking partner. CBA will support us from not only a lending perspective, but as a potential acquisition and transactional partner as well. Our existing banking facility with BOS International expires in December 2012.

Debt management

Bravura Solutions' debt management profile continues to support the ongoing operations of the Company in an effective manner.

Borrowings are reported as current liabilities due to the expiry of the facilities with our current lender as noted previously. Total bank loans continue to reduce with the revolving facility drawn down to nil at year end.

Operating cash flow continues to be a positive trend for the Company as the focus remains on cash and EBITDA throughout the organisation.

Share buy-back scheme

On 22 August 2011, we announced that we were undertaking a share buy-back to purchase up to ten per cent of the shares on issue at the time under an on-market buy-back. The buy-back was part of a financial strategy to ensure capital was effectively managed and that shareholder return would be maximised over the long term.

As at 30 June 2012, the Company had purchased a total of 61,713,641 shares at a total cost of \$8.7 million.

The buy-back completed on 6 September 2012, with the Company having purchased 64,812,746 shares for a total consideration of \$9,327,859.27.

Banking covenants

The Company monitors its compliance with banking covenants regularly, and throughout FY2012 has remained within all banking covenants.

Covenant June 2012		
Leverage ratio	<3.0x	1.07 ✓
Interest coverage ratio	>4.0x	14.9 ✓
Net assets (\$m)	>\$65.0m	\$106.6 ✓

ENVIRONMENTAL SUSTAINABILITY

Bravura Solutions remains committed to operating as a sustainable enterprise. We regard environmental responsibility as being a fundamental aspect of sound business practice.

We continue to review our environmental actions to meet the needs and expectations of our clients, shareholders, employees and the community. Our objectives encompass the minimisation of our impact on the environment and efficient use of the natural resources we require. This includes the responsible management of the procurement, use and output of waste.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

The Board remains strongly committed to sound corporate governance practices and understands that the management of risk is critical to steering the business more systematically and strategically towards increased success and continuing profitability. The Board is committed to managing risk to protect its shareholders, the environment, the Company's assets and its reputation.

The Board sets the risk appetite of the business to ensure that the business direction is consistent with the goals of Company. We remain susceptible to two main forms of risk; currency risk and operational risk as outlined in last year's annual report.

LOOKING FORWARD

Going forward, the Company and its Board are committed to growth. We continue to nurture and develop our next generation wealth management software solution, Sonata, and strive to be a market leading and dependable supplier of transfer agency software solutions to large blue chip clients.

Guiding our clients through and embracing regulatory change and industry trends will be a particular focus for the next financial year, as well as enhancing and growing our offering to the market.

On behalf of the Board, I would like to thank our shareholders, clients and employees for their commitment to Bravura Solutions' growth over the past financial year. I look forward to continuing to serve as your Chairman in FY2013.



Brian Mitchell
Chairman

CEO'S REPORT

It is with great pleasure that I report to you on Bravura Solutions' financial and operating results for the past financial year.

I have spent a great deal of time over the past year travelling between our offices, and have enjoyed meeting and engaging with our employees. I have also had the opportunity to meet with a number of our key clients, spending valuable time in their offices, learning about their businesses and the value that our software delivers, as well as having the opportunity to network with them at a number of C-level events.

FINANCIAL RESULTS OVERVIEW

Committed to growth

Bravura Solutions is very pleased with the financial growth that we have achieved over the past financial year, once again positioning ourselves well.

Sales revenue

Sales revenue for FY2012 was \$126.6 million, an increase of five per cent over the prior year. Sales revenue growth was a result of new licence sales and increased professional services spend within the existing installed client base. Licence fee revenue included the renewal of a significant transfer agency contract and a new wealth management sale to an EMEA client.

The Australian dollar continued to remain strong affecting the translation of overseas revenue, and resulting in an unfavourable currency movement of \$4.9 million. Had the exchange rate from FY2011 remained constant, there would have been a nine per cent revenue increase year on year.

Sonata continues to gain traction in the marketplace across both regions ensuring revenue streams continue throughout FY2013 and beyond.

EBITDA

EBITDA for FY2012 was \$23.2 million, an increase of 22 per cent over the prior year.

The Company's EBITDA continues to grow year on year whilst still being affected by fluctuating currencies. Throughout FY2012 the exchange rate negatively impacted EBITDA by \$1.5 million, however, we were still able to deliver a strong result.

EBITDA growth has been a result of the contracts previously noted, as well as a continued focus on underlying operations. For the past couple of years there has been significant governance and focus built into the business. We are now able to see the benefits through improved financial performance. The establishment of the offshore support and development centres have been successful to date and the expectation is for this to continue.

I believe the Company has continued to make significant progress on all fronts - technological advancements, employee focus and product improvements.



**RANKED
IN THE
FINTECH 100**

**FOR THE FIFTH
CONSECUTIVE YEAR**

**TWO CLIENTS
SUCCESSFULLY
IMPLEMENTED
SONATA**

**TO DRIVE BUSINESS
EXPANSION**

**SIGNED
LARGEST DEAL**

**IN OUR HISTORY WITH
EMEA BASED CLIENT,
BNY MELLON**

Net profit after tax

Net profit after tax for FY2012 was \$5.4 million, a 126 per cent improvement from a \$21.1 million loss in the prior year. The prior year included an impairment charge relating to Transfer Agency which has not occurred in the current year. Whilst the Pound continued to decline and the UK economic climate remains uncertain it is believed that the current carrying value of the assets is appropriate with no write down required.

Cash flow

Net operating cash flow after interest and tax increased by 29 per cent to \$20.7 million.

Operating cash continues to increase as the Company maintains its focus on cash and ensuring its day to day business focus.

Invested cash flows included the fit out of a new data centre in the UK to support the transfer agency customer base which operates in a hosted environment. Financing activities increased significantly with \$8.7 million of cash outflows relating to the share buy-back program that is currently underway.

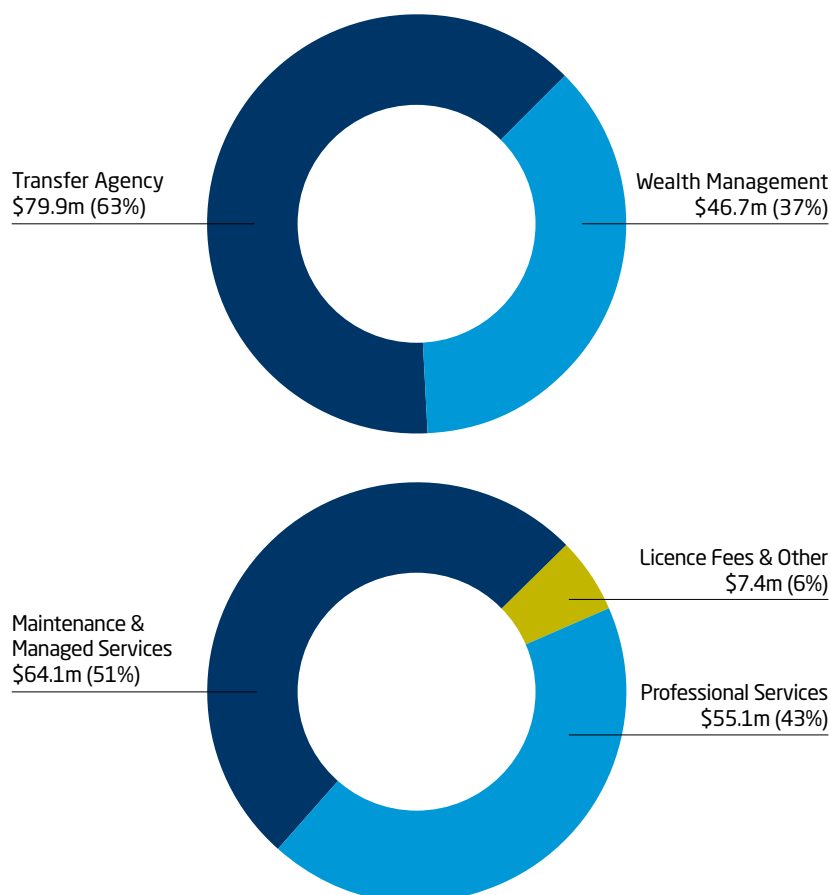
This year Ironbridge Capital exercised their final options which generated an inflow of \$4.3 million which assisted the Company's ability to undertake its capital management strategy involving the share buy-back scheme.

OPERATING REVIEW

Bravura Solutions derived sales revenue from both our operating divisions - Transfer Agency and Wealth Management.

In FY2012, the Transfer Agency division contributed \$79.9 million, or 63 per cent of sales revenue (FY2011: \$76.9 million, 64 per cent), while the Wealth Management division contributed \$46.7 million, or 37 per cent of sales revenue (FY2011: \$43.8 million, 36 per cent).

Breaking overall sales revenue down further for FY2012 by type, \$7.4 million, or six per cent was from licence fees and other (FY2011: \$3.5 million, three per cent), \$64.1 million, or 51 per cent was from maintenance and managed services fees (FY2011: \$65.2 million, 54 per cent), and \$55.1 million, or 43 per cent was from professional services (FY2011: \$52.0 million, 43 per cent).



CEO'S REPORT

Transfer Agency

REVENUE

The Transfer Agency division generated \$79.9 million in revenue, or 63 per cent of total revenue achieved

PRODUCTS

Transfer Agency products include our core TA application suite (Rufus, GTAS and GFAS), Babel, ODS and talWeb

SUPPORT

Transfer Agency products support over A\$1.3 trillion (£875 billion) in assets under management

CLIENTS

Key Transfer Agency clients include BNY Mellon, JP Morgan, Lloyds Banking Group, Schroders, Legal & General, and Citi

Overview

The global Transfer Agency division continues to provide development, implementation and support services for the administrative processing of client business, predominantly operating in the UK, Eire and Luxembourg markets, with additional distribution centres in Asia. Clients are also processing transfer agency business in administration and technology centres across the US and India.

A key part of our transfer agency service offering is the provision of hosted support services of our software on our own technical environments. While increasing client reliance on Bravura Solutions and deepening relationships, it also reduces client cost, allowing them to focus on their management and core offering.

During the financial year, we successfully migrated to a new data centre and now partner with Cable & Wireless U.K to provide this critical component of our offering. Increased stability in our services offering and greater client support will be key benefits of this new arrangement.

Our Indian operations, which commenced in September 2011 with a team of 41 people (mostly transferring from Fidelity as part of the Mutual Fund Technologies acquisition), has now more than doubled in size. The

team now provides services to both of Bravura Solutions' operating divisions.

The Transfer Agency team in India are providing development, system testing, build and release, infrastructure upgrade support and production support services for GFAS. They are also providing system testing and automation testing services for Rufus, and build and release services for Babel. The team have been working on a number of different projects, including GFAS development and system testing of critical fixes, SWIFT enhancements, functional and regression testing of liquidity order management, auto fund upload, regression testing for Rufus, automation testing for five Rufus modules and Babel enhancements.

Our team in Warsaw has also grown over the year and now provides key support activities for Rufus in addition to being the main development operation for the GTAS product.

Focus for the year ahead

A significant focus for the year ahead in the Transfer Agency division relates to Rufus and Babel development and consultancy services in support of a major project for existing key client BNY Mellon, following the successful closing of a recent ten year deal. The program will see almost 2000 man days per month dedicated to development, professional services, support and

consulting work, propelling BNY Mellon to the forefront of transfer agency in Europe, Asia and emerging markets.

New contractual arrangements with BNY Mellon not only provide surety over long-term revenue, but clearly demonstrate deep commitment to Bravura Solutions, our software applications and our services. A large proportion of the Rufus and Babel development work to be undertaken will be supported by our Indian and Polish operations, ensuring the impressive and continued success of our offshore strategic plans. We now have more Rufus developers located in Poland than in the UK.

It is also an intention to expand the testing functionality in India.

There are a number of additional important projects for the coming financial year that will deliver large sums of professional services revenue. These include a Rufus client program to migrate additional books of business to our system with additional maintenance and services revenue required, a GFAS client migration program, and the delivery of a program of work to enhance GTAS in support of a new customer win for a client. The project will utilise approximately 70 per cent of available capacity in FY2013.

Wealth Management

REVENUE

The Wealth Management division generated \$46.7 million in revenue, or 37 per cent of total revenue achieved

PRODUCTS

Wealth Management products include Sonata, Talisman, Garradin, ePASS and heritage products SAS, Calibre and SuperB

SUPPORT

Wealth Management products support over A\$65 billion in funds under management

CLIENTS

Key Wealth Management clients include Russell Investments, Partners Life, Perpetual, Northern Trust, Bao Viet Life, ABSA and Commonwealth Bank Australia

Overview

The global Wealth Management division continued its focus on fostering relationships with the existing client base, and completed a large number of operational and service delivery based enhancements across the product range. These enhancements have added value to our clients' organisations and ensured Bravura Solutions is able to retain strong utilisation of our professional services resources.

We also undertook a change in our development and project management methodologies over the year. Our Agile development adoption has resulted in faster time to market for functional modifications through an iterative and incremental release cycle, and our use of PRINCE2 project management has ensured that our clients' projects are managed in a structured and controlled environment to meet the needs and expectations of all stakeholders.

In Australia, new software releases offer additional opportunity. Sonata continues to provide progressive strategic enhancements in the wrap and superannuation markets. Tax engine refinements and regulatory compliance in the latest version of Garradin open up the custody market for fund accounting and Australian tax processing, and the latest version of

ePASS provides access to our eBusiness mobile application and further improved STP capabilities.

In New Zealand, KiwiSaver continues to drive the investment solutions market, with the team focused on providing support for several major upgrades implemented in the existing client base.

In Asia, we continued to focus on opportunities in the life insurance and pensions market, strengthening our Asian team to better serve existing clients in the region.

The Wealth Management team in India is providing development, system testing, automation testing, build and release, and first level support services for Sonata, ePASS, Garradin and Talisman. The team has made steady progress in the last nine months, working on major assignments including the building of a demonstrable KiwiSaver product for the New Zealand superannuation market.

In the UK, we focused heavily on the wrap platform market. This included supporting the takeover of Scottish Friendly Assurance by Citi, which created additional market opportunities for us through Citi's global reach. We also successfully delivered an award winning website for Nucleus, the winner of the UK Platform of the Year Award.

Focus for the year ahead

Overall the focus for the year ahead in the Wealth Management division is about delivering further phases of the Sonata program across Australia, New Zealand, Asia and the UK. We continue to fill our pipeline of opportunities in the superannuation, pension, investment, wrap platform and life insurance markets.

In the UK specifically, we will continue to support our existing clients' development plans, focusing on upgrading them from Talisman to Sonata. We also expect to compete effectively in EMEA to secure new Sonata client wins, both indirectly through existing clients and on a direct basis as functional and asset coverage is increased.

We have a solid pipeline of development and consulting assignments forecast for the coming year, underpinned by improved relationships with existing clients looking to consolidate legacy systems and move onto next generation solutions.



CEO'S REPORT

USING TECHNOLOGY TO UNLOCK HIDDEN VALUE

Look under the covers of many financial institutions and you may find a disparate mix of hardware and software – systems that ceased to be state-of-the-art years ago, being held together by a complex web of patches, interfaces and middleware. These systems typically provide the core functionality needed, but modern requirements see them glued to yet more systems that provide document management, business intelligence, analytics and web delivery.

This patchwork of IT systems may appear adequate for today's requirements, but they are costly to maintain and prone to providing unreliable data. They can also be fragile, threatening to break under increased workloads, and are nearly impossible to modify without significant cost or business disruption. As more systems are tied together, the overall IT environment becomes more fragile.

These applications are referred to as legacy systems due to their age, but it is a lack of flexibility that is their true legacy. Restraining business growth by stifling new product development, these systems make it increasingly difficult to unlock the value that resides within a client base and prevents financial institutions from meeting customer service expectations.

By modernising IT systems and employing technology such as that offered by Sonata, financial institutions can create new business value and a long-term sustainable strategic and differentiated advantage.

AWARDS AND ACHIEVEMENTS

I am extremely pleased that we have once again received a number of awards and achieved significant milestones. For the fifth consecutive year, Bravura Solutions maintained its position as the sole Australian company among the world's top 100 technology vendors to financial services companies, as evaluated by Financial Insights and American Banker magazine.

In addition, our modern policy administration platform has helped Vietnam's first life insurance company, Bao Viet Life, to win a Celent Model Insurer Asia award in the Policy Administration category for 2012. The Model Insurer awards recognise companies that best apply technology to drive business performance and was awarded to Bao Viet Life based on improved system flexibility and the enablement to move to a centralised processing business model.

Bravura Solutions also received an XCelent award for Service, as selected by Celent in its Asia Pacific Policy Administration Systems Life and Pension ABCD Vendor View report. The report profiled, evaluated and judged ten policy administration solutions relative to industry peers and Bravura Solutions was named a leader in the Depth of Service category.

We also received the Good Accreditation Standard for 2012. Allocated to suppliers that deliver services or systems to the regulated financial markets, it affirms our standard of quality as determined by our clients, and judged by an independent panel.

Towards the end of last year, we surpassed one million KiwiSaver members supported on our wealth management applications. KiwiSaver was introduced by the New Zealand government in 2007 as a national workplace savings scheme designed to encourage New Zealanders to save for their retirement. Today KiwiSaver has a total member base of 1.8 million New Zealanders. The majority of KiwiSaver accounts are now administered

on Bravura Solutions applications – testament to the quality of our software and its depth of functionality.

R&D

Through our Research and Development (R&D) program, Bravura Solutions strives to be at the forefront of advancing technologies as we deliver value to our client base through enhanced and innovative business applications.

The Company has continued to invest in the progress of our offering both from a technological and functional perspective. Our main area of focus over the past financial year has been our continuing investment in Sonata to meet emerging market needs in both the APAC and EMEA regions. This will continue into the next financial year as we maintain our R&D programme in line with strategic product directions and roadmaps.

CLIENTS

Bravura Solutions supports a growing list of blue chip clients across the globe in Australia, New Zealand, Asia, the UK, Europe and South Africa. Over the past financial year, Bravura Solutions has signed five new contracts with existing clients, completed three client go-live implementations and performed a number of client software upgrades across Rufus, GFAS, Babel, ODS, Talisman, Garradin, ePASS and heritage products Calibre, SAS and SuperB.

New contracts

While not falling into the current financial year, Bravura Solutions signed a five year contract with an existing EMEA client for the extended use of its wealth management application and its migration to Sonata.

Within the FY2012 financial year, in June 2012, Bravura Solutions signed a ten year contract with EMEA based client BNY Mellon. The agreement includes a contract extension for Bravura Solutions' global, cross-border transfer agency platform, Rufus which is already in use at BNY Mellon and the deployment of Babel as a managed service.

CASE STUDY

GROWING AN INSURANCE BUSINESS THROUGH SMART TECHNOLOGY

Partners Life represents an impressive start-up life insurance success story, writing a million dollars in premiums within just three weeks of launch. Technology was vital to this success story – acting as a key facilitator to an attractive user experience for financial advisors, and enabling a unique offering for consumers.

Established in August 2010 and entering the market in February 2011, Partners Life set out to offer a full range of life risk products including term life, income protection, medical, disability, trauma cover and business risk protection.

Bringing Independent Financial Advisors (IFAs) onsite

Partners Life recognised the necessity to satisfy IFAs – its primary distribution channel. Partners Life saw an opportunity to empower and engage IFAs by providing direct internet access at more competitive prices.

Partners Life wanted to give IFAs the ability to deliver better results and a simple sales experience. It wanted to provide IFAs with the tools to facilitate rapid web-based quotations, including flexibility to select a broad range of covers and riders and an ability to attach additional lives.

Technology ‘must haves’

Partners Life required a system that could be rapidly implemented in time for launch. The system needed to support the characteristics of its product offerings, provide a range of web-based tools for IFAs and excellent service levels to customers.

The challenge in looking for a technology system is to find a solution that meets policy and administration needs, whilst facilitating operational and cost efficiencies.

Partners Life identified that enhanced service could be achieved, and the administrative burden reduced, by giving their advisers direct online access and enabling them to save costs via automating common processes with fully integrated workflow.

The technology system had to be modern, scalable, and offer 24-hour access to advisers. In particular, Partners Life wanted to avoid reliance on costly vendor customisation – requiring a solution that had the flexibility to support new products and processes without changing code.

Finding the right balance

A common conundrum facing businesses is whether to accept older software that has inherent breadth and depth of functionality, but that may be limited or even restricted by its technology, or start with a clean sheet of paper, building a new system using cutting-edge technology from scratch.

With Sonata, Bravura Solutions found a balance between the two. It took a mature, functionally-rich application and transformed it into a modern architecture. This provided the benefits of modern technology with functional depth.

Partners Life CEO, Naomi Ballantyne said: “After a thorough market review, we chose Sonata due to its depth of functionality and its modern, scalable technology”. By adopting Sonata, implementation could focus on configuring rather than coding.

Delivering results

Sonata has provided Partners Life with the ease and flexibility to quickly launch new products, an integrated front and back office view of its customers, and the ability to support and scale with rapid business growth.

Partners Life was also able to go live with Sonata within an exceptionally short timeframe; Bravura Solutions delivered a unique online quoting capability in the same timeframe as the first stage of Partners Life’s product launch.

“Bravura Solutions rapidly gained a holistic understanding of our needs. From the moment we chose Sonata to our launch date, implementation took only four months – this type of efficiency is rare. Within a three week period of going-live, we had written our first million dollars in premiums.

“The application’s tight integration enabled the quick build and deployment of the online component of our offering, providing brokers with real-time 24 hour ability to efficiently and cost effectively quote for new business and services for their clients,” said Ballantyne.

Availability of Sonata’s auto-underwriting and auto-issue features means Partners Life can look to process a significant proportion of new business without the need for human intervention, further promoting cost efficiency and enhancement of the customer and adviser service experience.

CEO'S REPORT

In June 2012, Bravura Solutions also signed a three year renewal contract with existing Australian client, Statewide, for the use of Bravura Solutions' wealth management legacy applications, as well as ePASS, including its contribution clearing house module.

Furthermore in June 2012, Bravura Solutions signed a three year renewal contract for ePASS with an existing Australian government client.

In October 2011, Bravura Solutions signed a seven year contract with existing client, Politis Investment Strategies, for the use of Bravura Solutions' private wealth and portfolio administration system, Garradin, extending its existing five year partnership. Garradin administers self-managed super fund, managed discretionary accounts and high-net-worth clients for the business.

In July 2011, Bravura Solutions signed a five year contract with existing client Russell Investments (Russell) to use Sonata to administer the firm's retail products. Sonata was chosen as the application to administer Russell's Private Series, offering next generation features and functionality for advisers. Sonata's ability to rapidly launch new products, streamline and improve business systems and support straight-through processing from the adviser's office, is key to supporting Russell's continued growth and partnership with advisers and dealer groups.

Go-live implementations

In June 2012, Russell implemented its new online investment account, providing advisers and SMSFs easier access to its range of actively managed, multi-asset solutions. The iQ Series was built utilising Sonata, chosen in response to increased demand from advisers for web functionality and real-time access to client accounts.

In March 2012, Russell also implemented Bravura Solutions' ePASS online superannuation solution to facilitate the delivery of straight through processing to one of Australia's industry funds

for rural and regional Australia. The implementation enabled Russell to offer its clients efficient, flexible and leading technology, allowing more than 40,000 employers to lodge contributions which can be processed straight through to the underlying administration system, leading to significant back office efficiency gains.

In August 2011, leading fund manager, Australian Ethical Investment (AEI), implemented the unit pricing and asset management functionality of Bravura Solutions' Garradin software. Consolidating its asset management, unit pricing and general ledger functions into Bravura Solutions' Garradin system eliminated the administrative burden of reconciling numerous systems, allowing AEI to benefit from simplified daily unit pricing processes, and decreasing levels of risk in its investment management system.

UPGRADES

Wealth Management

In APAC, three Garradin clients made upgrades to their existing version to benefit from various enhancements. In addition, four ePASS clients have either completed, or are currently in the process of completing upgrades and two Talisman clients upgraded to the latest product version.

For our legacy products Calibre, SAS and SuperB, a number of changes were made due to legislative requirements, continuing a long history of ensuring clients are able to comply with ever changing legislation and regulation. 18 Calibre, two SAS and 23 SuperB clients undertook upgrades.

Transfer Agency

In EMEA, three GFAS clients upgraded during the financial year to benefit from various enhancements. For Rufus clients, 15 upgrade projects and new developments were undertaken, including migrations, product enhancements and new product implementations.

The first release of Babel 6 was implemented for three clients, while for a further two clients, a Calastone

STP messaging implementation and a Babel implementation using NSCC via Connect Direct were undertaken.

The Operational Data Store (ODS) product was also taken into production for one major client.

PEOPLE

Bravura Solutions now has more than 700 employees in 16 offices across ten countries. It is the dedication and hard work of our teams around the world that enable us to deliver with the success that we do.

In last year's annual report, I outlined that FY2012 would be a year of investment in our people. I am pleased to report that we have done just that through a number of programs and initiatives, including managing and developing talent, health and wellbeing, learning and development, and reward and recognition.

Managing and developing talent

As a result of specific company needs and the identification and nurturing of particular talent within the organisation, we made a number of appointments and promotions over the past financial year.

In November 2011, Roland Slee was appointed as the Managing Director for APAC, responsible for accelerating growth, developing new lines of business, implementing major change programs and leading merger and acquisition activity in the region.

Additional senior appointments included a Global Head of Change, a Global Strategy, Risk and Planning Manager, a Head of Professional Services for Australia and a Head of Portfolio Solutions (Garradin).

We also made a number of Product Manager and Product Consultant appointments around our renewed and heightened focus on our product strategy and roadmap.

Finally, we set up a new Propositions Team focused on capitalising on transfer agency and platform market

opportunities, to widen our customer base and identify future growth prospects. In an industry that is being transformed by a changing regulatory landscape and consolidation, the team is tasked with integrating market trends and customer insight into future product innovation and strategy. Heading up the team is Nick Parsons, who also now has overall responsibility for business development in the EMEA region.

Health and wellbeing

Just over a year ago, we launched our Employee Assistance Program to enable staff access to a confidential counselling service. We will continue to provide this as an employee benefit.

Learning and development

We have increased the learning and development programs facilitated throughout the year, undertaking technical training within our development teams, presentation skills courses and furthering our project management capability. Overall, we have put a significant number of our employees through various training courses.

For the second consecutive year, we undertook a number of employee feedback sessions across offices in both regions. These 'temperature checks' are a chance for us as an employer, to understand what our most important asset, our people, believe that we do successfully and importantly, how we can improve. These forums are invaluable as a means of harvesting our employees' thoughts and ideas in order to shape our future.

Reward and recognition

Launched in 2010, this is the second year that our Bravo reward and recognition program has been running. We were pleased to have provided over 30 people with an award this year; rewarding employees for instances of exceptional effort or performance.

We are extremely proud of our team, their focus and their drive to serve our client base and the industry. I would like to sincerely thank everyone for their

hard work and dedication over the past year, and look forward to continuing to work with you all.

PARTNERS

Bravura Solutions has maintained its existing partnerships over the past financial year. We continue to partner with companies including Calastone, Experian QAS, FINCAD, i-Financial, Progress, Sybase and Thunderhead for third party software components delivered as part of our applications.

We retain our status as a Microsoft Certified Partner, IBM PartnerWorld Member, Oracle Network Partner, and our SWIFT accreditation.

OUTLOOK

It has been a very exciting year for me as your CEO. Having achieved strong and robust financial results that we are very proud of, developed rich and deep functionality into our product offerings, and gained valuable insight into our markets and clients, I am enthusiastic about our future.

We will continue to focus on the accelerated adoption of Sonata as the wealth management application of choice for key players in European markets, and anticipate global growth driven by legislative changes. Specifically, by positioning Sonata as a key strategic application with our major blue chip administration clients, we intend to leverage off their success and attract new clients to their wealth management administration services, mirroring the success we have experienced in the European transfer agency market. In order to support this anticipated growth, we have increased our sales resources and delivery capability appropriately to cover the needs of our existing and future client base.

We expect to continue to witness increasing levels of demand for life insurance administration applications in multiple geographic markets, particularly Asia, and are confident that Sonata is well suited to industry needs, evidenced by the early success of New Zealand-based client Partners Life.

We will continue to focus on cost management through further investment in our Indian and Polish operations, as we gain further productivity, efficiency and flexibility benefits that allow us to support the implementation and delivery needs of our wealth management and transfer agency solutions over the coming financial year.

We also expect increasing interest in our application hosting capabilities, both in Europe, where we currently manage most of our UK clients under this arrangement, and extended to Australia and New Zealand where this is now available. As we continue our discussions with clients around our capabilities, we are enthusiastic about early signs of interest.

We will continue to invest in our processes, procedures, products and people to ensure that we deliver the highest possible level of business applications, implementations and service to our growing client base.

Thank you to all our employees, the Executive Team and the Board of Directors for their hard work, dedication and guidance during this last year. I look forward to working with you all as we remain firmly committed to growth.



Tony Klim
CEO and Managing Director



EXECUTIVE TEAM

People are core to the success of any organisation. Bravura Solutions is pleased to introduce you to our leadership team.

TONY KLIM

Chief Executive Officer and Managing Director

Tony is responsible for the strategic direction of the Company and leading the executive team.

Tony's previous role with the Company was as the CEO for EMEA, where his key responsibility was achieving new business financial targets in the Europe, Middle East and Africa (EMEA) region. He has been with Bravura Solutions since February 2008.

Tony has over 29 years of experience in the international financial services industry, specifically driving growth software industries in the United Kingdom and international markets.

Prior to joining Bravura Solutions, Tony worked as a strategic consultant in the financial services sector, specialising in high-growth businesses and internet banking and payment systems. Tony also undertook a number of strategic advisory and management roles for major international banks, life insurance companies and technology businesses. He has previously held a number of board positions at both an executive and non-executive level, including Managing Director for the United Kingdom operations of Marlborough Stirling Group.

REBECCA NORTON

Chief Financial Officer

Rebecca is responsible for all finance, legal, IT, human resources and corporate marketing functions across the group. She is also responsible for implementing and supervising internal controls, corporate advisory issues and the Project Management Office (PMO). She has been with Bravura Solutions since April 2009.

Rebecca has over 19 years of finance experience in the information technology industry throughout Australia, New Zealand, Asia and Europe, with expertise in the financial, operational and change management arenas.

Prior to joining Bravura Solutions, Rebecca had a dual role as the Chief Financial Officer and Chief Operations Officer of the Business Objects Asia Pacific division of SAP. Before this, she held numerous other senior positions within Lexmark International, Oracle and other organisations throughout the course of her career.

ANDY CHESTERTON

Chief Operating Officer – Global Transfer Agency

Andy is responsible for all operational functions across the Transfer Agency division. He has been with Bravura Solutions since it acquired the Rufus division of the (then) Bank of New York in December 2006.

Andy has over 25 years of experience in the finance industry, working with many leading financial organisations in a development and operational capacity.

Andy held various senior roles in The Bank of New York's (now The Bank of New York Mellon) Retail Funds Services and Retail Funds Software House divisions. Andy joined the Retail Funds Software House division in 2000 as the Head of Development and was previously responsible for Custody and Treasury development teams at SG Warburg.

JASON TONG

Chief Operating Officer – Global Wealth Management

Jason is responsible for all operational functions across the global Wealth Management division. Jason joined Bravura Solutions in 1998 as part of the Company's acquisition of the Tacit Group, where he was Chief Operating Officer.

Jason has more than 17 years of experience in software development and services provision, specifically within the financial services industry.

Prior to joining Bravura Solutions, Jason held a number of executive roles within Tacit before becoming its Chief Operating Officer, including running product development and opening and running Tacit's Melbourne operations.

NICK PARSONS

Business Development Director – EMEA

Nick is responsible for leading the sales and propositions teams tasked with identifying and developing new business opportunities in the EMEA region. Prior to taking up this role, Nick was Chief Technology Officer (CTO) for Bravura Solutions and he retains some of his previous responsibilities, which include defining the Company's evolving IT vision and strategy across the product range. He has been with Bravura Solutions since July 2007.

Nick has more than 27 years of experience in the IT industry, specialising in financial sector solutions for fund managers and third party administrators.

Prior to joining Bravura Solutions, Nick was the CTO for DST International Limited (DSTi), where he was responsible for driving technical innovation across a diverse product range and implementing a number of complex global projects.

DARREN STEVENS

Head of Product – Global Wealth Management

Darren is responsible for the strategic direction of the Company's suite of Global Wealth Management software solutions, as well as the management of the organisation's research and development program. Darren has been with Bravura Solutions since 2007.

Darren has over 26 years of experience in the financial services sector.

Prior to joining Bravura Solutions, Darren held a number of senior executive positions with ING Australia, Tower Australia and global actuarial consulting firms.

ROLAND SLEE

Managing Director – APAC

Roland is responsible for accelerating growth, developing new lines of business, implementing major change programs and leading merger and acquisition activity in the region. He joined the company in November 2011.

Roland has 20 years of experience in financial services IT, having held positions in consulting, sales and management in Europe and Asia.

Prior to joining Bravura Solutions, Roland was a Vice President with Oracle Corporation, where he held a variety of senior sales and marketing positions in Oracle's database, middleware and industry solutions divisions.



PRODUCT REVIEW

Bravura Solutions delivers innovative financial software solutions for superannuation and pensions, life insurance, investment, private wealth & portfolio administration, transfer agency and financial messaging. Our solutions are delivered on premise or on demand.

WEALTH MANAGEMENT SOLUTIONS

SONATA - LIFE, TRUST, WRAP AND SUPERANNUATION ADMINISTRATION

Product overview

Sonata is Bravura Solutions' flagship wealth management application suite for investment and policy administration. It provides a single solution with coverage of life insurance, trust, pension, superannuation and wrap platforms.

Sonata incorporates more than 15 years of comprehensive product functionality from Talisman, combined with the benefits of modern technology architecture. It is a comprehensive end-to-end solution including web access, workflow management and real-time straight-through-processing.

Sonata also incorporates an online adviser portal that provides real-time quotations and policy applications.

Product development

Sonata has continued to evolve as planned over the last 12 months with regular releases to enhance and extend capabilities now covering superannuation and pensions, trusts and funds, platforms and life insurance. With a number of major and regular minor releases during the year, thanks to the implementation of the advanced

Agile development approach, Sonata has been delivering capability for all key geographic markets.

A major focus during the period has been the certification of functionality to support UK wrap products incorporating UK tax wrappers. To support our strong position in the KiwiSaver market in New Zealand, Sonata development has also been focused on supporting KiwiSaver products to the same level as our Talisman offering to provide a future-proofed migration for clients over time to Sonata.

In the Australian market our heritage clients can now begin to move to Sonata as we have demonstrated support for defined benefit funds in addition to the defined contribution products we already support.

Future development for Sonata will focus on extending capabilities for the Australian and UK wrap markets including direct to consumer web capabilities, supporting Australian and UK legislative changes (Stronger Super, FoFA and RDR), corporate actions processing and individual and separately managed account functionality.

GARRADIN - PRIVATE WEALTH AND PORTFOLIO ADMINISTRATION

Product overview

Garradin is a private wealth and portfolio administration system. It is a comprehensive, multi-currency investment management system with integrated asset management, registry and tax management functions. It is a fully modular solution that can be deployed across multiple sectors including retail wealth management platforms (such as wraps, master trusts and managed accounts), wholesale investment management, registry and mutual funds, and custody.

The platform covers wrap, custodial services, fund managers, private client and third party administrators of high net worth wealth solutions.

Product development

Garradin significantly increased its capability and ensured regulatory compliance for our clients with the release of v12.0 in October 2011. Promised enhancements that were delivered with this release included broader support for deceased estates and trust operations, Microsoft™ CRM integration, support for Taxation of Financial Arrangements (TOFA) regulations and enhancements to the tax engine to support, amongst other things, complex tax entity structures, tax aggregation and tax optimisation across these structures.

PRODUCT EVOLUTION WITH **SONATA**

NOW COVERING
SUPERANNUATION AND
PENSIONS, TRUST AND
FUNDS, PLATFORMS AND
LIFE INSURANCE

ENHANCEMENTS IN **GARRADIN**

TO ACCOMMODATE
ENHANCED TAX ENGINE
SUPPORT AND REGULATION

CONTINUOUS DEVELOPMENT OF **TRANSFER AGENCY APPLICATIONS**

WITH ENHANCED PRODUCT
FUNCTIONALITY

Development has been continuing though the year for the next release of Garradin to accommodate the business demands of our clients. Particular focus is being made on scaling up system performance to meet increased business volumes experienced by our clients. Additional development is going into broadening the systems asset coverage to include interest rate swaps and OTC FX options. Enhanced support for short selling will also be incorporated in the next release.

ePASS - SUPERANNUATION eBUSINESS

Product overview

ePASS is a comprehensive enterprise eBusiness application for superannuation. It allows fund providers and administrators to deliver online services to employers, members and advisers. It can also be used to deliver online services to the financial service providers' remote or mobile staff.

ePASS is a single online service that can be used across a range of different savings and retirement products, including accumulation and defined benefit superannuation, various retirement and pension products and other investment products.

ePASS has a proven track record of providing clients with tangible efficiency gains and increased levels of member engagement. An adaptable solution, ePASS can accommodate the needs of small industry funds through to large retail or public sector funds.

Product development

In the continually evolving and competitive landscape of the Australian superannuation market, the twin obsessions of how to better engage and enable your client base and how to do this in the most efficient and cost effective way continued to drive ePASS development this year.

Dealing with the demands of clients with their 'always on' expectations has driven further enhancements to ePASS mobile capabilities. Advanced capabilities will allow clients to access account balances, investment information and transaction summaries to name a few. Not only will these improved capabilities increase engagement but they will reduce reliance on call centre staff.

Marketers will also benefit from increased marketing campaign capabilities that will now integrate with web and SMS delivery channels. The improved campaign wizard is easier to use and improves the ability to segment and target different clients with appropriate information.

Competition is always driving out greater efficiencies and ePASS will be helping this cause with a range of new features to reduce the effort to complete and streamline common processes. Employers will now be able to self-register online thus freeing up call centre staff, and advanced file management will improve super contribution file handling to a point where a process that used to take days can now be completed in a matter of minutes.

As compliance with Stronger Super reforms roll out over the next 12 months, we will increase our effort during this period to support client transition.

TALISMAN - LIFE INSURANCE, INVESTMENT AND RETAIL SUPERANNUATION ADMINISTRATION

Product overview

The Talisman solution incorporates functional modules for end-to-end investment and policy administration for the Asia Pacific, South African and UK markets. Talisman supports the full administration lifecycle, from contributions and transacting, through to customer servicing and reporting. Talisman can be configured in many ways without the need to change or build program code.

The TalisLife module supports the complete range of life insurance products including life, trauma, disability, traditional business and unit linked life, while the TalisTrust and TalisPension modules support a full range of funds management products including Australian superannuation, New Zealand KiwiSaver and UK wrap products.

Talisman will continue to be supported as a separate solution and will be maintained for our existing client base until they choose to move to Sonata.

PRODUCT REVIEW

Product development

Bravura Solutions will work to ensure compliance with all relevant legislative changes including from the Australian Government Stronger Super Reforms.

HERITAGE SOLUTIONS

SuperB, SAS AND CALIBRE – SUPERANNUATION

SuperB, SAS and Calibre are legacy superannuation products that will continue to be maintained for existing clients to accommodate legislative, compliance and efficiency enhancements.

Bravura Solutions has now developed the Sonata platform to provide a market leading solution for our heritage clients' longer-term needs.

TRANSFER AGENCY SOLUTIONS

GFAS, GTAS AND RUFUS – TRANSFER AGENCY

Product overview

Bravura Solutions' core suite of transfer agency (TA) applications provide record keeping and distribution support technology, combined with extensive industry knowledge to deliver cross-border platforms to leading fund management companies and third party administrators (TPAs).

Acknowledged for their scope and quality, the platforms support the administration requirements for a wide range of vehicles domiciled in Europe and distributed globally. These include, but are not limited to, UCITS compliant vehicles such as SICAVS, OEICS and other umbrella structures, as well as unit trusts, cash, constant and variable NAV money market funds and investment trusts.

Extensive functionality including multi-currency, integrated FX processing, flexible reporting, multi-language and real-time access enables support of the major fund domiciles in the UK, Luxembourg, Ireland, the Channel Islands, Hong Kong and Singapore. Our client base includes some of the largest administrators and fund managers in Europe.

The platforms are maintained by a team of over 400 professionals that provide initial implementation consultancy and ongoing support. Full software hosting services are available that include infrastructure support, database administration and provision of disaster recovery facilities.

Product development

A continuous program of development over the last twelve months has seen enhancements and new launches, as we strive to offer improved services to clients. Highlights have included:

- > Launch of an offshore multi-currency fund supermarket
- > Launch of first German domestic TA service
- > Enhanced CDSC processing
- > Three large client migration exercises
- > Introduction of direct connectivity with NSCC-DTCC
- > Enhancements as part of UCITS IV (KIID) requirements
- > First phase of RDR advisor charging functionality

As we approach the implementation dates for a number of new regulatory requirements, the next 12 months will see our clients' priorities continue to focus on this area. Key developments will include:

- > Foreign Account Tax Compliance Act (FATCA) - US Internal Revenue Service (IRS) requirements for identifying investors with US indicia and recording receipt of W08/W09 IRS forms

- > UCITS IV - tracking whether specific individual investors require the Key Investor Information Document (KIID) to be provided by the fund promoter and prompting, where required, for confirmation that the KIID has been provided prior to dealing or regular investment setup.

There are still open questions around the legislative framework that need to be clarified. This is illustrated by the US government recently issuing updated FATCA regulations which include less onerous requirements for a small group of countries (UK, France, Germany, Italy and Spain), that have entered into a specific multi-lateral agreement with the US. Unfortunately they have retained a more onerous regime for countries outside this group. For international multi-domicile TAs and systems providers it will be necessary to support both regimes.

BABEL – STP FINANCIAL MESSAGING

Product overview

Babel is Bravura Solutions' STP messaging technology, an automated end-to-end solution that connects message providers with any distributor platform and transfer agency back office system, providing seamless communication and functionality. The Babel platform supports all the major industry message service providers including Vestima, Calastone, Euroclear, NSCC and EMX. It can also process any message transmission medium format and currently integrates with Bravura Solutions' industry-leading transfer agency (TA) solution suite, as well as a wide range of proprietary third-party TA systems and order management solutions.

Designed to improve accuracy through increased automation, Babel minimises the burden of manually processing requests, reducing errors and mitigating risks, whilst providing improved customer service and engagement with investors.

A recently implemented major upgrade of Babel offers an improved user experience and significant new features that meet the demanding needs of an industry where STP is becoming the preferred method of communication between administration systems (transfer agents or platforms), with clients seeing double digit increases in STP volumes year-on-year.

Product development

In 2011, the upgraded Babel platform saw its first client go-live. The platform now provides an enhanced user interface with lifecycle status, intervention alerts and exception processing for increased transparency, monitoring and intervention. Advanced reporting capabilities allow for improved insight and intelligence for more informed decision making, whilst the higher capacity and scalability now allows for larger volumes of business transactions, managing unexpected spikes with minimal operational impact.

Bravura Solutions continued to boost Babel's STP capabilities with direct connectivity to The Depository Trust and Clearing Corporation (DTCC). This connectivity offers Bravura Solutions' clients quick and efficient access to DTCC's subsidiary network, the National Securities Clearing Corporation (NSCC) and high speed message transfer services in the US.

In addition to the Babel upgrade launch client, a further two clients upgraded during the last 12 months. 2012/13 will see a further two clients move onto the new platform.

In the UK, a recent Government consultation has been launched to solve a key challenge facing the workplace pensions system: the proliferation of small pension pots. It is anticipated that automatic enrolment will lead to around 4.7 million additional small pension pots. The burden of these small pots is compounded by the fact that systemic

barriers, like cost and complexity, prevent people from moving and consolidating their pensions into one place. A joint industry working party has been formed to find an agreed approach and Bravura Solutions will continue to monitor the opportunities for Babel.

Opportunities are also being explored in Australia with the SuperStream superannuation initiative being implemented by the government over the next 18 months. The Phase 1 Prototype has been developed and demonstrations are now underway with potential clients.

taWeb - DISTRIBUTOR FOCUSED PORTAL

Product overview

Bravura Solutions' taWeb solution is a dedicated portal for third-party administrators, fund managers and their distribution communities, providing real-time, online access to consolidated investor transactional data across multiple back-office systems.

Fund distributor and transfer agent networks can be large and complex, with fragmented data sources, inefficient legacy systems and high operating costs. The taWeb portal offers operational efficiencies for distributors, providing a simple-to-use, self-service portal, to view and operate their clients' investment accounts across multiple management companies.

Product development

The last six months have seen the portal selected by a client for implementation. It is expected to go-live with the solution in the third quarter of this year. Functionality for the first release enables distributors to maintain investor accounts, instruct trades, and view holding/valuation and transactional data and commission entitlements/payments.

Developments currently underway include an extension of the solution to offer direct retail investor access. A mobile-device enabled version will also be available to meet the growing demand from investors to view data on the move.

OPERATIONAL DATA STORE (ODS)

Product overview

For organisations with multiple operational systems, attempting to combine critical business information presents major formatting, transformation and consistency challenges. Bravura Solutions' Operational Data Store (ODS) is designed to optimise reporting, breaking down isolated silos of information by integrating data from multiple sources in a single structure and without discarding existing core system investment. Its business intelligence layer provides clients with a single, integrated view of consistent, high-quality data across multiple systems - essential for accurate and actionable commercial insight.

Product development

Over the last 12 months, we have built on the first release of the ODS by extending the data range and data entities to increase the scope of functionality as clients use the system as a source for web front-end solutions. Development continues on integrating the ODS with our Talisman wealth management solution.

CORPORATE GOVERNANCE

Bravura Solutions sets out below the extent to which it has followed the ASX Guidelines during the relevant reporting period.

Bravura Solutions Limited (**"Bravura Solutions"**) corporate governance framework is based on the Corporate Governance Principles and Recommendations 2nd Edition with 2010 amendments issued by the ASX Corporate Governance Council (**"ASX Guidelines"**) and has regard to the circumstances of Bravura Solutions.

Bravura Solutions' website also has a dedicated Corporate Governance section under the Investor Centre link providing shareholders with access to Bravura Solutions corporate governance framework of policies and procedures: www.bravurasolutions.com/corporate-governance.

Bravura Solutions sets out in the following the extent to which it has followed the ASX Guidelines during the relevant reporting period.

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

ASX CORPORATE GOVERNANCE RECOMMENDATION 1.1

"Companies should establish and disclose a framework outlining the respective roles and responsibilities of the Board and senior executives."

Role of the Board

The Board is responsible for providing guidance and effective oversight of management on behalf of Bravura Solutions and its shareholders, including:

- > Setting Bravura Solutions' strategic aims from time to time and deciding upon Bravura Solutions' business strategies and objectives;
- > Appointing the leadership to put the aims into effect;
- > Monitoring the operational and financial position and performance of Bravura Solutions;
- > Identifying the principal risks faced by Bravura Solutions and ensuring that appropriate control and monitoring systems are in place to manage the impact of these risks;
- > Ensuring that Bravura Solutions' financial and other reporting mechanisms result in adequate, accurate and timely information being provided to the Board;
- > Ensuring that investors and the market are fully informed of all material developments;

- > Ensuring compliance with all relevant laws, governmental regulations and accounting standards; and
- > Ensuring that the business is conducted openly and ethically.

Functions specifically reserved to the Board are:

- > Overseeing, evaluating and, where appropriate, appointing and removing the Chairman and the CEO, approving other key executive appointments, and planning for executive succession; and
- > Approving budgets and business plans and monitoring the progress of major capital expenditures, capital management and acquisitions and divestitures.

To assist in the deliberations of the Board, it has two sub-committees: Audit Corporate Governance and Risk Management Committee (**"Audit Committee"**) and the Remuneration and Nominations Committee (**"REM Committee"**). Details of each committee are set out in this Report.

Delegation to management

The responsibility for implementing the approved business plans and for the day-to-day operations of Bravura Solutions is delegated to the CEO and Managing Director who, along with the management team is accountable to the Board. The Board approves the delegation of authority which sets out the authority limits for the CEO and Managing Director, and senior management.

The responsibilities and authorities of the Board and management are outlined in the Bravura Solutions Board Charter. The Board Charter is located on the Bravura Solutions website: www.bravurasolutions.com/corporate-governance.

ASX CORPORATE GOVERNANCE RECOMMENDATION 1.2

"Companies should disclose the process for evaluating the performance of senior executives."

Performance management of senior executives is considered essential to the achievement of the key corporate objectives and priorities outlined in business and operational plans and supporting strategies.

All senior executive positions have key performance indicators set in line with corporate target performance objectives. Performance reviews are based upon the senior executive's success primarily in achieving their key performance indicators and other components of their role. Feedback is sought from a number of sources including peers in assessing the senior executive's performance. The reviews are based on that individual senior executive's targets, are regularly monitored and are formally reviewed annually in accordance with the Remuneration and Nominations Committee Charter.

Performance reviews of senior executive positions concluded post the reporting period are in accordance with the process outlined above.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

ASX CORPORATE GOVERNANCE RECOMMENDATION 2.1

"A majority of the Board should be independent directors."

As at the date of this statement, the Board comprises five Directors as follows:

Mr Brian Mitchell	Independent Non-executive Director and Chairman, (term of office 2 years 8 months, <i>appointed 16 December 2009</i>)
Mr Trevor Perry	Independent Non-executive Director (term of office 3 years 5 months, <i>appointed 11 March 2009</i>)
Mr Neil Broekhuizen	Non-executive Director (term of office 2 years 11 months, <i>appointed 8 September 2009</i>)
Mr Tony Klim	Chief Executive Officer (term of office 1 year 3 months <i>appointed 18 May 2011</i>) and Managing Director (term of office 1 year 2 months, <i>appointed on 30 June 2011</i>)
Ms Rebecca Norton	Chief Financial Officer and Executive Director (term of office 1 year 3 months, <i>appointed 9 May 2011</i>)

Independence of the Board

Bravura Solutions considers a director to be independent if the director:

- > Is not a substantial shareholder (five per cent) or an officer of, or otherwise associated (directly or indirectly) with, a substantial shareholder;
- > Has not been employed in an executive capacity by Bravura Solutions or another Bravura Group member in the last three years or been a director after ceasing to hold any such employment;
- > Has not been a principal of a material professional advisor or consultant to Bravura Solutions or another Bravura Group member;
- > Is not a material supplier or customer of Bravura Solutions or another Bravura Group member, or an officer of, or otherwise associated (directly or indirectly) with, a material supplier or customer;
- > Has no material contractual relationship with Bravura Solutions or another Bravura Group member, other than as a director of Bravura Solutions; and
- > Is free from any interests and any other business, or other relationships, which could (or could reasonably be perceived to) materially interfere with the director's ability to act in the best interests of Bravura Solutions.

CORPORATE GOVERNANCE

Mr Brian Mitchell and Mr Trevor Perry are considered by the Board to be independent based on the independence guidelines above.

Ironbridge Capital Pty Limited is the manager of or advisor to Ironbridge Fund II of which Bravura's majority shareholders' Carp Advisory A Pty Limited, Carp Advisory B Pty Limited and Carp Holdings NV (collectively "**Majority Substantial Shareholders**") holding more than five per cent share ownership in Bravura Solutions are either wholly owned subsidiaries or affiliated subsidiaries of Ironbridge Fund II.

Mr Broekhuizen represents the interests of the Majority Substantial Shareholders as a nominee director of Ironbridge Capital Pty Limited. Based on this, Neil Broekhuizen is not considered independent. However, it is considered appropriate by the independent directors that the Majority Substantial Shareholders are represented by a nominee director of Ironbridge Capital Pty Limited.

The Board acknowledges the ASX Recommendation that a majority of the Board should be independent directors, however, the Directors believe they are able to objectively analyse the issues before them in the best interests of all shareholders and in accordance with their duties as Directors. The Board considers that the individual Directors make highly-skilled decisions in the best interests of Bravura Solutions, despite the majority of the Board not being independent directors. To ensure that the lack of a majority of independent directors does not adversely affect the interests of shareholders, a robust conflicts of interest policy referred to below is strictly enforced.

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is set out on page 32 to 33 of this Report.

The period of office held by each of the directors is set out on page 23 of this Report.

Access to Independent Professional Advice

Any director has the right to seek independent legal, accounting or other professional assistance at Bravura Solutions' expense on matters relevant to carrying out their duties as a director. Directors must ensure that the costs are reasonable and must inform the Chairman and seek approval from the Board before such advice is sought.

Conflict of Interest and Related Party Transactions

Directors must disclose to the Board actual or potential conflicts of interest which may exist or might reasonably be thought to exist between their interests and the interests of other parties in carrying out the activities of Bravura Solutions.

To avoid any potential conflict where a director has a material conflict of interest:

- > A director must absent themselves from the room when discussing matters in respect of which they have a conflict (unless otherwise agreed by the other directors). This entry and exit should be minuted;
- > Directors will not be entitled to vote on any matter in which they have a personal interest; and
- > Directors must indicate to the Chairman any potential conflict of interest situation as soon as it arises.

The same requirement exists for related party transactions. Related party transactions include any financial transaction with any Bravura Solutions entity.

These requirements also apply to all senior officers of Bravura Solutions.

ASX CORPORATE GOVERNANCE RECOMMENDATION 2.2

"The chair should be an independent director."

Brian Mitchell, the Bravura Solutions Chairman, was considered independent throughout the relevant reporting period for the reasons set out previously.

ASX CORPORATE GOVERNANCE RECOMMENDATION 2.3

"The roles of the chair and chief executive officer should not be exercised by the same individual."

The structure of the Board is such that the roles of the Chairman and Chief Executive Officer are separated. The two roles were held by different individuals throughout the relevant reporting period.

The Chairman, Brian Mitchell, is a non-executive director and is appointed by the Board under the provisions of Bravura Solutions' constitution. Appointment terms and conditions are documented in a letter of appointment.

The Chief Executive Officer, Tony Klim, is Managing Director and is also appointed by the Board. Appointment terms and conditions are documented as required in a letter of appointment or otherwise in an executive service agreement.

Other non-executive directors are appointed under the provisions of Bravura Solutions' constitution and the appointment terms and conditions documented in a letter of appointment.

ASX CORPORATE GOVERNANCE RECOMMENDATIONS 2.4 AND 8.1

"The Board should establish a remuneration and nomination committee."

Nominations of new directors and remuneration for existing directors, recommended by the REM Committee, are considered by the full Board. The REM Committee's remit is to provide recommendations to the Board on matters relating to the examination of the selection and appointment of director practices of Bravura Solutions including:

- > Composition of the Board and competencies of Board members;
- > Appointment and evaluation of the executive directors;
- > Succession planning for Board members and senior management; and
- > Processes for the evaluation of the performance of the directors.

The names and qualifications of each REM Committee member are set out in the Directors' report on pages 32 to 33. The REM Committee is composed of a majority of independent non-executive directors and has at least three members. The chair of the REM Committee, Mr Trevor Perry, is also considered by the Board to be independent.

The Chief Executive Officer, Tony Klim, has a standing invitation to attend and address the REM Committee.

The number of REM Committee meetings held during the financial year and the attendance by each REM Committee member is set out in the Directors' report on page 34.

Procedure for selection and appointment of new directors

In respect of the selection and appointment of new directors to the Board, the REM Committee:

- > Will initially prepare a description of the role and capabilities required for a particular appointment having regard to its assessment of the necessary and desirable competencies of the Board members;
- > Is responsible for identifying and nominating for the approval of the Board all candidates to fill Board vacancies as and when they arise;
- > Will consider whether or not it is appropriate to seek the external advice of executive search consultants and/or use open advertising in respect of the position;
- > Should ensure that, in support of their candidature for directorship, non-executive directors provide the REM Committee with details of other commitments and an indication of the time involved in respect of those other commitments; and
- > Should ensure that, on appointment, all directors receive a formal letter of appointment or service agreement which clearly sets out what is expected of them in terms of time commitment, committee membership and involvement outside Board meetings.

The REM Committee meets at least twice a year and at such other times as the chair of the REM Committee considers necessary. The REM Committee Charter is located on the Bravura Solutions website: www.bravurasolutions.com/corporate-governance.

ASX CORPORATE GOVERNANCE RECOMMENDATION 2.5

"Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors."

Performance evaluation

The annual review of the Committees' and Board's performance (including individual members) was not performed during the reporting period but was commenced post the reporting period.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

ASX CORPORATE GOVERNANCE RECOMMENDATION 3.1

"Companies should establish a code of conduct and disclose the code or a summary of the code."

Code of Conduct

Bravura Solutions has a code of business conduct and ethics which applies to directors, management and employees and sets out Bravura Solutions' policies in respect of such matters as:

- > Ensuring compliance with financial reporting and laws generally;
- > Corporate opportunities and conflicts of interest;
- > Use of company information and property;
- > Fair dealing with others; and
- > Equal opportunity and anti-harassment.

The Code of Business Conduct and Ethics is located on the Bravura Solutions website: www.bravurasolutions.com/corporate-governance.

CORPORATE GOVERNANCE

Sustainability and Social Responsibility

Bravura Solutions believes that being a good corporate citizen is an essential part of business and evidences this belief through the implementation of sustainability initiatives in those key territories in which it conducts business.

In respect of social responsibility, the Board periodically reviews reports and recommendations by management in respect of community sponsorship, charity donations and relevant social issues such as environmental sustainability.

ASX CORPORATE GOVERNANCE RECOMMENDATIONS 3.2 AND 3.3

"Companies should establish a policy concerning diversity. The Board should set measureable objectives for achieving gender diversity in accordance with the policy."

Bravura Solutions has not established a policy concerning diversity as yet. While Bravura Solutions is not an early adopter of a diversity policy as contemplated by the ASX Guidelines, as part of its commitment to improving gender balance in the workplace, Bravura Solutions has adopted three policies that aim to promote fairness and transparency in the recruitment process by allowing everyone regardless of gender to have an equal opportunity for employment at Bravura Solutions. Those policies are:

- > Recruitment and selection policy;
- > Equal employment opportunity policy; and
- > Referral policy.

Bravura Solutions recognises the importance of increasing gender diversity. During the last reporting period there were six women hired out of 20 total new hires in Australia. Clear communication with Bravura Solutions' preferred panel of agencies ensures it

attracts the best candidates in order to seek out a balanced portfolio of applicants for all positions.

The Board has not set any measurable objectives for achieving gender diversity during the past period.

ASX CORPORATE GOVERNANCE RECOMMENDATION 3.4

"Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board."

The Board has five members with one member being female.

Across all Bravura Solutions countries the current gender split is as follows (Bravura Solutions had 561 full time equivalent roles as at 30 June 2012):

	Female	Male
All employees	121	440
Senior Executives	1	6
Managers	19	90

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

ASX CORPORATE GOVERNANCE RECOMMENDATIONS 4.1 AND 4.3

"The Board should establish an audit committee with a formal charter."

The Audit Committee has a formal charter which is available on Bravura Solutions' website: www.bravurasolutions.com/corporate-governance. The charter sets out the responsibilities of the Audit Committee, its membership criteria and the manner in which the Audit Committee provides assistance to ensure the Board:

- > Fulfills its audit, accounting and reporting obligations;
- > Monitors the performance and independence of Bravura Solutions' auditors;
- > Monitors compliance with applicable accounting standards and other requirements relating to the preparation and presentation of financial results;
- > Fulfills its responsibilities relating to financial statements, internal accounting and financial control systems;
- > Ensures best practice is achieved as far as possible in the implementation of corporate policies and risk management processes; and
- > Ensures appropriate corporate governance structures are established and maintained for all entities in the group.

The Audit Committee meets at least four times a year and reports regularly to the Board.

The Audit Committee has direct access to any employee, the external auditors or any other independent experts and advisers as it considers appropriate in order to ensure that its responsibilities can be carried out effectively.

The Board has overall responsibility for ensuring that there is a sound system of risk management and internal compliance and control across the business. Specific monitoring and evaluation of these processes and frameworks are delegated to the Audit Committee.

The names and qualifications of each Audit Committee member, for the period 1 July 2011 to 30 June 2012, are set out in the Directors' report on pages 32 to 33.

The number of Audit Committee meetings held during the financial year and the attendance by each Audit Committee member is set out in the Directors' report on page 34.

ASX CORPORATE GOVERNANCE RECOMMENDATION 4.2

"The Audit Committee should be structured so that it consists only of non-executive directors; consists of a majority of independent directors, is chaired by an independent chair, who is not a chair of the Board and has at least three members."

Throughout the relevant reporting period the Audit Committee comprised three members including two independent non-executive directors (being Mr Trevor Perry, chair of the Audit Committee and Mr Brian Mitchell) and one non-executive director, Mr Neil Broekhuizen.

The majority of the Audit Committee are independent directors, consistent with the ASX Recommendation.

To avoid any potential conflict, Audit Committee members must abide by the conflicts policy outlined above. The policy is strictly enforced.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

ASX CORPORATE GOVERNANCE RECOMMENDATIONS 5.1 AND 5.2

"Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and ensure accountability at a senior executive level for that compliance."

Bravura Solutions is committed to:

- > Ensuring that shareholders and the financial market are provided with timely disclosure about its activities;
- > Full compliance with continuous disclosure obligations contained in the ASX Listing Rules and the Corporations Act 2001; and

- > Ensuring that all investors have equal and timely access to material information concerning Bravura Solutions.

Bravura Solutions has adopted a Continuous Disclosure and Financial Markets Communication Policy designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance.

The Continuous Disclosure and Financial Markets Communications Policy is located on the Bravura Solutions website at: www.bravurasolutions.com/corporate-governance.

The guiding principle of that Policy is that Bravura Solutions must immediately notify the market via an announcement to the ASX of any information concerning Bravura Solutions that a reasonable person would expect to have a material effect on the price or value of the securities of Bravura Solutions.

All information released to the ASX pursuant to Bravura Solutions' continuous disclosure obligations will be posted on Bravura Solutions' website as soon as possible following disclosure to the ASX.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

ASX CORPORATE GOVERNANCE RECOMMENDATION 6.1

"Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy."

Bravura Solutions is committed to transparency and quality in its communication to shareholders about the company and its management. Information is communicated to shareholders through ASX announcements, the distribution of the Annual Report and other communications as required. All significant information is posted on Bravura Solutions' website as soon as possible, following disclosure to the ASX.

Shareholders can elect to receive all communications electronically or not to receive some communication material by contacting the share registry.

The Continuous Disclosure and Financial Markets Communications Policy is located on the Bravura Solutions website at www.bravurasolutions.com/corporate-governance and facilitates the timely disclosure of information to shareholders in compliance with Bravura Solutions' continuous disclosure obligations.

Annual General Meeting (AGM)

All shareholders are encouraged to attend and/or participate in Bravura Solutions' AGM. Shareholders can attend in person or send a proxy as their representative. All directors and senior executive management as appropriate will attend the AGM, along with the external auditor.

Briefings

Bravura Solutions may hold open briefings (i.e. where all relevant members of a group are invited) with institutional investors and/or stockbroking analysts to discuss information that has been released to the market. Bravura Solutions will advise the market in advance, via the ASX and on Bravura Solutions' website, of any open briefings to be held.

CORPORATE GOVERNANCE

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

ASX CORPORATE GOVERNANCE RECOMMENDATIONS 7.1, 7.2 AND 7.3

"Companies should establish a sound system of risk oversight and management and internal control."

Bravura Solutions views effective risk management as key to achieving and maintaining its operations and strategic objectives. The Board of Bravura Solutions is responsible for approving and reviewing the risk management strategy and policy of the Company. The active identification of risks and implementation of mitigation measures is the responsibility of management.

The Audit Committee and Bravura Solutions' risk personnel are dedicated to managing risk issues including risk policies, monitoring risk dashboards and coordinating general risk matters.

Each business unit is required to formally profile its risk environment. This involves the regular identification of key risks, assessment of control design and operation, and evaluation of key risk indicators. The outcomes of each risk profile are aggregated for risk reporting to the Audit Committee, which in turn reports those findings to the Board.

Bravura Solutions confirms that the reporting of the risk profile and material risks was in compliance with the Risk Management Framework Policy.

The responsibilities of the Audit Committee in respect of risk management include:

- > Ensuring a Group risk management plan is established and documented;
- > Assessing the Group risk management plan for adequacy and ensuring that it continues to be appropriate;

- > Overseeing the strategies and procedures used to identify and evaluate principal risks and their potential impact to the Group;
- > Reviewing management's plans for mitigation for the material risks faced by the various business units of the Group;
- > Monitoring the effectiveness of the formal and informal communication of these strategies, frameworks, policies, procedures throughout the Group;
- > Receiving and evaluating reports from management concerning the risk implications of existing, new and emerging risks and the planned controls and initiatives, in order to monitor or mitigate these risks;
- > Making recommendations to the Board concerning the Group's risk appetite and particular risks or risk management practices of concern to the Audit Committee; and
- > Evaluating the ongoing effectiveness and independence of risk management functions.

The full Audit, corporate governance and risk management Committee charter is available on Bravura Solutions' website at www.bravurasolutions.com/corporate-governance.

CEO and CFO Assurance

The Board receives regular reports about the financial condition and operational results of Bravura Solutions and its wholly owned subsidiaries.

The Board has received and considered an annual certification from both the CEO and the CFO in accordance with section 295A of the Corporations Act 2001 stating that:

- > The financial records of Bravura Solutions for the financial year have been properly maintained in accordance with section 286 of the Corporations Act;
- > The financial statements and the notes referred to in section 295(3) (b) of the Corporations Act for the financial period comply with the accounting standards and other

mandatory professional reporting requirements;

- > The financial statements and notes for the Financial Period give a true and fair view of the financial position and performance of Bravura Solutions in accordance with section 297 of the Corporations Act; and
- > The risk management and internal compliance and control systems which implement the policies adopted by the Board in relation to financial reporting risks are sound, appropriate and operating efficiently and effectively in all material respects.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

ASX CORPORATE GOVERNANCE RECOMMENDATIONS 2.4, 8.1 AND 8.2

"The Board should establish a remuneration committee and the remuneration committee should be structured so that it consists of a majority of independent directors; is chaired by an independent chair and has at least three members."

The names and qualifications of each REM Committee member are set out in the Directors' report on page 23, and pages 32 to 33. The REM Committee does comprise a majority of independent non-executive directors and has at least three members. The chair of the REM Committee, Mr Trevor Perry, is also considered by the Board to be independent. The Chief Executive Officer, Tony Klim, has a standing invitation to attend and address the REM Committee.

The number of REM Committee meetings held during the financial year and the attendance by each REM Committee member is set out in the Directors' report on page 34.

The role of the REM Committee is to provide recommendations to the Board on matters including:

- > Appropriate remuneration policies and monitoring their implementation with respect to executives, senior managers, non-executive directors and other key employees;
- > Incentive schemes designed to enhance corporate and individual performance;
- > Retention strategies for executives and senior management;
- > Composition of the Board and competencies of Board members;
- > Appointment and evaluation of the executive directors;
- > Succession planning for Board members and senior management; and
- > Processes for the evaluation of the performance of the directors.

The REM Committee will meet at least twice a year and at such other times as the chair of the REM Committee considers necessary.

The REM Committee Charter is available on the Bravura Solutions website at: www.bravurasolutions.com/corporate-governance.

ASX CORPORATE GOVERNANCE RECOMMENDATION 8.3

"Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives."

Bravura Solutions distinguishes the structure of non-executive directors' remuneration from that of executive directors and senior executives. Comprehensive information on the remuneration policies and practices for non-executive directors, executive directors and key executives is contained in the Remuneration report in the Directors' report on pages 34 to 43.

financial report

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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2012

The directors present their report on the consolidated entity (referred to hereafter as the consolidated entity) consisting of Bravura Solutions Limited ("Bravura") and the entities it controlled at the end of, or during, the year ended 30 June 2012.

DIRECTORS

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

- > Brian Mitchell
- > Trevor Perry
- > Neil Broekhuizen
- > Rebecca Norton
- > Tony Klim
- > Matthew McLellan
(Resigned 15 July 2011)

PRINCIPAL ACTIVITIES

During the year the principal continuing activities of the consolidated entity consisted of the provision of professional consulting services and the development, licensing and maintenance of highly specialised administration and management software applications for the Transfer Agency and Wealth Management sectors of the financial services industry.

DIVIDENDS - BRAVURA

No dividends were paid during the year (2011: nil). There have been no dividends declared or proposed during the financial year and up to the date of this report.

REVIEW OF OPERATIONS

Revenue for the FY2012 was \$126.8 million which saw an increase of 4.6% over the prior year. This increase was due to a mix of spend within the existing installed base and renewal of a significant United Kingdom (UK) customer which included additional licence fees for extending the use of Rufus. FY2012 continued to be significantly impacted by exchange rates that had an overall effect of decreasing revenue by \$4.9 million.

Had the exchange rate from FY2011 remained constant, the revenue increase would have been 9.0%.

Licence fee revenue included renewals of contracts across both Wealth Management and Transfer Agency in the UK and Australia.

Operating costs continued to decline as a percentage of revenue as we continue to utilise resources in low cost countries and control discretionary spending where appropriate.

The consolidated entity continues to invest in research and development, with the majority of the spend on our next generation software, Sonata. The total spend during FY2012 was \$8.5 million (FY2011: \$7.1 million), of which \$4.8 million was capitalised as intangible assets (FY2011: \$1.4 million).

The consolidated entity's financial position continued to strengthen with total borrowings declining again this year and overall net current asset position excluding debt facilities turned positive as at 30 June 2012.

The profit for the consolidated entity after providing for income tax for the year ended 30 June 2012 amounted to \$5.4 million (2011: \$21.1 million loss).

As at 30 June 2012 Bravura employed 712 people (2011: 586 people) staffing 16 offices across Australia, New Zealand, Asia, India, United Kingdom, Europe, Bermuda and South Africa.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

A share buy-back was commenced in September 2011 and has progressed through FY2012 with a total of 61,833,585 shares bought for a total consideration of \$8.7 million. The buy-back will continue until September 2012 or the total 100% available shares are bought, whichever is the earlier. Other significant events include the finalisation of new banking facilities with the Commonwealth Bank of Australia which also represents a new banking partner for Bravura and its

ongoing business (refer to matters subsequent to the end of the financial year below).

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to 30 June 2012, a new debt facility agreement was signed with Commonwealth Bank of Australia (CBA) on 21 August 2012. The term of the new agreement is 3 years. The net current asset position of the consolidated entity would have been \$2.5 million had the total current outstanding Bank of Scotland debt been classified as non-current at year end.

Other than what has been noted above, there have been no matters or circumstances which have arisen since 30 June 2012 that have significantly affected, or may significantly affect:

- a. the consolidated entity's operations or
- b. the results of those operations or
- c. the consolidated entity's state of affairs

in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

ENVIRONMENTAL REGULATION

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

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

Brian Mitchell

Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Marketing Institute, and an Associate Fellow of the Australian Institute of Management.

Chairman and Non-executive Director.

Experience and expertise

Brian Mitchell is a senior executive with over 30 years experience in the IT industry. During this time he has worked for a number of leading information technology companies and has participated and chaired a number of Boards. His experience has been gained from working in the UK, the USA, Australia, and within Asia Pacific. Brian has significant experience in Business Development, Marketing, Sales, and Executive Management.

Most recently Brian was Senior Vice President, Oracle Asia Pacific, responsible for growing Oracle's expanding software and services activities throughout Asia Pacific. His responsibilities included managing overall operations in the region, including leading Oracle's expanding Technology, and Applications software businesses. Previously Brian held the position of Managing Director, Oracle Australia and New Zealand from December 2000 until September 2004.

He has broad experience in the hardware, software and services sectors. Prior to joining Oracle, he held senior positions with organisations including IBM Corporation, as Managing Director for JBA International, as Director for Global Marketing and Software Development for BIS Banking Systems and in a range of roles including Director of Sales and Marketing, and Chief Operating Officer for Digital Equipment Corporation in Australia and New Zealand.

He has participated as a Board member of the IT Skills Hub, and of Emerge CMC, both Australian government sponsored initiatives.

Current directorships with other listed companies

None

Former directorships in last 3 years with other listed companies

None

Special responsibilities

Member of remuneration committee

Interests in shares and options

2,780,884 ordinary shares

Trevor Perry

Non-executive Director.

Experience and expertise

Trevor Perry has more than 30 years of experience in financial services and IT, particularly in the Asia Pacific region. His last role was at Prudential Assurance where as Managing Director for Australasia, he oversaw the successful takeover of NZI in New Zealand and its integration with the local New Zealand Prudential operation.

Prior to his Australasian position, Trevor was the Managing Director of South East Asia for Prudential where he oversaw the establishment of representative offices in China and commenced the process for Prudential's entry into Indonesia.

Current directorships with other listed companies

None

Former directorships in last 3 years with other listed companies

None

Special responsibilities

Chairman of audit and remuneration committees

Interests in shares and options

49,144 ordinary shares

Neil Broekhuizen

CA, B.Sc (Eng) Hons.

Non-executive Director.

Experience and expertise

Neil Broekhuizen has over 20 years experience in the finance industry including the last 15 years in private equity with Investcorp and Bridgepoint in Europe and with Gresham Private Equity and Ironbridge in Australia.

Since co founding Ironbridge in 2003, Neil has helped grow the business into a leading Australasian Private Equity Manager with funds under management of A\$1.5 billion.

Current directorships with other listed companies

None

Former directorships in last 3 years with other listed companies

None

Special responsibilities

Member of remuneration committee and audit committee

Interests in shares and options

Nil

Matthew McLellan

B.Bus.

Non-executive Director.

(Resigned 15 July 2011)

Experience and expertise

Matthew McLellan has more than 11 years of private equity experience. He was a senior executive at Ironbridge Capital from 2005 until 2011.

Current directorships with other listed companies

None

Former directorships in last 3 years with other listed companies

None

Special responsibilities

Member of audit committee

Interests in shares and options

Nil

Rebecca Norton**B.Bus, CPA, GAICD**

CFO, Joint Company Secretary and Executive Director.

Experience and expertise

Rebecca Norton has over 19 years of experience in the information technology industry throughout Australia, New Zealand, Asia and Europe, with expertise in the financial, operational and change management arenas.

Prior to joining Bravura, Rebecca had a dual role as Chief Financial Officer and Chief Operations Officer of the Business Objects Asia Pacific division of SAP. Before this, she held numerous other senior positions within Oracle Corporation in Europe and Asia, and other organisations during the course of her career.

Current directorships with other listed companies

None

Former directorships in last 3 years with other listed companies

None

Special responsibilities

Joint Company Secretary

Interests in shares and options

1,222,276 options

Tony Klim**B.Sc (Physics Hons).**

CEO and Managing Director.

Experience and expertise

Tony Klim has over 29 years of experience in international financial services and has held a number of executive and board positions with private and listed companies focused on technology and outsourcing in support of the international financial services market. He has extensive experience in M&A, and in his previous role he sponsored the acquisition of the UK's leading financial intermediary portal, the Exchange. Over the years, he has been instrumental in the development of new products and services targeted at the independent financial advisor community.

Prior to joining Bravura in February 2008 as the CEO for Europe, Middle East and Africa (EMEA), Tony was a strategic consultant in the financial services sector. He has specialised in high growth businesses, and is a pioneer in internet banking and payment systems. His track record includes a number of strategic advisory and management roles for major international banks, life companies and technology businesses.

Current directorships with other listed companies

None

Former directorships in last 3 years with other listed companies

None

Special responsibilities

None

Interests in shares and options

2,064,166 options

COMPANY SECRETARY**Nigel Liddell****LLB.**

(Appointed Joint Secretary 14 September 2011)

Nigel is the General Counsel and Joint Company Secretary for Bravura Solutions. He qualified as a solicitor in England in 1993 and has nearly 19 years of in-house legal experience. Nigel joined Bravura as Head of Legal EMEA in March 2008 and became General Counsel and Joint Company Secretary in September 2011.

Prior to joining Bravura, Nigel was Director and Group General Counsel of DST International; UK Legal Counsel for GE Capital IT Solutions; Manager, Legal Affairs Europe for Hertz Europe and has held other roles including Secretary for Action Computers, a listed UK company.

Rebecca Norton**B.Bus, CPA, GAICD**

(Appointed Joint Secretary 14 September 2011)

Rebecca has over 19 years of experience in the information technology industry throughout Australia, New Zealand, Asia and Europe, with expertise in the financial, operational and change management arenas. Refer to her full biography previously disclosed under the information on directors.

Nick Geddes**FCA, FCS, CA.**

(Appointed 29 July 2011 and Resigned 14 September 2011)

Nick Geddes is the founder and director of Australian Company Secretaries (ACS). ACS provides company secretarial services to listed and unlisted, public and private companies. Nick is a fellow member of Chartered Secretaries Australia and a fellow member of Institute of Chartered Secretaries and Administrators (UK).

Christine Nicholls**B.Ec, LLB.**

(Resigned 29 July 2011)

Christine Nicholls has over 13 years of in house legal experience in industries including predominantly IT, advanced technology and structured finance. Prior to Christine's appointment as Company Secretary and throughout her appointment, she carried out duties as delegated by the Board as Head of Legal.

Prior to joining Bravura, Christine worked for CSC Australia Pty Limited, a subsidiary of US multinational Computer Science Corporation as in house legal counsel for Asia Pacific and has held other in house roles in Australia and Canada. Christine is also an affiliate member of the Chartered Secretaries Australia Limited.

DIRECTORS' REPORT

MEETINGS OF DIRECTORS

The numbers of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2012, and the numbers of meetings attended by each director were:

	Meetings of committees					
	Full meetings of directors		Audit, Corporate Governance and Risk Management		Remuneration and Nominations	
	A	B	A	B	A	B
Brian Mitchell	11	13	2	3	2	3
Trevor Perry	11	13	3	3	3	3
Neil Broekhuizen	13	13	2	3	3	3
Rebecca Norton*	13	13	0	0	0	0
Tony Klim*	13	13	0	0	0	0

A = Number of meetings attended

B = Number of meetings held during the time the director held office or was a member of the relevant committee during the year

* Not a member of the Audit, Corporate Governance and Risk Management or Remuneration and Nominations Committees.

** Matthew McLellan resigned as a director on 15 July 2011. During that period, there were no meetings of directors or the Audit, Corporate Governance and Risk Management committee which were held.

REMUNERATION REPORT (AUDITED)

This remuneration report outlines the director and executive remuneration arrangements of the parent and the consolidated entity in accordance with the requirements of the Corporations Act 2001 and its regulations. For the purposes of this report, key management personnel (KMP) of the consolidated entity are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the parent and the consolidated

entity, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the parent and the consolidated entity receiving the highest remuneration.

For the purposes of this report, the term 'executive' encompasses the chief executive, senior executives, general managers and secretaries of the parent and the consolidated entity.

The remuneration report is set out under the following headings:

A Individual key management personnel disclosures

B Principles used to determine the nature and amount of remuneration

C Details of remuneration

D Service agreements

E Share-based compensation

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

A. INDIVIDUAL KEY MANAGEMENT PERSONNEL DISCLOSURES

(i) Directors

Brian Mitchell	Chairman
Trevor Perry	Non-executive Director
Neil Broekhuizen	Non-executive Director
Matthew McLellan	Non-executive Director (Resigned 15 July 2011)
Rebecca Norton	Chief Financial Officer (CFO) and Executive Director
Tony Klim	Chief Executive Officer (CEO) and Managing Director

(ii) Executives

Andrew Chesterton	Chief Operating Officer (COO) - Global Transfer Agency
Nick Parsons	Business Development Director (BDD) - EMEA
Jason Tong	Chief Operating Officer (COO) - Global Wealth Management
Darren Stevens	Head of Product (HOP) - Global Wealth Management
Roland Slee	Managing Director (MD) - Asia Pacific (Appointed 1 November 2011)

B. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

Remuneration philosophy

The performance of Bravura depends upon the quality of its directors and executives. To create value, Bravura must attract, motivate and retain highly skilled directors and executives.

To this end, Bravura embodies the following principles in its remuneration framework:

- > Links executive rewards to shareholder value;
- > Provides competitive rewards to attract high calibre executives;
- > Has a significant portion of executive remuneration 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- > Establishes appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration and Nominations Committee

The Board of Directors of Bravura is responsible for determining and reviewing compensation arrangements for the directors and executives. The Board has established a Remuneration and Nominations Committee, comprising non-executive directors.

The role of the Remuneration and Nominations Committee is to:

- > Ensure appropriate policies are in place generally for people management and compensation across the business worldwide;
- > Ensure incentive schemes are designed to enhance corporate and individual performance;
- > Establish retention strategies for executives and senior managers;
- > Approve conditions of employment, including remuneration policy and practice, for the executive directors and senior executives;
- > Review the composition of the Board and competencies of Board members;

- > Ensure appropriate succession planning for Board members, executives and senior managers; and
- > Assess Board performance both at the individual level and for the Board as a whole.

Remuneration structure

The structure of non-executive director and executive remuneration is separate and distinct. The structure for each is set out below.

Non-executive director remuneration

Objective:

The Board seeks to set the aggregate remuneration for non-executive directors at a level which provides Bravura with the ability to attract and retain directors of a high calibre and reflect the demands which are made on, and the responsibilities of the directors.

Structure:

Bravura's constitution and ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting of shareholders. The current aggregate remuneration of non-executive directors as determined at the Bravura's 2011 Annual General Meeting of shareholders is \$800,000 per year.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst the non-executive directors will be reviewed and approved annually having regard to market conditions. If considered appropriate, the Board will consider advice from external consultants when undertaking the review process.

	From 1 July 2011 to 1 July 2012	From 1 July 2010 to 1 July 2011
Base fees		
Chairman	\$200,000	\$200,000
Other non-executive directors	\$75,000	\$75,000

Executive director and executive remuneration

Objective:

Bravura aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within Bravura and so as to:

- > Reward executives and employees for Bravura, business unit and individual performance against targets set by reference to appropriate benchmarks;
- > Align the interests of executives with those of shareholders;
- > Link rewards with the strategic goals and performance of Bravura; and
- > Ensure total remuneration is competitive by market standards.

The Remuneration and Nominations Committee is responsible for determining and reviewing compensation arrangements for the executive directors and the executive team. The Remuneration and Nominations Committee assesses the appropriateness of the nature and amount of remuneration of such executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality executive team.

Structure:

The combination of the following key elements make up an executive's total remuneration package:

- > Fixed remuneration/base pay; and
- > Variable remuneration in the form of:
 - Short-term incentives;
 - Long-term incentives; and
 - Short-term discretionary bonus.

Arrangements for fixed and variable remuneration are established for each executive director and executive by the Remuneration and Nominations Committee. The Committee also reviews the overall remuneration strategy for Bravura and its application by executives to all employees.

DIRECTORS' REPORT

Variable salary is based on a short-term incentive program (STIP) as detailed below. The executive's remuneration may also include options which are dependent on the achievement of performance hurdles and/or service conditions. The grant of such options is subject to Board and Shareholder approval.

Fixed remuneration

The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

Fixed remuneration represents the total employment cost for the executive and consists of base salary, superannuation contributions and other benefits.

Fixed remuneration for executive directors and executives is reviewed annually by the Remuneration and Nominations Committee and the process consists of a review of Bravura's business unit and individual performance, relevant comparative remuneration in the market, and internal and, where appropriate, external advice on policies and practices. The

Committee has access to external advice independent of management.

All employees, including executive directors and executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms, including cash and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue administration costs for Bravura.

Variable remuneration - Short-Term Incentive Program (STIP)

The objective of the short-term incentive program (STIP) is to link the achievement of the consolidated entity's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short-term incentive available is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the consolidated entity is reasonable in the circumstances.

Actual short-term incentive payments granted to each executive depend on the extent to which specific targets set

at the beginning of the financial year are met. The targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non-financial, corporate and individual measures of performance. Typically included are measures such as contribution to Earnings Before Interest Tax Depreciation and Amortisation (adjusted for impairment of intangible assets, fair value gains and losses and corporate transaction costs) (hereafter EBITDA), customer service, risk management, product management, employee attrition rates and leadership/team contribution. These measures have been chosen as they are the key drivers and those elements which are believed to be controllable by the executives that manage the operations of the business. Ultimately all of these measures provide a framework for achieving short-term success and delivering long-term value.

The STIP component, expressed as a percentage of base salary of the executive and key management personnel, varies depending on the grade and the responsibilities of the employee as detailed below.

	%	Example position
CEO	0 - 50	CEO, MD (APAC)
Function Head	0 - 35	CFO, COO, BDD, HOP

The proportion of executives' STIP component between financial and non-financial reasons is as follows:

Performance measure	Proportion of STIP award measure applies to
Financial measure	60%
> EBITDA	
Non-financial measures	40%
> Customer service	
> Risk management	
> Product management	
> Leadership/team contribution	

The aggregate of annual short-term incentive (STI) payments available for executives across the consolidated entity is subject to the approval of the Remuneration and Nominations Committee. Payments made are delivered as a cash bonus in the following reporting period.

STIP pools are created for eligible employees across the Group based on achievement of performance hurdles for

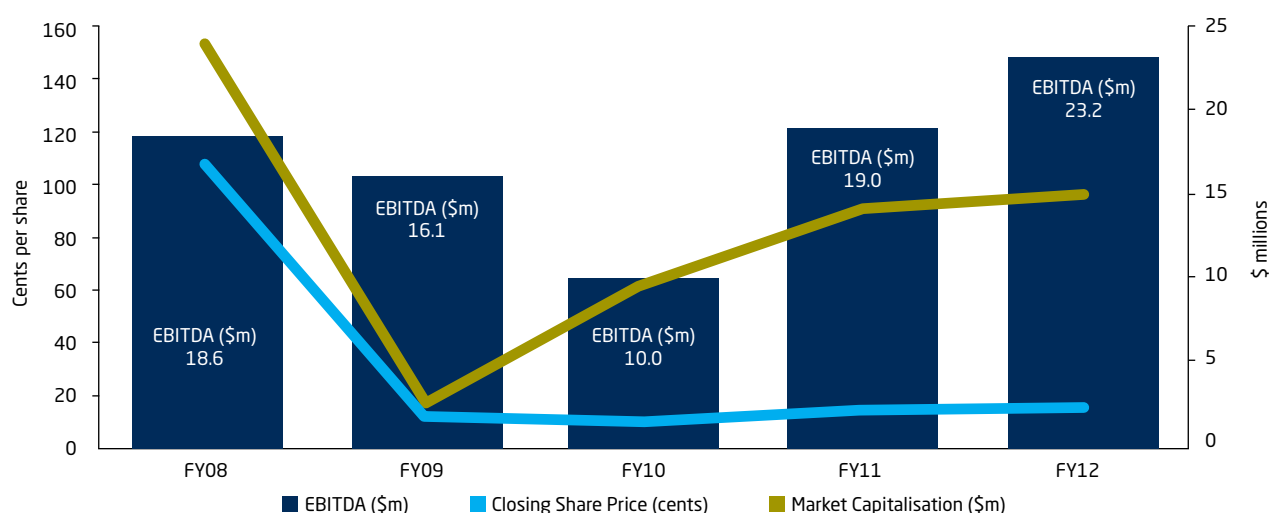
each business unit. A pool of \$3.0 million has been included in the FY2012 results for the STIP group (FY2011: nil).

Once the financial hurdles have been achieved a STIP pool is created for eligible employees and then allocated to each eligible employee as a pro-rata portion of the STIP pool based on their performance in four Key Performance Indicators (KPIs):

- > Business: Financial and commercial targets
- > People & team: People management, retention and engagement targets
- > Client and/or cash: Service delivery targets
- > Professional: Individual targets, developing and delivering expertise

The financial performance measures driving STI payment outcomes is the consolidated entity's EBITDA. The following chart outlines Bravura's EBITDA and market capitalisation over the five year period from 1 July 2007 to 30 June 2012.

Five year share price and EBITDA comparison against market capitalisation



The following table reconciles EBITDA as shown in the previous graph to the net profit or loss after tax as per the Statement of Comprehensive Income in the financial statements.

	FY08 \$'000	FY09 \$'000	FY10 \$'000	FY11 \$'000	FY12 \$'000
Net profit / (loss) after tax	1,568	1,638	(13,239)	(21,093)	5,433
<i>Add backs:</i>					
Tax	1,232	(967)	449	2,174	1,686
Depreciation and amortisation	7,333	9,162	10,052	13,837	13,985
Impairment of intangible assets	650	-	7,684	20,853	-
Finance costs	5,339	4,926	3,241	3,030	2,416
Fair value loss on derivative	1,504	7,066	3,101	1,058	-
Corporate transaction costs	1,466	1,116	1,251	922	-
Other expenses (incl loss on Fixed Assets)	57	95	34	33	1,420
<i>Less:</i>					
Other income	(130)	(5,374)	(2,284)	(1,233)	(1,451)
Other revenue	(406)	(1,562)	(286)	(548)	(290)
EBITDA	18,613	16,100	10,003	19,033	23,199

DIRECTORS' REPORT

For FY2012 certain STIP criteria have been achieved to enable a bonus pool to be created. The amount of the pool and the allocation to employees will be reviewed by the Remuneration and Nominations Committee following the finalisation of the financial year accounts. Following this review the Remunerations and Nominations Committee will provide the appropriate recommendation to the Board of Directors to obtain approval or otherwise for payment during FY2013.

Variable remuneration - Long-Term Incentive Program (LTIP)

Bravura prohibits executives from entering into arrangements to protect the value of unvested long-term incentive awards. This includes entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package. The Board of Directors regularly monitors compliance with this policy.

The Remuneration and Nominations Committee has completed a review of the LTIP, and has approved the plan as outlined below.

The LTIP component, expressed as a percentage of base salary of the executive and key management personnel, varies depending on the grade and the responsibilities of the employee as detailed below:

	%	Example position
CEO	0-35	CEO, MD (APAC)
Function Head	0-25	CFO, COO, BDD, HOP

Bravura operates an ownership-based scheme for senior employees and executive directors of the consolidated entity. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees may be granted options to purchase parcels of ordinary shares at an exercise price as specified below. The terms and conditions of each grant of options affecting remuneration in the previous, this or future reporting periods are as follows:

Grant date	Date vested and exercisable	Expiry date	Exercise price	Value per option at grant date
26 Jul 07	15 Jan 08	15 Jan 12	\$1.88	\$0.306
26 Jul 07	15 Jan 09	15 Jan 12	\$1.88	\$0.284
26 Jul 07	15 Jan 10	15 Jan 12	\$1.88	\$0.281
14 Nov 07	15 Jan 08	15 Jan 12	\$1.88	\$0.397
14 Nov 07	15 Jan 09	15 Jan 12	\$1.88	\$0.401
14 Nov 07	15 Jan 10	15 Jan 12	\$1.88	\$0.402
29 Nov 07	30 Nov 10	30 Nov 12	\$1.80	\$0.679
13 Feb 08	15 Jan 09	15 Jan 13	\$1.45	\$0.347
13 Feb 08	15 Jan 10	15 Jan 13	\$1.45	\$0.360
13 Feb 08	15 Jan 11	15 Jan 13	\$1.45	\$0.346
30 Jun 09	30 Jun 10	30 Jun 14	\$0.18	\$0.040
30 Jun 09	30 Jun 11	30 Jun 14	\$0.18	\$0.030
30 Jun 09	30 Jun 12	30 Jun 14	\$0.18	\$0.030
14 May 10	19 Feb 11	19 Mar 15	\$0.18	\$0.077
14 May 10	19 Feb 12	19 Mar 15	\$0.18	\$0.077
14 May 10	19 Feb 13	19 Mar 15	\$0.18	\$0.077
29 Jun 12	29 Jun 15	29 Jun 15	\$0.00	\$0.156

Refer to note 41 for details of inputs for option fair value calculations.

General terms and conditions of grants are as follows:

Options granted under the plan carry no dividend or voting rights. Options granted retain service conditions, and each employee share option converts into one ordinary share on exercise. Options may be exercised at any time from the date of vesting to their date of their expiry. The number of options is based on the level of seniority and other qualitative and quantitative measures as recommended by the Remuneration and Nominations Committee, and the options grants expire within three to five years of issue date.

Specific terms and conditions relating to grants are as follows:

- > 30 June 2009, 14 May 2010 and 29 June 2012 options do not have any performance conditions attached.
- > No amounts are paid or payable by the recipient on receipt of the option granted on 29 June 2012.

Issue of shares

There were no shares issued to key management personnel during FY2012.

Executive options

Performance conditions - Options granted pre 2009

Performance condition 1: 50% of options vest on achieving a compound annual growth rate ("CAGR") of 12% on adjusted Earnings Per Share (EPS) for the three financial years up to and ended 30 June 2010. This hurdle was not achieved resulting in the lapse of these options.

Performance condition 2: 50% of options vest on achieving an Accumulated Total Shareholder Return ("TSR") equal or exceed the ASX/S&P 300 Accumulation

Index at the end of each service vesting period. If the condition is not met, 50% of the options for that tranche will lapse immediately and the other 50% will remain available up until the day before the Expiry Date and can be exercised if Bravura's Accumulated TSR exceeds the referred index at any time between the first Exercise Date for that tranche and the day before the Expiry Date.

Tranche 3 of options granted in February 2008 have vested in FY2012 as the performance condition stated above has been met.

Hurdle rate	% of options that will vest
Below median	Nil
At median	50%
Each percentile above median	2%
At 75th percentile	100%

Service conditions

The executive must be employed by the consolidated entity at the end of the performance period for options to vest. The board has the discretion to waive this condition if an executive resigns or is terminated prior to the end of the performance period. The measurement period for this performance condition is from the issue date of the options to the exercise date.

Key management personnel

Performance conditions - Options granted pre 2009

Bravura's Accumulated Total Shareholder Return ("TSR") must equal or exceed the ASX/S&P 300 Accumulation Index at the end of each service vesting period. If the condition is not met, 50% of the options for that

tranche will lapse immediately and the other 50% will remain available up until the day before the Expiry Date and can be exercised if Bravura's Accumulated TSR exceeds the referred index at any time between the first Exercise Date for that tranche and the day before the Expiry Date.

Options granted 30 June 2009

During FY2009, options were granted to KMP with no performance conditions. The Board of Directors at the time of the grant derived an exercise price at a premium to the share price on grant date as a means to align management performance with long-term shareholder wealth.

Service vesting conditions

KMPs are required to be in continuous employment with Bravura until the first Exercise Date of each tranche for each tranche to vest.

Variable remuneration - Short-term discretionary bonus

Discretionary bonus may be paid to executives throughout the financial year based on achieving specific project related performance objectives as approved by the Remuneration and Nominations Committee. These objectives will be clearly defined and measurable as and when deemed appropriate.

C. DETAILS OF REMUNERATION

Amounts of remuneration

Details of the remuneration of the directors, the key management personnel of the consolidated entity (as defined in AASB 124 Related Party Disclosures) and specified executives of Bravura and the consolidated entity are set out in the following tables.

DIRECTORS' REPORT

2012	Short-term employee benefits		Post-employment benefits	Long-term benefits		Share-based payments			
Name	Salary and fees \$	Bonus* \$	Non-monetary benefits \$	Superannuation \$	Long service leave \$	Termination benefits** \$	Shares/options \$	% of total %	Total \$
Non-executive directors									
Brian Mitchell	200,000	-	-	18,000	-	-	-	-	218,000
Neil Broekhuizen	75,000	-	-	-	-	-	-	-	75,000
Trevor Perry	68,807	-	-	6,193	-	-	-	-	75,000
Matthew McLellan (Resigned 15 July 2011)	3,057	-	-	-	-	-	-	-	3,057
Executive directors									
Rebecca Norton	400,000	45,765	10,680	25,000	8,592	-	182	0.04	490,219
Tony Klim	586,331	40,963	4,829	68,465	-	-	339	0.05	700,927
Other key management personnel									
Andrew Chesterton	332,152	107,786	5,289	28,442	-	-	147	0.03	473,816
Nick Parsons	289,002	37,535	4,214	43,946	-	-	130	0.03	374,827
Jason Tong	319,968	27,248	1,710	25,000	7,901	-	146	0.04	381,973
Darren Stevens	310,196	18,914	1,710	25,000	5,766	-	142	0.04	361,728
Roland Slee (Appointed 1 November 2011)	224,053	20,000	7,224	21,965	3,753	-	160	0.06	277,155

* In FY2012, key management personnel earned a bonus relating to the performance of the Group and individual business units in FY2011, and were paid in line with their short-term incentive plans. These amounts were not included in the FY2011 remuneration table as the bonuses had not been approved until after the finalisation of the FY2011 financial statements.

Certain STIP criteria have been achieved in FY2012 to enable a bonus pool to be created. The amount of bonuses to be allocated to key management personnel will be reviewed by the Remuneration and Nominations Committee following the finalisation of the FY2012 financial statements. Any such amounts will be paid and disclosed in the FY2013 remuneration table as the bonuses will not be approved until after the finalisation of the FY2012 financial statements.

Options granted to Executive Directors on 29 June 2012 will be acquired on-market with no new shares being issued in respect of their offer.

Performance related remuneration included as part of total remuneration for the year ended 30 June 2012:

> Rebecca Norton	9%
> Tony Klim	6%
> Andrew Chesterton	23%
> Nick Parsons	10%
> Jason Tong	7%
> Darren Stevens	5%
> Roland Slee (Appointed 11 November 2011)	7%

2011	Short-term employee benefits			Post-employment benefits	Long-term benefits		Share-based payments		Total \$
	Salary and fees \$	Bonus* \$	Non-monetary benefits \$	Superannuation \$	Long service leave \$	Termination benefits** \$	Shares/options \$	% of total %	
Non-executive directors									
Brian Mitchell	200,000	-	-	18,000	-	-	-	-	218,000
Trevor Perry	68,807	-	-	6,193	-	-	-	-	75,000
Neil Broekhuizen	75,000	-	-	-	-	-	-	-	75,000
Matthew McLellan (Resigned 15 July 2011)	75,000	-	-	-	-	-	-	-	75,000
Executive directors									
Rebecca Norton (Appointed 9 May 2011)	345,776	34,868	10,680	25,000	2,174	-	-	-	429,814
Tony Klim (Appointed 30 June 2011)	380,322	-	5,078	44,187	-	-	14,365	3	443,952
Simon Woodfull (Resigned 8 April 2011)	431,396	-	22,718	27,083	7,072	583,025	27,643	3	1,098,937
Other key management personnel									
Andrew Chesterton	315,722	15,477	5,639	29,898	-	-	9,005	2	375,741
Nick Parsons	292,973	-	4,339	43,946	-	-	10,774	3	352,032
Jason Tong	308,747	-	3,420	25,000	15,184	-	9,715	3	362,066
Darren Stevens	300,556	-	3,420	25,000	2,974	-	10,303	3	342,253

* In the second half of FY2011, a discretionary bonus was paid to certain executives in recognition of their contribution to specific project throughout the 2011 financial year. These payments were recommended by the Remuneration and Nominations Committee and approved by the Board of Directors.

** Mr Woodfull received a payment of \$133,803 in the year representing part payment of his notice period. The remaining amount of \$449,222 was payable over the nine months in accordance with his employment contract. At the 2011 AGM a motion was approved by the shareholders to make a payment to Mr Woodfull of an additional three months base salary equivalent to \$146,000, in relation to short-term discretionary bonus.

Performance related remuneration included as part of total remuneration for the year ended 30 June 2011:

> Rebecca Norton	8%
> Tony Klim	0%
> Simon Woodfull	0%
> Andrew Chesterton	4%
> Nick Parsons	0%
> Jason Tong	0%
> Darren Stevens	0%

D. SERVICE AGREEMENTS

Key Management Personnel Agreements

All service agreements for KMP, including the Executive Directors Tony Klim and Rebecca Norton, are unlimited in term but may be terminated by either party with notice periods ranging from three to twelve months. The service agreements outline the components of the remuneration paid to KMP and requires the remuneration of KMP to be reviewed annually. The KMP are entitled to participate in the STI and LTI programs, the details of which are set out in Section B of this report.

In the event of retrenchment, KMP are entitled to written notice or payment in lieu of notice as provided in their service agreement. On termination in accordance with notice periods, KMP are entitled to be paid any outstanding entitlements accrued in the course of their employment (annual leave and long service leave where vested). The employment of the KMP may be terminated without notice or payment in lieu of notice in some circumstances.

DIRECTORS' REPORT

Generally, this could occur where the KMP:

- > is charged with a criminal offence that is capable of bringing the organisation into disrepute;
- > is declared bankrupt;
- > breaches a provision of their employment agreement;
- > is guilty of serious and wilful misconduct; or
- > unreasonably fails to comply with any material and lawful direction given by the Company.

All KMP are required to agree to a restraint of trade clause post employment to ensure that valuable knowledge and experience is not accessed by competitors through poaching of staff.

There have been no changes in KMP agreements during FY2012.

E. SHARE BASED COMPENSATION

Details of options over ordinary shares in the Company provided as remuneration to each director of Bravura and each of the key management personnel of the parent entity and the consolidated entity are set out below:

Name	Number of options granted during the year		Number of options vested during the year		Number of options lapsed during the year	
	2012	2011	2012	2011	2012	2011
Rebecca Norton	641,026	-	193,750	193,750	-	-
Tony Klim	1,193,590	-	262,500	317,883	27,691	-
Andrew Chesterton	518,359	-	168,328	215,680	249,228	-
Nick Parsons	458,760	-	196,875	238,412	277,076	-
Jason Tong	514,013	-	175,000	203,997	177,432	-
Darren Stevens	499,534	-	187,500	224,647	83,547	-
Roland Slee (Appointed 1 November 2011)	560,897	-	-	-	-	-

No share options have been exercised during the year by the management personnel. There have been no changes to the terms and conditions of options granted as remuneration to key management personnel since the grant date, with the exception of the modifications outlined below. Note that any shares required to satisfy the automatic exercise of the options granted to the Executive Directors will be purchased on-market and no new shares will be issued in respect of the Executive Director options.

Modification of share option terms

The share options granted to KMPs and the underwriter options include exercise price re-pricing triggers on share reorganisations. Bravura completed two rights issues during the year ended 30 June 2011 which resulted in the following changes in the exercise of employee and underwrite options. The effect of the re-pricing is detailed below:

Grant date	Recapitalisation rights issue 1 September 2009			Rights issue MFT acquisition 15 June 2010		
	Exercise price of option at grant date	Revised exercise price	Incremental fair value	Exercise price of option at grant date	Revised exercise price	Incremental fair value
26 Jul 07	\$1.90	\$1.89	\$0.0007	\$1.90	\$1.88	\$0.0003
14 Nov 07	\$1.90	\$1.89	\$0.0008	\$1.90	\$1.88	\$0.0003
13 Feb 08	\$1.80	\$1.46	\$0.0011	\$1.80	\$1.45	\$0.0005
30 Jun 09	\$0.20	\$0.19	\$0.0052	\$0.20	\$0.18	\$0.0042
01 Sep 09	N/A	N/A	N/A	\$0.15	\$0.13	\$0.0042
14 May 10	N/A	N/A	N/A	\$0.20	\$0.18	\$0.0063

Shares under option

Unissued ordinary shares of Bravura under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
26 Jul 07	15 Jan 12	\$1.88	-
26 Jul 07	15 Jan 12	\$1.88	-
26 Jul 07	15 Jan 12	\$1.88	-
14 Nov 07	15 Jan 12	\$1.88	-
14 Nov 07	15 Jan 12	\$1.88	-
14 Nov 07	15 Jan 12	\$1.88	-
29 Nov 07	30 Nov 12	\$1.80	-
13 Feb 08	15 Jan 13	\$1.45	197,235
13 Feb 08	15 Jan 13	\$1.45	197,231
13 Feb 08	15 Jan 13	\$1.45	197,226
30 Jun 09	30 Jun 14	\$0.18	1,374,703
30 Jun 09	30 Jun 14	\$0.18	1,374,700
30 Jun 09	30 Jun 14	\$0.18	1,374,699
14 May 10	19 Mar 15	\$0.18	75,666
14 May 10	19 Mar 15	\$0.18	75,667
14 May 10	19 Mar 15	\$0.18	75,667
29 Jun 12*	29 Jun 15	\$0.00	5,593,114
			10,535,908

* Any shares required to satisfy the automatic exercise of the 1,834,616 options granted to the Executive Directors in FY2012 will be purchased on-market and no new shares will be issued in respect of the Executive Director options.

Option holders do not have the right to participate in any share issue in Bravura.

Insurance of directors and officers

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

Proceedings on behalf of Bravura

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 33 in the financial report.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard

of independence for auditors imposed by the *Corporations Act 2001*.

The directors are of the opinion that the services as disclosed in note 33 in the financial report do not compromise the external auditor's independence for the following reasons:

- > All non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor, and
- > None of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision making capacity for Bravura, acting as advocate for Bravura or jointly sharing economic risks and rewards.

Auditor's Independence declaration

A copy of the Auditor's Independence declaration as required under section

307C of the *Corporations Act 2001* is set out on page 44.

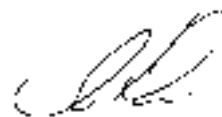
Rounding of amounts

Bravura is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

Ernst and Young continues in office in accordance with section 327 of the *Corporations Act 2001*.

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



Tony Klim
CEO and Executive Director
Sydney
21 August 2012

AUDITOR'S INDEPENDENCE DECLARATION



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Auditor's Independence Declaration to the Directors of Bravura Solutions Limited

In relation to our audit of the financial report of Bravura Solutions Limited for the financial year ended 30 June 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

A handwritten signature in grey ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in grey ink that reads 'E A Lang'.

E A Lang
Partner
21 August 2012

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under Professional Standards Legislation



financial statements

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These financial statements are the consolidated financial statements of the consolidated entity consisting of Bravura Solutions Limited and its subsidiaries. The financial statements are presented in Australian dollars.

Bravura Solutions Limited is a for profit company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Bravura Solutions Limited
Level 2, 345 George Street
Sydney NSW 2000

At 30 June 2012, related entities of Ironbridge hold in aggregate 64.28% of the total shares on issue (2011: 54.28%). No individual shareholding of each of the related entities exceeds 50% of the total shares on issue; nor are the related entities controlled by same ultimate parties. Accordingly, Bravura Solutions Limited is both the ultimate Australian parent and the ultimate parent entity of the group.

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on pages 31 to 43, which is not part of these financial statements.

The financial statements were authorised for issue by the directors on 21 August 2012. The directors have the power to amend and reissue the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
Revenue from continuing operations	5	126,849	121,216
Other income	6	1,451	1,233
Employee benefits expense	7	(65,580)	(61,363)
Depreciation and amortisation expense	7	(13,985)	(13,837)
Impairment of goodwill and other intangible assets	17	-	(20,854)
Travel and entertainment costs		(2,984)	(3,377)
Occupancy costs		(5,325)	(4,686)
Telecommunications costs		(16,846)	(18,173)
Research and development		(3,670)	(5,705)
Fair value loss on derivatives		-	(1,058)
Other expenses		(10,375)	(9,285)
Finance costs		(2,416)	(3,030)
Profit/(loss) before income tax		7,119	(18,919)
Income tax expense	8	(1,686)	(2,174)
Profit/(loss) from continuing operations		5,433	(21,093)
Other comprehensive income			
Exchange differences on translation of foreign operations	30(a)	(1,418)	(3,091)
Total comprehensive profit/(loss) for the year		4,015	(24,184)
Loss is attributable to:			
Owners of Bravura Solutions Limited		5,433	(21,093)
Total comprehensive loss for the year is attributable to:			
Owners of Bravura Solutions Limited		4,015	(24,184)
		Cents	Cents
Earnings per share for profit/(loss) attributable to the ordinary holders of the company			
Basic earnings/(loss) per share	40	0.86	(3.25)
Diluted earnings/(loss) per share	40	0.85	(3.25)

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	9	4,591	3,744
Trade and other receivables	10	35,259	28,225
Current tax receivables	11	-	270
Other current assets	12	2,761	3,185
Total current assets		42,611	35,424
Non-current assets			
Receivables	13	1,252	3,132
Other financial assets	14	-	15
Property, plant and equipment	15	13,003	6,024
Deferred tax assets	16	8,485	8,205
Intangible assets	17	114,946	120,987
Total non-current assets		137,686	138,363
Total assets		180,297	173,787
LIABILITIES			
Current liabilities			
Trade and other payables	18	7,402	7,818
Borrowings	19	23,338	3,984
Derivative financial instruments	22	211	578
Provisions	20	4,437	4,075
Current tax liabilities	21	785	-
Deferred revenue	23	16,682	14,511
Other current liabilities	24	8,405	6,962
Total current liabilities		61,260	37,928
Non-current liabilities			
Borrowings	25	5,080	20,898
Deferred tax liabilities	26	5,839	6,543
Provisions	27	1,236	1,413
Other non-current liabilities	28	258	-
Total non-current liabilities		12,413	28,854
Total liabilities		73,673	66,782
Net assets		106,624	107,005
EQUITY			
Contributed equity	29	133,377	137,775
Reserves	30(a)	(2,728)	(1,312)
Accumulated losses	30(b)	(24,025)	(29,458)
Total equity		106,624	107,005

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	Contributed equity \$'000	Options reserve \$'000	Foreign currency translation reserve \$'000	Total reserves \$'000	Accu- mulated losses \$'000	Total equity \$'000
Balance at 1 July 2010		137,788	8,600	(6,873)	1,727	(8,365)	131,150
Total comprehensive loss for the year		-	-	(3,091)	(3,091)	(21,093)	(24,184)
Transactions with owners in their capacity as owners:							
Transaction costs	29	(13)	-	-	-	-	(13)
Share-based payments	30(a)	-	52	-	52	-	52
		(13)	52	-	52	-	39
Balance at 30 June 2011		137,775	8,652	(9,964)	(1,312)	(29,458)	107,005
Balance at 1 July 2011		137,775	8,652	(9,964)	(1,312)	(29,458)	107,005
Total comprehensive profit/ for the year		-	-	(1,418)	(1,418)	5,433	4,015
Transactions with owners in their capacity as owners:							
Transaction costs	29(b)	(17)	-	-	-	-	(17)
Issue of shares		4,333	-	-	-	-	4,333
Share buy-back		(8,714)	-	-	-	-	(8,714)
Share-based payments	30(a)	-	2	-	2	-	2
		(4,398)	2	(1,418)	(1,416)	5,433	(381)
Balance at 30 June 2012		133,377	8,654	(11,382)	(2,728)	(24,025)	106,624

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 \$'000	2011 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		136,022	128,007
Payments to suppliers and employees (inclusive of goods and services tax)		(112,416)	(108,481)
		23,606	19,526
Interest received		290	548
Interest and other finance costs paid		(1,961)	(1,737)
Income taxes paid		(1,285)	(2,359)
Net cash inflow from operating activities	39	20,650	15,978
Cash flows from investing activities			
Payment for acquisitions		(1,530)	(6,887)
Payments for property, plant and equipment		(4,278)	(1,445)
Payments for intangibles		(4,813)	(1,386)
Net cash outflow from investing activities		(10,621)	(9,718)
Cash flows from financing activities			
Proceeds from share issue		4,333	-
Payment for share buy-back		(8,714)	-
Lease payments		(794)	-
Payment for share issue costs		(62)	(983)
Proceeds from borrowings		9,119	8,238
Payment for derivative financial instruments		-	(1,535)
Repayment of borrowings		(12,891)	(14,270)
Net cash outflow from financing activities		(9,009)	(8,550)
Net increase/(decrease) in cash and cash equivalents		1,020	(2,290)
Cash and cash equivalents at the beginning of the financial year		3,744	6,548
Effects of exchange rate changes on cash and cash equivalents		(173)	(514)
Cash and cash equivalents at end of year	9	4,591	3,744

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.



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NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Bravura and its subsidiaries.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

(i) Compliance with IFRS

The financial report of Bravura also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

(iii) Critical accounting estimates

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

(b) Going concern

The consolidated entity has net current liabilities of \$18,649,000 (2011: \$2,504,000). The \$61,260,000 of total current liabilities includes \$16,682,000 of deferred revenue, as well as \$21,187,000 of bank debt that is classified as current as it falls due at the beginning of December 2012. Subsequent to year end, management has signed a new debt facility with the Commonwealth Bank of Australia (refer to details in note 38), which will mean that the current debt will be settled, and the new debt will be classified as long term (the term of the agreement is three years). If this maturing Bank of Scotland debt was excluded from the current liabilities at year end, the consolidated entity would have a net current asset position of \$2,538,000.

The directors are of the opinion that the improved earnings before interest, tax, depreciation and amortisation (EBITDA) margins excluding licence fees and continued solid operating cash flows achieved in the 12 months ended 30 June 2012 will continue to provide sufficient cash flows to support the consolidated entity. The directors are therefore, confident the consolidated entity will be able to meet its debts as they fall due. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of the liabilities.

(c) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Bravura Solutions Limited ("Company" or "parent entity") as at 30 June 2012 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in this financial report as the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the parent entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the parent entity controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the parent entity. They are de-consolidated from the date that control ceases.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position respectively.

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

There are no inter-segment transactions. Corporate charges are expensed after the segment profit is measured.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the consolidated entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Bravura's functional and presentation currency.

Each entity in the consolidated entity determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Transactions and balances

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

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of the overseas subsidiaries are as follows:

- a. Bravura Solutions (NZ) Limited - New Zealand dollars (NZ\$)
- b. Bravura Solutions (UK) Limited - British pounds (UK£)
- c. Bravura Solutions (HK) Limited - United States dollars (US\$)
- d. Bravura Solutions Luxembourg Holdings S.à.r.l. - Euro (€)
- e. Bravura Software Solutions (SA) (Proprietary) Limited - South African Rand (ZAR)
- f. Bravura Solutions Polska Sp. z o.o. - Zloty (PLN)
- g. Mutual Fund Technologies Limited - British pounds (UK£)
- h. Bravura Solutions Services (UK) Limited - British pounds (UK£)

- i. Bravura Solutions (Thailand) Company Limited - Thai Baht (THB)
- j. Bravura Solutions India Private Limited - Indian Rupee (INR)

As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Bravura at the rate of exchange ruling at the balance sheet date and revenues, expenses and other comprehensive income are translated at the weighted average exchange rates for the period.

The exchange differences arising on the re-translation are taken directly to a separate component of equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in the Consolidated Statement of Comprehensive Income.

(f) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The consolidated entity derives its revenues from the licence of its software products and of support, consulting, development, training and other professional services. The vast majority of its software arrangements include support services and a few also include professional services.

The consolidated entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the consolidated entity's activities as described below. The consolidated entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Licence fees

Provided that the arrangement does not involve significant production, modification, or customisation of the software, the consolidated entity recognises the revenue when all of the following four criteria have been met:

- > Persuasive evidence of an arrangement exists;
- > Delivery has occurred;
- > The fee is fixed or determinable; and
- > Collectability is probable.

Licence fees recognised upfront are recognised at the present value of the related future contractual revenue streams, discounted at the discount rate applicable to the debtor which is approximate to Bravura's incremental borrowing rate, with the discount being unwound through profit and loss over the period of the agreements and presented as interest income.

(ii) Maintenance and support fees

Maintenance and support revenue is recognised on a straight line basis over the period of the contract.

(iii) Professional services fees

Revenue is recognised on a time and material basis at monthly intervals.

In the case of fixed agreements and where the contract outcome can be reliably measured, revenue is recognised by reference to the stage of completion of the contract at the reporting date. Stage of completion is measured by reference to the labour hours incurred to date as a percentage of total estimated labour hours for each contract.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that costs have been incurred.

(iv) Revenue on multiple-element arrangements

Arrangements usually provide licence for software products and services such as post-contract customer support. Revenue is allocated to each element based on its respective fair value, based on the cost to deliver the services plus an acceptable margin. Refer to note 2(b) for basis of calculation.

(v) Deferred revenue

Fees for services received in advance are recorded as a liability within deferred revenue on the Consolidated Statement of Financial Position and these amounts are amortised to profit or loss over the life of the contract which is in line with the provision of the services.

(vi) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired, the consolidated entity reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(vii) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(viii) Other revenue

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

(g) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- > Except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- > In respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that the taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised:

- > Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- > In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance date and

reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

(i) Tax consolidation legislation

Bravura and its wholly-owned Australian entities formed a tax consolidated group from 1 July 2006. The tax consolidated group's current tax expense and other deferred tax assets are required to be allocated to the members of the tax consolidated group in accordance with UIG 1052. The consolidated entity uses a group allocation method for this purpose where the allocated current tax payable, current tax loss, deferred tax assets and other tax credits for each member of the tax consolidated group is determined as if Bravura is a stand-alone tax payer but modified as necessary to recognise membership of a tax consolidated group. Recognition of amounts allocated to members the tax consolidated group has regard to the tax consolidated group's future taxable profits.

(h) Leases

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

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs.

The leased asset is depreciated on a straight line basis over the term of the lease, or where it is likely that the consolidated entity will obtain ownership of the asset, it is depreciated over the life of the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Other operating lease payments are charged to profit or loss in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(i) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the consolidated entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition by acquisition basis, the consolidated entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the consolidated entity's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(j) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

At each reporting date, the consolidated entity assesses whether there is any indication that an asset may be impaired, or more frequently if events or changes in circumstances indicate that they might be impaired. Where an indicator exists, the consolidated entity makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered to be impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

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.

Non-financial assets other than goodwill that suffer an impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(k) Cash and cash equivalents

For the purpose of presentation in the Consolidated Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Statement of Financial Position.

(l) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 to 90 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is

objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Receivables from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

(m) Investments and other financial assets

Classification

The consolidated entity classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification, of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 10) and receivables (note 13) in the Consolidated Statement of Financial Position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the consolidated entity's management has the positive intention and ability to hold to maturity. If the consolidated entity were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments

are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Financial assets - re-classification

The consolidated entity may choose to re-classify a non-derivative trading financial asset out of the held for trading category if the financial asset is no longer held for the purpose of selling it in the near term. Financial assets other than loans and receivables are permitted to be re-classified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near term. In addition, the consolidated entity may choose to re-classify financial assets that would meet the definition of loans and receivables out of the held for trading or available-for-sale categories if the consolidated entity has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of re-classification.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade date, the date on which the consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are re-classified to profit or loss as gains and losses from investment securities.

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Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the consolidated entity's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income. Changes in the fair value of other monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

Details on how the fair value of financial instruments is determined are disclosed in note 3.

Impairment

The consolidated entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair

value, less any impairment loss on that financial asset previously recognised in profit or loss is re classified from equity and recognised in the profit or loss as a re classification adjustment. Impairment losses recognised in profit or loss on equity instruments classified as available for sale are not reversed through profit or loss.

If there is evidence of impairment for any of the consolidated entity's financial assets carried at amortised cost, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, excluding future credit losses that have not been incurred. The cash flows are discounted at the financial asset's original effective interest rate. The loss is recognised in profit or loss.

(n) Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The consolidated entity designates certain derivatives as either:

- > Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges);
- > Hedges of the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges); or
- > Hedges of a net investment in a foreign operation (net investment hedges).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate borrowings

attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other income or other expenses.

(o) Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

The fair value of financial guarantees is determined as the present value of the difference in net cash flows between the contractual payments under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries or related parties are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(p) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is de-recognised. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and

certain leased plant and equipment, the lease term or as follows:

Leasehold improvements	Term of lease
Furniture and fittings	20%
Plant and equipment	20% to 33%

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(j)).

Gains and losses on disposals are determined by comparing proceeds with the asset's carrying amount. These are included in profit or loss.

(q) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the consolidated entity's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is 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.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segments (note 4).

(ii) Business contracts and relationships

Business contracts and relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of between two and twenty years.

(iii) Intellectual property and software development

Intellectual property and software development are capitalised as an asset and are amortised on a straight-line basis over the period of their expected benefit, being their finite life of eight to ten years.

Research costs are expensed as incurred. An intangible asset arising from development expenditure on an internal project is recognised only when the consolidated entity can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project date.

Technological feasibility for software products is reached shortly before the products are released for commercial sale to customers. Costs incurred after technological feasibility is established are not material and, accordingly, all research and development costs are expensed when incurred.

The carrying value of an intangible asset arising from development expenditure is tested for impairment annually when the asset is not yet available for use, or more frequently when an indication of impairment arises during the reporting period.

(r) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated

entity becomes obliged to make future payments in respect of the purchase of these goods and services.

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(t) Borrowing costs

Borrowing costs are expensed as incurred, except where they are directly attributable to the acquisition, contribution or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset. The consolidated entity does not currently hold qualifying assets.

(u) Provisions

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

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

(v) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(w) Share-based payments

Bravura provides benefits to employees and suppliers (including directors) of Bravura in the form of share-based payment transactions, whereby employees and suppliers render services in exchange for shares or rights over shares ("equity-settled transactions").

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. Market conditions attached to these options are taken into account when estimating the fair value of the equity instruments granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance

conditions are fulfilled, ending on the date on which the relevant employees or suppliers become fully entitled to the award ("vesting date").

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the consolidated entity, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination for fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition.

Where terms of an equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

(x) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(y) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of Bravura, 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 and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(z) 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 Consolidated Statement of Financial Position.

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

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

(aa) Rounding of amounts

The consolidated entity is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(ab) New accounting standards and interpretations

The consolidated entity has adopted the following new and amended Australian Accounting Standards and AASB interpretations as of 1 July 2011:

- > Revised AASB 124 *Related Party Disclosures* and AASB 2009-12 *Amendments to Australian Accounting Standards* effective 1 January 2011
- > AASB 2009-12 *Amendments to Australian Standards* effective 1 January 2011
- > AASB 2010-4 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* effective 1 January 2011
- > AASB 2010-5 *Amendments to Australian Accounting Standards* [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] effective 1 January 2011
- > AASB 2010-6 *Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets* effective 1 July 2011
- > AASB 1048 *Interpretation of Standards* effective 1 July 2011
- > AASB 1054 *Australian Additional Disclosures* effective 1 July 2011
- > AASB 2011-5 *Amendments to Australian Accounting Standards - Extending Relief from Consolidation, the Equity Method and Proportionate Consolidation* effective 1 July 2011

The adoption of these standards has not impacted the financial position or performance of the consolidated entity.

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods and have not yet been applied in the financial statements. The consolidated entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 2011-9 *Amendments to Australian Accounting Standards - Presentation of Other Comprehensive Income* (effective from 1 July 2012)

This standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not. The consolidated entity has assessed there will be no impact on any amounts disclosed in the financial statements.

(ii) AASB 10 *Consolidated Financial Statements* (effective from 1 January 2013)

AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and *UIG-112 Consolidation - Special Purpose Entities*. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, impact of potential voting rights and when holding less than a majority voting rights may give control. The consolidated entity has assessed there will be no impact on any amounts disclosed in the financial statements.

(iii) AASB 11 *Joint Arrangements* (effective from 1 January 2013)

AASB 11 replaces AASB 131 *Interests in Joint Ventures* and *UIG-113 Jointly-controlled Entities - Non-monetary Contributions by Ventures*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities using proportionate consolidation. The consolidated entity has assessed there will be no impact on

any amounts disclosed in the financial statements.

(iv) AASB 12 *Disclosure of Interests in Other Entities* (effective from 1 January 2013)

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. The consolidated entity has assessed there will be no impact on any amounts disclosed in the financial statements.

(v) AASB 13 *Fair Value Measurement* (effective from 1 January 2013)

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. The consolidated entity has assessed there is not expected to be a material impact to any amounts disclosed in the financial statements.

(vi) AASB 119 *Employee Benefits* (effective from 1 January 2013)

The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term

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employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. The consolidated entity does not expect any material impact as a result.

(vii) AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2013)

AASB 2012-2 principally amends AASB 7 Financial Instruments: Disclosures to require disclosure of information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. The consolidated entity has assessed there will be no impact on any amounts disclosed in the financial statements.

(viii) AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle (effective from 1 January 2013)

AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The consolidated entity does not expect any impact as a result of adoption.

(ix) AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities (effective from 1 January 2014)

AASB 2012-3 adds application guidance to AASB 132 Financial Instruments: Presentation to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The consolidated entity has assessed there will be no impact on any amounts disclosed in the financial statements.

(x) AASB 9 Financial Instruments (effective from 1 January 2015)

AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The consolidated entity does not expect any impact as a result of adoption.

(ac) Parent Entity financial information

The financial information for the parent entity of Bravura is disclosed in note 42 and has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of Bravura. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Tax consolidation legislation

Bravura and its wholly owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Bravura, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand alone taxpayer in its own right.

(iii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(iv) Share-based payments

The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the consolidated entity is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements 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.

(a) Critical accounting estimates and assumptions

The consolidated entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated impairment of goodwill

The consolidated entity determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated. The assumptions used in the estimation of recoverable amount are included in note 17.

(ii) Income taxes

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

(iii) Long service leave provision

A provision has been made for the present value of the anticipated costs to meet the consolidated entity's long service leave liabilities under Australian federal and state laws. The calculation of this provision requires assumptions such as an estimation of the probability that an employee will remain with the consolidate entity until they reach the entitlement period. The probability factors applied to pro rated entitlements are based on company and industry specific data. Adjustments are made to these probabilities when considered necessary.

(b) Critical judgements in applying the entity's accounting policies**Useful lives of assets**

The estimation of the useful lives of assets has been based on historical experience as well as average length of customer contracts and specific industry technology factors for intangible assets, manufacturers' warranties (for plant and equipment) and lease terms (for leased equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Share-based payments

The consolidated entity measures the cost of equity settled transactions with employees and supplier by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, with the assumptions detailed in note 41. The accounting estimates and assumptions relating to equity settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Revenue recognition

The consolidated entity determines the amount of revenue to be recognised on projects in progress based on the estimated amount of work completed in relation to the projects. This estimation is based on management's assessment of costs incurred as well as an estimation of the percentage of the project completed.

Where the consolidated entity enters into a maintenance and support agreement with a customer as part of a multiple element arrangement, the fair value of the maintenance component is calculated based on the estimated direct cost of delivering the maintenance and support plus an acceptable margin. The licence fee component of the multiple element arrangement is adjusted accordingly.

Litigation and claims

The consolidated entity continually monitors ongoing and potential litigation and claims and assesses whether there is any present obligation (legal or constructive) as a result of a past event which would give rise to a probable outflow of economic benefits in order to settle the obligation and whether a reliable estimate can be made of the amount of the obligation. Factors considered by the consolidated entity with regard to potential or ongoing litigation include a probability assessment carried out in consultation with legal advisors. Based on advice received and status of the situation at the time of finalising the financial statements provisions will be made accordingly. Where conditions requiring a provision are not met, no such provision will be recognised by the consolidated entity.

Where the possibility of any outflow in any settlement is contingent upon one or more conditions being met, judgement is applied to determine the estimated financial impact of any settlement and whether the possibility of outflow is remote. Where the possibility of outflow is remote, no disclosure of any contingent liability has been made.

3. FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The senior management team of Bravura provides written principles for overall risk management, as well as policies addressing specific areas such as currency risk management, interest rate risk management and the related

use of derivative financial instruments. The consolidated entity uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, that is, not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

Risk management is carried out by senior finance executives under policies approved by the Board of Directors. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units.

(a) Market risk**(i) Foreign exchange risk**

Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the entity's functional currency.

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

Foreign exchange risk also arises from net investments in foreign operations. The consolidated entity's Statement of Financial Position is affected by movements in the relevant currency exchange rate when converting these investments into Australian dollars (the consolidated entity's presentation currency) for consolidation purposes. Upon consolidation, any foreign exchange gains and losses on these balances are taken to a foreign currency translation reserve within equity (see note 1(e) foreign currency translation). These risks are mitigated through offsetting local currency liabilities against foreign subsidiary net assets reducing the overall foreign exchange impact.

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

	2012 \$'000	2011 \$'000
Receivables		
US Dollar	3,008	2,430
Euro	901	697
Pound Sterling	19,881	16,894
New Zealand Dollar	1,835	1,424
South African Rand	1	1
Polish Zloty	4,771	3,364
Thai Baht	170	154
Indian Rupee	917	153
	31,484	25,117
Trade payables		
Euro	-	85
Pound Sterling	27,681	24,874
New Zealand Dollar	4	16
South African Rand	-	1
Polish Zloty	140	29
Indian Rupee	257	264
	28,082	25,269

The consolidated entity had net financial assets denominated in foreign currency of \$3,261,000 (2011: \$152,000 liabilities) as at 30 June 2012.

The consolidated entity derives revenues in foreign currencies as listed in the above table. Based on this exposure, had the Australian Dollar strengthened by 5% against these foreign currencies with all other variables held constant, the consolidated entity's profit for the year would have been \$1,167,000 lower (2011: the consolidated entity's loss would have been \$495,000 higher). The actual foreign exchange gain for the year ended 30 June 2012 was \$1,433,000 (2011: gain of \$1,233,000).

(ii) Price risk

The consolidated entity is not exposed to price risk.

(iii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the consolidated entity to interest rate risk. Borrowings issued at fixed rates expose the consolidated entity to fair value interest rate risk. The consolidated entity's policy is to maintain at least 75% of its term borrowings at a fixed rate using interest rate swaps to achieve this when necessary.

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

	30 June 2012		30 June 2011	
	Weighted average interest rate %	Balance \$'000	Weighted average interest rate %	Balance \$'000
Bank loans	4.85	21,483	5.03	25,399
Other loans	3.40	422	5.26	372
Interest rate swaps (notional principal amount)	3.19	(24,366)	3.54	(15,627)
Net exposure to cash flow interest rate risk		(2,461)		10,144

An analysis by remaining contractual maturities is shown in note 3(c) below.

An increase in the interest rates by one percentage point would have a positive effect on profit of \$29,000 (2011: \$98,000) per annum.

(b) Credit risk

Credit risk is managed on a consolidated entity basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit and risk controls that assess the credit quality of the customer. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount. This is net of any provisions for impairment of those assets, as disclosed in the Consolidated Statement of Financial Position and notes to the financial statements.

Credit risk is considered limited for current receivables at the reporting date, based on the nature and payment history of the consolidated entity's customers.

Credit risk exists for non-current receivables at the reporting date. The consolidated entity manages this risk through regularly assessing the credit quality of customers. There has not been any impairment of non-current receivables in the year ended 30 June 2012 (2011: \$nil).

(c) Liquidity risk

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

Financing arrangements

Undrawn borrowing facilities at the reporting date to which the consolidated entity had access are disclosed in note 25.

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have an average maturity 0.5 years (2011: 1.5 years).

The consolidated entity's financing arrangements impose certain covenants on the entity, if breached, the financiers may at any time declare that the loans become due and payable. Refer to note 25 for covenant details.

	Consolidated	
	2012 \$'000	2011 \$'000
Floating rate		
Expiring within one year		
Revolving facilities	-	1,200
Term facilities	21,483	3,005
	21,483	4,205
Expiring beyond one year		
Term facilities	-	21,194
	21,483	25,399

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Maturities of financial assets and liabilities

The tables below analyse the consolidated entity's financial assets and liabilities into relevant maturity groupings as follows:

(a) Based on their contractual maturities:

- (i) all non-derivative financial assets and liabilities; and
- (ii) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the end of the reporting period.

Contractual maturities of financial assets and liabilities	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying \$'000
At 30 June 2012						
Non-derivatives						
Financial assets						
Cash and cash equivalents	4,591	-	-	-	4,591	4,591
Trade receivables	28,217	-	-	-	28,217	28,217
Accrued revenue	6,105	1,709	245	-	8,059	7,720
Financial liabilities						
Trade payables	(3,700)	-	-	-	(3,700)	(3,700)
Borrowings-current	(23,337)	-	-	-	(23,337)	(23,337)
Borrowings-non-current	(2,404)	(3,016)	-	-	(5,420)	(5,420)
Total non-derivatives	9,472	(1,307)	245	-	8,410	8,071
Derivatives						
Net settled (interest rate swaps)	(211)	-	-	-	(211)	(211)
Total derivatives	(211)	-	-	-	(211)	(211)

	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Total contractual cash flows \$'000	Carrying \$'000
At 30 June 2011						
Non-derivatives						
Financial assets						
Cash and cash equivalents	3,744	-	-	-	3,744	3,744
Trade receivables	20,211	-	-	-	20,211	20,211
Accrued revenue	7,389	2,442	1,098	-	10,929	10,573
Financial liabilities						
Trade payables	(3,961)	-	-	-	(3,961)	(3,961)
Borrowings-current	(4,577)	(21,190)	-	-	(25,767)	(24,882)
Borrowings-non-current	(1,512)	-	-	-	(1,512)	(1,512)
Total non-derivatives	21,294	(18,748)	1,098	-	3,644	4,173
Derivatives						
Net settled (interest rate swaps)	(485)	(232)	-	-	(717)	(578)
Total derivatives	(485)	(232)	-	-	(717)	(578)

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the consolidated entity's assets and liabilities measured and recognised at fair value at 30 June 2012 and 30 June 2011.

At 30 June 2012	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets					
Other financial assets	14	-	-	-	-
Total assets		-	-	-	-
Liabilities					
Derivatives used for hedging	22	-	211	-	211
Contingent consideration	24	-	-	-	-
Total liabilities		-	211	-	211

At 30 June 2011	Notes	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets					
Other financial assets	14	15	-	-	15
Total assets		15	-	-	15
Liabilities					
Derivatives used for hedging	22	-	578	-	578
Contingent consideration	24	-	-	1,512	1,512
Total liabilities		-	578	1,512	2,090

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the consolidated entity is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The consolidated entity uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for long-term debt for disclosure purposes. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the end of the reporting period. These instruments are included in level 2 and comprise debt investments and derivative financial instruments.

In the circumstances where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are included in level 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

The following tables present the changes in level 3 instruments for the year ended 30 June 2012 and 30 June 2011.

2012	Contingent consideration \$'000
Opening balance	1,512
Payments	(1,530)
Total gains and losses*	18
Closing balance	-

2011	Contingent consideration \$'000
Opening balance	1,587
Payments	(75)
Closing balance	1,512

* Recognised as part of foreign exchange gains (net) (note 6).

Contingent consideration

In the event that certain pre-determined sales revenue being achieved by the subsidiary Mutual Fund Technologies Limited (which was acquired on 15 June 2010), for the year ended 30 June 2011, additional consideration of up to GBP1,000,000 was payable in cash.

The fair value of the contingent consideration was \$1,512,000 at 30 June 2011 based on the earn out being achieved and fluctuations in the GBP/AUD exchange rate. This amount was settled during FY2012.

4. SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on reports by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business from a product group perspective and has identified two reportable segments. Transfer Agency consists of the Rufus, GTAS, GFAS and Babel products, with revenues and earnings concentrated within Europe, Middle East and Africa. Wealth Management consists of the Sonata, Talisman, Garradin, ePASS, SuperB, Calibre and SAS products providing software solutions for the life insurance, superannuation and private wealth and portfolio administration sectors, with revenue and earnings across Australia, New Zealand, Asia and the United Kingdom.

(b) Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2012 and 30 June 2011 is as follows:

Full year 2012	Wealth Management \$'000	Transfer Agency \$'000	Unallocated \$'000	Total \$'000
Maintenance revenue	22,568	41,542	-	64,110
Professional services revenue	19,916	35,203	-	55,119
Licence fee revenue	3,987	3,168	-	7,155
Other sales revenue	175	-	-	175
Total segment external revenue	46,646	79,913	-	126,559
Trading EBITDA (segment result)	11,068	23,903	-	34,971
Reconciliation to profit before income tax:				
Research and development				(3,670)
Corporate costs				(8,102)
Group EBITDA				23,199
Interest income				290
Foreign exchange gains (net)				1,451
Fair value gain on derivatives				-
Depreciation and amortisation expense				(13,985)
Finance costs				(2,416)
Other expenses (corporate transaction costs)				(1,420)
Profit before income tax expense				7,119
Income tax expense				(1,686)
Profit for the year				5,433
Segment assets	54,747	117,065	8,485	180,297
Total assets				180,297
Segment liabilities	21,835	17,581	34,257	73,673
Total liabilities				73,673
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	5,752	3,239	100	9,091
Total acquisitions				9,091
Depreciation and amortisation expense	2,807	11,110	68	13,985
Total depreciation and amortisation				13,985

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

Full year 2011	Wealth Management \$'000	Transfer Agency \$'000	Unallocated \$'000	Total \$'000
Maintenance revenue	20,894	44,322	-	65,216
Professional services revenue	20,370	31,600	-	51,970
Licence fee revenue	2,357	910	-	3,267
Other sales revenue	190	25	-	215
Total segment external revenue	43,811	76,857	-	120,668
Trading EBITDA (segment result)	8,648	22,990	-	31,638
Reconciliation to profit before income tax:				
Research and development				(5,705)
Corporate costs				(6,900)
Group EBITDA				19,033
Interest income				546
Foreign exchange gains (net)				1,233
Fair value loss on derivatives				(1,058)
Depreciation and amortisation expense				(13,837)
Finance costs				(3,030)
Impairment of intangible assets				(20,854)
Other expenses (corporate transaction costs)				(952)
Profit before income tax expense				(18,919)
Income tax expense				(2,174)
Loss for the year				(21,093)
Segment assets	48,186	117,123	8,478	173,787
Total assets				173,787
Segment liabilities	17,304	18,051	31,427	66,782
Total liabilities				66,782
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	2,154	591	80	2,825
Total acquisitions				2,825
Depreciation and amortisation expense	2,810	10,965	62	13,837
Total depreciation and amortisation				13,837

(c) Other segment information**(i) Segment revenue**

Segment revenue reconciles to total revenue as follows:

	2012 \$'000	2011 \$'000
Total segment revenue	126,559	120,668
Other revenue	290	548
Total revenue from continuing operations (note 5)	126,849	121,216

The entity is domiciled in Australia. The amount of its revenue from external customers in Australia is \$30,164,000 (2011: \$30,275,000), in the United Kingdom is \$79,685,000 (2011: \$72,928,000) and the total revenue from external customers in other countries is \$16,710,000 (2011: \$17,465,000). Segment revenues are allocated based on the country in which the customer is located.

Revenues of approximately \$18,990,000 (2011: \$14,682,000) are derived from a single external customer. These revenues are attributable to the Transfer Agency segment.

Non-current assets in Australia are \$103,783,000 (2011: \$110,542,000), the United Kingdom \$30,589,000 (2011: \$24,527,000) and other countries \$3,096,000 (2011: \$3,294,000).

(ii) Trading EBITDA

The Board of Directors assesses the performance of the operating segments based on a measure of trading EBITDA. This measurement basis excludes segment expensed research and development costs and the consolidated entity's corporate costs. Furthermore, the measure excludes the effect of gains/(losses) of foreign exchange and on derivative instruments which are managed centrally, and impairment losses.

5. REVENUE

	2012 \$'000	2011 \$'000
Sales revenue		
Maintenance and support fees	64,110	65,216
Professional services fees	55,119	51,970
Licence fees	7,155	3,267
Other sales revenue	175	215
	126,559	120,668
Other revenue		
Interest received	290	546
Other	-	2
	290	548
	126,849	121,216

6. OTHER INCOME

	2012 \$'000	2011 \$'000
Foreign exchange gains (net)	1,433	1,233
Fair value gain on derivatives	18	-
Total other income	1,451	1,233

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

7. EXPENSES

	2012 \$'000	2011 \$'000
Profit before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	1,045	1,004
Leasehold improvements	1,550	1,673
Plant and equipment under lease	247	-
Furniture and fittings	123	103
Total depreciation	2,965	2,780
Amortisation		
Business contracts and relationships	5,589	5,681
Intellectual property and software development	5,431	5,376
Total amortisation	11,020	11,057
Total depreciation and amortisation	13,985	13,837
Employee benefits expense		
Salary and wages	58,168	52,937
Termination payments	136	946
Share-based payments	2	52
Defined contribution superannuation expense	4,697	4,369
Other	2,577	3,059
Total employee benefits expense	65,580	61,363
Finance costs		
Interest and finance charges paid/payable	1,962	2,484
Borrowing costs and other	454	546
Finance costs expensed	2,416	3,030
Research and development		
R&D internal and external charges	3,670	5,705
Total research and development expenses	3,670	5,705
Telecommunications costs		
Telecommunication and computer costs	16,846	18,173
Total telecommunications costs	16,846	18,173
Other expenses		
Printing and stationery costs	1,951	1,962
Marketing and conference costs	675	743
Professional and conference costs	3,810	3,042
Non-recurring corporate transaction fees	59	922
Bad debts	49	1,242
Consulting costs	671	-
Loss on disposal of fixed assets	1,423	-
Other	1,737	1,374
Total other expenses	10,375	9,285

8. INCOME TAX EXPENSE

	2012 \$'000	2011 \$'000
(a) Income tax expense		
Current tax	2,877	1,353
Deferred tax	(883)	(525)
Current tax - under/(over) provisions in prior years	(172)	51
Deferred tax - under provisions in prior years	(136)	1,295
Total income tax expense	1,686	2,174
Deferred income tax expense/(benefit) included in income tax expense comprises:		
Decrease in deferred tax assets (note 16)	(270)	(14)
Increase in deferred tax liabilities (note 26)	(613)	(511)
	(883)	(525)
Amount credited directly to equity	-	-
	(883)	(525)
(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable		
Loss from continuing operations before income tax expense	7,119	(18,919)
Tax at the Australian tax rate of 30% (2011: 30%)	2,136	(5,676)
Difference in overseas tax rates	(3,840)	(3,043)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Current year unrecognised tax losses	1,470	1,726
Change in company income tax rates	(49)	(54)
Movement in foreign exchange rates	-	(20)
Interest on deferred settlement	-	98
Employee share expenses	12	(46)
Non-deductible expenses	42	49
Non-deductible expenses - other	1,392	1,220
Research and development claim	-	(162)
Attributable CFC income	295	397
Loss on disposal of fixed assets	38	-
Withholding tax written off	444	-
Foreign currency adjustment	54	-
Goodwill and other intangibles impairment	-	6,256
Sundry items	-	83
Under/(over) provision in prior years	(308)	1,346
Total income tax expense	1,686	2,174
(c) Tax losses		
Unused tax losses for which no deferred tax asset has been recognised	16,070	13,841
Potential tax benefit @ 30%	4,821	4,152

Bravura's Australian tax losses for which no deferred tax asset has been recognised are available indefinitely for offset against future taxable income subject to continuing to meet relevant statutory tests.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

(d) Tax consolidation legislation

Bravura and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2006. Bravura is the head entity of the tax consolidated group. Members of the group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The group allocation approach has been applied in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 *Income Taxes*.

9. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2012 \$'000	2011 \$'000
Cash at bank	4,590	3,743
Cash on hand	1	1
	4,591	3,744

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the Consolidated Statement of Cash Flows.

(b) Risk exposure

Cash at bank and in hand earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of Bravura, and earn interest at the respective short-term deposit rates.

The fair value of cash and cash equivalents is \$4,591,000 (2011: \$3,744,000).

10. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2012 \$'000	2011 \$'000
Trade receivables	28,217	20,211
Provision for impairment of trade receivables (a)	-	-
	28,217	20,211
Other receivables	574	573
Accrued service revenue and licence fees - unbilled receivables	6,468	7,441
	7,042	8,014
	35,259	28,225

Bad and doubtful trade receivables written off

The consolidated entity has written off \$nil bad debts during the year ended 30 June 2012 (2011: \$1,242,000).

The consolidated entity recognised an allowance for impairment loss on trade receivables of \$nil (2011: \$nil).

(a) Impaired trade receivables

As at 30 June 2012 current trade receivables of the consolidated entity with a nominal value of \$nil (2011: \$nil) were impaired. The consolidated entity reviews its receivables on a customer by customer basis taking into account specific customer factors including credit worthiness, history of payment and current financial position as well as general market factors when assessing their recoverability. The amount of the provision was \$nil (2011: \$nil).

The ageing of trade receivables is as follows:

	2012 \$'000	2011 \$'000
Not yet due	17,772	16,420
1 to 3 months	7,080	3,417
3 to 6 months	671	286
Over 6 months	2,694	88
	28,217	20,211

(b) Past due but not impaired

As at 30 June 2012, trade receivables of \$10,591,000 (2011: \$3,791,000) were past due but not impaired. These relate to a small number of customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2012 \$'000	2011 \$'000
1 to 3 months	7,080	3,417
3 to 6 months	671	286
Over 6 months	2,694	88
	10,445	3,791

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The consolidated entity does not hold any collateral in relation to these receivables.

(c) Foreign exchange and interest rate risk

Information about the consolidated entity's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 3.

(d) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 3 for more information on the risk management policy of the consolidated entity and the credit quality of the entity's trade receivables.

11. CURRENT ASSETS - CURRENT TAX RECEIVABLES

	2012 \$'000	2011 \$'000
Current tax receivables	-	270

12. CURRENT ASSETS - OTHER CURRENT ASSETS

	2012 \$'000	2011 \$'000
Pre-payments	2,761	3,185

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

13. NON-CURRENT ASSETS - RECEIVABLES

	2012 \$'000	2011 \$'000
Accrued service revenue and licence fees - unbilled receivable	1,252	3,132

14. NON-CURRENT ASSETS - OTHER FINANCIAL ASSETS

	2012 \$'000	2011 \$'000
Other investments - Razor Risk Technologies Limited	-	15

15. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Plant and equipment \$'000	Furniture, fittings and equipment \$'000	Leasehold improvements \$'000	Leased plant and equipment \$'000	Total \$'000
At 1 July 2010					
Cost	5,543	991	10,194	867	17,595
Accumulated depreciation	(3,482)	(453)	(4,528)	(867)	(9,330)
Net book amount	2,061	538	5,666	-	8,265
Year 30 June 2011					
Opening net book amount	2,061	538	5,666	-	8,265
Additions	1,308	112	25	-	1,445
Disposals	(15)	(1)	-	-	(16)
Exchange differences	(153)	(82)	(655)	-	(890)
Transfers out	-	(230)	230	-	-
Depreciation charge	(1,004)	(103)	(1,673)	-	(2,780)
Closing net book amount	2,197	234	3,593	-	6,024
At 30 June 2011					
Cost	4,709	465	9,425	213	14,812
Accumulated depreciation	(2,512)	(231)	(5,832)	(213)	(8,788)
Net book amount	2,197	234	3,593	-	6,024
Year 30 June 2012					
Opening net book amount	2,197	234	3,593	-	6,024
Additions	1,018	372	2,342	7,195	10,927
Disposals	(12)	(4)	(1,407)	-	(1,423)
Exchange differences	43	-	259	138	440
Depreciation charge	(1,045)	(123)	(1,587)	(210)	(2,965)
Closing net book amount	2,201	479	3,200	7,123	13,003
At 30 June 2012					
Cost	5,652	826	9,246	7,547	23,271
Accumulated depreciation	3,451	(347)	(6,046)	(424)	(10,268)
Net book amount	2,201	479	3,200	7,123	13,003

Finance leases

The carrying value of plant and equipment held under finance leases at 30 June 2012 was \$7,123,000 (2011:\$nil) Additions during the year of \$7,195,000 (2011: \$nil) related to plant and equipment under finance leases. Leased assets are pledged as security for the related finance lease.

16. NON-CURRENT ASSETS - DEFERRED TAX ASSETS

	2012 \$'000	2011 \$'000
The balance comprises temporary differences attributable to:		
Property, plant and equipment	540	487
Financial assets at fair value through profit or loss	26	26
Temporary differences on intangibles	4,611	3,777
Accruals	303	475
Provisions	1,433	1,382
Unrealised (gain) loss on derivatives	-	-
Foreign exchange differences	72	392
Non-recurring corporate transaction fees	-	-
Listing and capital raising costs	930	1,510
Other	406	-
Recognition of deferred tax assets re s40-880 (non-equity)	121	133
Recognition of deferred tax assets re s25-25 (non-equity)	43	23
Total deferred tax assets	8,485	8,205
	2012 \$'000	2011 \$'000
Movements:		
Opening balance at 1 July	8,205	8,412
Exchange differences	(27)	(135)
Credited/(charged) to profit or loss	271	14
Credited/(charged) to equity	-	-
Underprovision in prior years	36	(86)
Closing balance at 30 June	8,485	8,205

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

17. NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Goodwill \$'000	Business contracts and relationships \$'000	Intellectual property and software development \$'000	Total \$'000
At 1 July 2010				
Cost	78,827	51,395	53,554	183,776
Accumulated amortisation and impairment	(6,940)	(5,132)	(17,077)	(29,149)
Net book amount	71,887	46,263	36,477	154,627
Year 30 June 2011				
Opening net book amount	71,887	46,263	36,477	154,627
Additions internally generated	-	-	1,386	1,386
Exchange differences	(1,837)	(1,278)	-	(3,115)
Impairment charge	(17,171)	(3,683)	-	(20,854)
Amortisation charge	-	(5,681)	(5,376)	(11,057)
Closing net book amount	52,879	35,621	32,487	120,987
At 30 June 2011				
Cost	76,989	49,806	54,929	181,724
Accumulated amortisation and impairment	(24,110)	(14,185)	(22,442)	(60,737)
Net book amount	52,879	35,621	32,487	120,987
Year 30 June 2012				
Opening net book amount	52,879	35,621	32,487	120,987
Additions - internally generated	-	-	4,813	4,813
Exchange differences	201	114	(149)	166
Amortisation charge	-	(5,589)	(5,431)	(11,020)
Closing net book amount	53,080	30,146	31,720	114,946
At 30 June 2012				
Cost	77,164	49,968	59,472	186,604
Accumulated amortisation and impairment	(24,084)	(19,822)	(27,752)	(71,658)
Net book amount	53,080	30,146	31,720	114,946

(i) Goodwill

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

(ii) Business contracts and relationships

Business contracts and relationships are carried at cost less accumulated amortisation and, if applicable, accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight-line method over periods between two and twenty years. The amortisation has been recognised in the Consolidated Statement of Comprehensive Income in the line item "depreciation and amortisation". If an impairment indicator should arise, the recoverable amount would be estimated and an impairment loss would be recognised to the extent that the recoverable amount was lower than the carrying amount.

(iii) Intellectual property and software development

Intellectual property and software are carried at cost less accumulated amortisation and, if applicable, accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight-line method over a period of eight to ten years. The amortisation has been recognised in the Consolidated Statement of Comprehensive Income in the line item "depreciation and amortisation". If an impairment indicator should arise, the recoverable amount would be estimated and an impairment loss would be recognised to the extent that the recoverable amount was lower than the carrying amount.

(a) Impairment tests for goodwill and other intangible assets

(i) Description of the cash generating units and other relevant information

Goodwill and other intangible assets acquired through business combinations have been allocated and are tested at the level of their respective cash generating units at which goodwill and other intangible assets are monitored. Each of the cash generating units are determined based on the following factors:

- > The availability of detailed financial forecasts based on this aggregation; and
- > Operational drivers and reporting functionality.

In the current year the following cash generating units were identified:

- > Transfer Agency (TA)
- > Wealth Management (WM)

In FY2011, a separate cash generating unit for GFAS was used following the acquisition of MFT in June 2010. This product has now been absorbed into the TA business, and is no longer managed as a separate cash generating unit in 2012.

(ii) Methodology followed

The recoverable amount of each of the cash generating units (CGU) has been determined using a value in use approach. The value in use of each CGU has been based on detailed financial projections approved by the Board of Directors covering a five year period.

The pre-tax, risk adjusted discount rate applied to these cash flow projections for TA is 16.8% (2011: 17%). The terminal value after the five year projection period has been calculated using a growth rate of 3% (2011: 3%) which is in line with the expected long-term average growth rate for the software industry. Note that in FY2011, no terminal value was calculated for the GFAS CGU as the revenue streams had an identifiable life of nine years. Management has re-assessed this assumption in FY2012, based on the current market.

The pre-tax, risk adjusted discount rate applied to these cash flow projections for WM is 21.6% (2011: 21.6%). The terminal value after the five year projection period has been calculated using a growth rate of 3% (2011: 3%) which is in line with the expected long-term average growth rate for the software industry.

(b) Key assumptions used for value-in-use calculations

The following describes each key assumption on which cash flow projections are based to undertake impairment testing for goodwill.

Revenue projections are based on detailed plans for 2012 and growth projections based on the key drivers in the current business, including an assessment of:

- > Contracted maintenance and support services - estimated based on recurring revenue from current contracts with existing clients;
- > Revenues for professional services to existing clients - estimated after considering the levels of revenue currently being achieved and known projects; and
- > Uncontracted forecast revenue which is management's estimate of forecast revenue.

Cost of sales and expenses are based on detailed knowledge of the business, historic activity and detailed plans for the 2012 year. This has been extrapolated in future years based on knowledge and assumptions around the growth in revenue and the level of expense required to support this.

Discount rates reflect management's estimate of the time value of money and the risks specific to each unit that are not already reflected in the cash flows. This is the benchmark used by management to assess operating performance and to evaluate future investment proposals. In determining appropriate discount rates for each unit, regard has been given to the weighted average cost of capital of the entity as a whole and adjusted for country and business risk specific to the unit.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

(c) Carrying amount of goodwill and other intangibles allocated to each of the cash generating units, and impairment losses recognised

2012	Transfer Agency \$'000	GFAS \$'000	Wealth Management \$'000	Total \$'000
Consolidated carrying amount	83,143	-	31,803	114,946
Impairment loss on goodwill	-	-	-	-
Impairment loss on business contracts and relationships	-	-	-	-

2011	Transfer Agency \$'000	GFAS \$'000	Wealth Management \$'000	Total \$'000
Consolidated carrying amount	70,983	20,588	29,416	120,987
Impairment loss on goodwill	11,624	5,547	-	17,171
Impairment loss on business contracts and relationships	-	3,683	-	3,683

(d) Sensitivity to changes in assumptions

With regard to the assessment of the value in use of the Transfer Agency and Wealth Management CGUs, management believe that no reasonable change in any of the above key assumptions would cause the carrying values to materially exceed their recoverable amounts.

18. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2012 \$'000	2011 \$'000
Trade payables	3,700	3,961
Other payables	3,702	3,857
	7,402	7,818

19. CURRENT LIABILITIES - BORROWINGS

	2012 \$'000	2011 \$'000
Secured		
Bank loans	21,187	3,612
Current portion of finance lease Liability	1,709	-
Total secured current borrowings	22,896	3,612
Unsecured		
Other loans	442	372
Total unsecured current borrowings	442	372
Total current borrowings	23,338	3,984

See note 25 and note 38 for further information.

20. CURRENT LIABILITIES - PROVISIONS

	2012 \$'000	2011 \$'000
Employee benefit liabilities, including superannuation (see note 1(v))	4,437	4,075
	4,437	4,075

(a) Amounts not expected to be settled within the next 12 months

The current provision for annual leave is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave within the next 12 months.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

21. CURRENT LIABILITIES - CURRENT TAX LIABILITIES

	2012 \$'000	2011 \$'000
Income tax	785	-

22. DERIVATIVE FINANCIAL INSTRUMENTS

	2012 \$'000	2011 \$'000
Current liabilities		
Interest rate swap contracts	211	578
Total current derivative financial instrument liabilities	211	578

23. CURRENT LIABILITIES - DEFERRED REVENUE

	2012 \$'000	2011 \$'000
Deferred maintenance and service revenue	16,682	14,511

24. CURRENT LIABILITIES - OTHER CURRENT LIABILITIES

	2012 \$'000	2011 \$'000
Accrued expenses	8,405	5,450
Contingent consideration - Mutual Fund Technologies Limited	-	1,512
	8,405	6,962

25. NON-CURRENT LIABILITIES - BORROWINGS

	2012 \$'000	2011 \$'000
Lease liability	5,080	-
Bank loans - term loan	-	20,898
	5,080	20,898

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

(a) Secured liabilities and assets pledged as security

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

	2012 \$'000	2011 \$'000
Bank loans	21,187	24,510

The bank loans are secured by a deed of charge and mortgage over Bravura and certain wholly owned subsidiaries.

	2012 \$'000	2011 \$'000
Current		
Floating charge		
Cash and cash equivalents	4,591	3,744
Receivables	35,259	28,225
Other current assets	2,761	3,186
	42,611	35,155
Non-current		
Floating charge		
Receivables - non-current	1,252	3,132
Other financial assets	-	15
Plant and equipment	13,003	6,024
	14,255	9,171
Total assets pledged as security	56,866	44,326

(b) Financing arrangements

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

	2012 \$'000	2011 \$'000
Bank loan facilities		
Total facilities	35,121	37,722
Used at balance date	21,483	25,399
Unused at balance date	13,638	12,323

The bank loans as at 30 June 2012 stated in the Consolidated Statement of Financial Position included unamortised transaction costs of \$296,000 (2011: \$889,000) which were offset in the Consolidated Statement of Financial Position but not in the table above to reflect the amount used at balance date.

The financing arrangements impose certain covenants on the consolidated entity that, if breached, the financiers may at any time declare that the loans become immediately due and payable. The financial covenants that must be met as at 30 June 2012 are as follows:

- > The interest cover ratio (adjusted EBITA/interest) of the consolidated entity must not be less than 4:1;
- > The leverage ratio (debt/adjusted EBITA) of the consolidated entity must not be greater than 3:1;
- > The net assets of the consolidated entity must not be less than \$65 million; and
- > The revolving facilities must be paid down to \$nil for a period of five consecutive business days in each calendar year.

There have been no instances of non-compliance with covenants during the year ended and as at 30 June 2012 (2011: no instances).

The bank loan facilities described fall due at the beginning of December 2012 and has therefore been classified as part of current liabilities (refer to note 19). Refer to note 38 for further information.

(c) Finance lease liability

Finance lease liabilities of the group are payable as follows:

	2012 \$'000	2011 \$'000
Gross lease liabilities:		
Within one year	2,068	-
Between 2 and 5 years	5,420	-
After 5 years	-	-
	7,488	-
Future interest	(699)	-
Present value of finance lease liabilities	6,789	-
The present value of finance lease liabilities is payable as follows:		
Within one year	1,709	-
Between 2 and 5 years	5,080	-
After 5 years	-	-
Total over 1 year	6,789	-

26. NON-CURRENT LIABILITIES - DEFERRED TAX LIABILITIES

	2012 \$'000	2011 \$'000
The balance comprises temporary differences attributable to:		
Property, plant and equipment	69	514
Unrealised gain on foreign exchange	1,003	950
Intangible assets	4,497	5,000
Others	270	79
Total deferred tax liabilities	5,839	6,543
Movements:		
Opening balance at 1 July	6,543	5,940
Exchange differences	9	(95)
Credited/(charged) to profit or loss	(613)	(510)
Acquisition in business	-	-
Under provision in prior years	(100)	1,208
Closing balance at 30 June	5,839	6,543
Deferred tax liabilities to be settled within 12 months	-	-
Deferred tax liabilities to be settled after more than 12 months	5,839	6,543
	5,839	6,543

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

27. NON-CURRENT LIABILITIES - PROVISIONS

	2012 \$'000	2011 \$'000
Employee benefits - long service leave	502	468
Make good provision	734	945
	1,236	1,413

(a) Movements in provisions

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

	Make good provision 2012 \$'000	Make good provision 2011 \$'000
Non-current		
Carrying amount at start of year	945	1,081
Charged/(credited) to profit or loss		
Adjustments to provision	(206)	(98)
Interest	-	-
Exchange differences	(5)	(38)
Carrying amount at end of year	734	945

Make good provision

In accordance with its lease agreements, Bravura must restore the leased premises in Australia, New Zealand and the United Kingdom to their original condition at the end of their respective lease terms (range from four to ten years).

Provisions were adjusted during the year ended 30 June 2012 based on updated estimates received to remove leasehold improvements from these leased premises and is included in the carrying amount of the leasehold improvements.

28. NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES

	2012 \$'000	2011 \$'000
Accrued expenses	258	-
	258	-

29. CONTRIBUTED EQUITY

	2012 Shares	2011 Shares	2012 \$'000	2011 \$'000
(a) Share capital				
Ordinary shares				
Fully paid	619,747,153	648,127,461	133,377	137,775

(b) Movements in ordinary share capital

Date	Details	Number of shares	Issue price	Issue price \$'000
01 Jul 10	Opening balance	648,127,461		137,788
	Transaction costs incurred	-		(13)
30 Jun 11	Balance	648,127,461		137,775
01 Jul 11	Opening balance	648,127,461		137,775
19 Aug 11	Issue of shares	33,333,333	\$0.13	4,333
Sep 11 - Jun 12	Share buy-back	(61,713,641)	\$0.14	(8,714)
	Transaction costs incurred (cash)			(76)
	Transaction costs - other	-		59
30 Jun 12	Balance	619,747,153		133,377

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up Bravura in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

(d) Underwriter options issued

Bravura issued 86,666,667 unquoted options to the underwriter, as part of the overall Recapitalisation Proposal approved by Bravura shareholders on 24 July 2010 (Underwriter options). These options were valued using the Black-Scholes model and the following assumptions:

Dividend yield:	0.00%
Expected volatility:	60.00%
Risk free interest rate:	4.28%
Expected term:	2 years
Stock price:	\$0.16
Option exercise price:	\$0.15

During the year the underwriter (entities associated with Ironbridge Capital) exercised 33,333,333 options at the modified exercise price of \$0.13.

(e) Capital risk management

The consolidated entity's objectives when managing capital is to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

The consolidated entity monitors capital on the basis of the gearing ratio which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity as shown in the Consolidated Statement of Financial Position plus net debt.

The consolidated entity is subject to the following covenants:

- > The interest cover ratio (EBITA/interest) of the consolidated entity must not be less than 4:1;
- > The leverage ratio (debt/ EBITA) of the consolidated entity must not be greater than 3:1;
- > The net assets of the consolidated entity must not be less than \$65 million; and
- > The revolving facilities must be paid down to \$nil for a period of five consecutive business days in each calendar year.

EBITA is defined as operating profit of the consolidated entity before interest, amortisation, income tax and non-controlling interests, but after deduction of depreciation for that period, as determined in accordance with the Accounting Standards.

The consolidated entity's focus is to ensure capital is managed effectively and to maximise shareholder returns over the long term which may include share buy-backs, issue of new shares and/or dividends depending on the capital structure at the time.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

30. RESERVES AND (ACCUMULATED LOSSES)/RETAINED EARNINGS

	2012 \$'000	2011 \$'000
(a) Reserves		
Options reserve	8,654	8,652
Foreign currency translation reserve	(11,382)	(9,964)
	(2,728)	(1,312)

	2012 \$'000	2011 \$'000
Movements:		
Options reserve		
Balance 1 July	8,652	8,600
Share-based payment - employee and executive directors	2	52
Balance 30 June	8,654	8,652

Movements:		
Foreign currency translation reserve		
Balance 1 July	(9,964)	(6,873)
Currency translation differences arising during the year	(1,418)	(3,091)
Balance 30 June	(11,382)	(9,964)

(b) Accumulated losses

	2012 \$'000	2011 \$'000
Balance 1 July	(29,458)	(8,365)
Net profit/(loss) for the year	5,433	(21,093)
Balance 30 June	(24,025)	(29,458)

(c) Nature and purpose of reserves

(i) Options reserve

The options reserve is used to record the fair value of equity benefits provided to employees and directors as part of their compensation.

(ii) Foreign currency translation reserve

The foreign currency reserve is used to record exchange differences arising from translation of the financial statements of foreign operations.

31. DIVIDENDS

(a) Ordinary shares

No dividends were paid to members during the financial year (2011: \$nil).

(b) Franked dividends

	2012 \$'000	2011 \$'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2011: 30%)	-	-

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

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

32. KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

The following persons were directors of Bravura during the financial year:

(i) Chairman - Non-executive Director

Brian Mitchell

(ii) Executive Directors

Rebecca Norton

Tony Klim

(iii) Non-executive Directors

Trevor Perry

Neil Broekhuizen

Matthew McLellan (Resigned 15 July 2011)

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, during the financial year:

Andrew Chesterton	Chief Operating Officer, Global Transfer Agency
Nick Parsons	Business Development Director - EMEA
Jason Tong	Chief Operating Officer, Global Wealth Management
Darren Stevens	Head of Product Global Wealth Management
Roland Slee (Appointed 1 November 2011)	Managing Director - Asia Pacific

(c) Key management personnel compensation

	2012 \$'000	2011 \$'000
Short-term employee benefits	3,142,589	2,899,938
Post-employment benefits	261,311	244,307
Other long-term benefits	26,012	27,404
Termination benefits	-	583,025
Share-based payments	1,246	93,121
	3,431,158	3,847,795

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

(c) Key management personnel compensation (continued)

(i) Option holdings

The numbers of options over ordinary shares in the Company held during the financial year by each director of Bravura and other key management personnel of the consolidated entity, including their personally related parties, are set out below.

2012	Balance at start of the year	Granted as com- pensation	Exercised	Expired	Balance at end of the year	Vested and exercisable	Unvested
Name							
Directors of Bravura							
Rebecca Norton	581,250	641,026	-	-	1,222,276	581,250	641,026
Tony Klim	898,267	1,193,590	-	(27,691)	2,064,166	870,576	1,193,590
Other key management personnel of the consolidated entity							
Andrew Chesterton	825,242	518,359	-	(249,228)	1,094,373	576,014	518,359
Nick Parsons	930,008	458,760	-	(277,076)	1,111,692	652,932	458,760
Jason Tong	745,929	514,013	-	(177,432)	1,082,510	568,497	514,013
Darren Stevens	701,796	499,534	-	(83,574)	1,117,756	618,222	499,534
Roland Slee (Appointed 1 November 2011)	-	560,897	-	-	560,897	-	560,897

2011	Balance at start of the year	Granted as com- pensation	Exercised	Expired	Balance at end of the year	Vested and exercisable	Unvested
Name							
Directors of Bravura							
Rebecca Norton (Appointed 9 May 2011)	581,250	-	-	-	581,250	387,500	193,750
Tony Klim	898,267	-	-	-	898,267	635,767	262,500
Simon Woodfull (Resigned 8 April 2011)	291,961	-	-	(291,961)	-	-	-
Other key management personnel of the consolidated entity							
Andrew Chesterton	825,242	-	-	-	825,242	656,914	168,328
Nick Parsons	930,008	-	-	-	930,008	733,133	196,875
Jason Tong	745,929	-	-	-	745,929	570,929	175,000
Darren Stevens	701,796	-	-	-	701,796	514,296	187,500

(ii) Share holdings

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below. If a director or other members of key management personnel are not listed below they do not hold shares in Bravura.

2012		Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Name	Balance at the start of the year			
Directors of Bravura				
Ordinary shares				
Brian Mitchell	2,780,884	-	-	2,780,884
Trevor Perry	3,079,481	-	(3,030,337)	49,144
Other key management personnel of the consolidated entity				
Ordinary shares				
Jason Tong	82,734	-	-	82,734

2011		Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Name	Balance at the start of the year			
Directors of Bravura				
Ordinary shares				
Brian Mitchell	2,780,884	-	-	2,780,884
Trevor Perry	3,079,481	-	-	3,079,481
Simon Woodfull (Resigned 8 April 2011)	14,521,483	-	(14,520,441)	1,042
Other key management personnel of the consolidated entity				
Ordinary shares				
Jason Tong	82,734	-	-	82,734

33. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the parent entity and its related practices:

	2012 \$	2011 \$
Audit services - Ernst & Young		
Audit services		
Audit and review of financial reports	504,536	571,599
Total remuneration for audit and other services	504,536	571,599
Other services		
Independent accountants report and advisory services	26,014	7,500
Tax compliance services	-	-
Taxation advice	-	-
Total remuneration for taxation services	26,014	7,500
Total remuneration of Ernst & Young	530,550	579,099
Non-Ernst & Young audit firms		
Tax compliance services	456,328	510,561
Advisory services	347,898	576,144
Total remuneration for non-Ernst & Young audit firms	804,226	1,086,705

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

34. CONTINGENCIES

(a) Contingent liabilities

The consolidated entity had contingent liabilities at 30 June 2012 in respect of:

Bank guarantees

Guarantees given in respect of bank overdrafts and loans of subsidiaries amounting to \$857,000 (2011: \$857,000) for consolidated entity, secured by registered mortgages over the freehold properties of the subsidiaries.

(b) Contingent assets

The consolidated entity had no contingent assets at 30 June 2012 (2011: nil).

35. COMMITMENTS

(i) Operating leases

	2012 \$'000	2011 \$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	3,738	3,630
Later than one year but not later than five years	9,176	8,438
Later than five years	5,310	6,316
	18,224	18,384

Operating lease commitments consist of amounts payable for office rental and equipment, which are generally renewable for one to ten years.

36. RELATED PARTY TRANSACTIONS

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 32.

(b) Subsidiaries

Interests in subsidiaries are set out in note 37.

(c) Outstanding balances arising from transactions with related parties

	2012 \$'000	2011 \$'000
Current payables		
Payable to Ironbridge Capital	12	-

(d) Loans from related parties

There are no loans payable or receivable from related parties at the reporting date.

(e) Transactions with related parties

	2012 \$'000	2011 \$'000
Options exercised by Ironbridge Capital	4,333	-

Disclosures relating to guarantees provided are set out in note 34(a) and note 42(b).

Director fees for Matthew McLellan and Neil Broekhuizen are paid directly to Ironbridge Capital.

(f) Terms and conditions of transactions with related parties other than key management personnel or entities related to them

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

37. SUBSIDIARIES

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

Name of entity	Country of incorporation	Class of Shares	Equity holding	
			2012 %	2011 %
Bravura eCommerce Solutions Pty Limited	Australia	Ordinary	100	100
Bravura Facility Pty Limited	Australia	Ordinary	100	100
Bravura Portfolio Solutions Pty Limited	Australia	Ordinary	100	100
Bravura Solutions (Australia) Pty Limited	Australia	Ordinary	100	100
Bravura Solutions (HK) Limited	Hong Kong	Ordinary	100	100
Bravura Solutions Luxembourg Holdings S.a.r.l.	Luxembourg	Ordinary	100	100
Bravura Solutions (NZ) Limited	New Zealand	Ordinary	100	100
Bravura Solutions (UK) Limited	United Kingdom	Ordinary	100	100
Garradin Pty Limited	Australia	Ordinary	100	100
Real Solutions Pty Limited	Australia	Ordinary	100	100
Bravura Software Solutions (SA) (Proprietary) Limited	South Africa	Ordinary	100	100
Bravura Solutions Polska Sp. Z Oo	Poland	Ordinary	100	100
Mutual Fund Technologies Limited	Bermuda	Ordinary	100	100
Bravura Solutions Services (UK) Limited	United Kingdom	Ordinary	100	100
Bravura Solutions (Thailand) Company Limited	Thailand	Ordinary	100	100
Bravura Solutions India Private Limited	India	Ordinary	100	100

38. EVENTS OCCURRING AFTER THE REPORTING PERIOD

Subsequent to 30 June 2012, a new debt facility agreement was signed with Commonwealth Bank of Australia (CBA) on 21 August 2012. The term of the new agreement is 3 years. The net current asset position of the consolidated entity would have been \$2.5 million had the maturing Bank of Scotland debt been classified as non-current at year end.

Other than what has been noted above there have been no matters or circumstance that has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company or economic entity, the results of those operations or the state of affairs of the consolidated entity or economic entity in subsequent financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2012

39. RECONCILIATION OF PROFIT/(LOSS) AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 \$'000	2011 \$'000
Profit/(loss) for the year	5,433	(21,093)
Depreciation and amortisation	13,985	13,837
Impairment of intangible assets	-	20,854
Share-based payments	2	52
Non-cash finance costs and loss on disposal of fixed assets	1,801	1,293
Net exchange differences	(698)	(2,184)
Change in operating assets and liabilities		
Decrease in trade debtors and other debtors	(5,154)	4,597
(Increase) decrease in prepayments	424	(992)
Decrease (increase) in deferred tax assets	(280)	207
Increase (decrease) in trade creditors	(416)	1,951
Decrease (Increase) in income tax receivable	270	(270)
(Decrease) in provision for income taxes payable	785	(732)
(Decrease) increase in other operating liabilities	5,202	(2,145)
Increase in deferred tax liabilities	(704)	603
(Decrease) in derivative liabilities	-	-
Net cash inflow from operating activities	20,650	15,978

40. EARNINGS PER SHARE

	2012 Cents	2011 Cents
Basic earnings per share	0.86	(3.25)
Diluted earnings per share	0.85	(3.25)

	2012 \$'000	2011 \$'000
Profit/(loss) attributable to the ordinary equity holders of Bravura	5,433	(21,093)

	2012 Number	2011 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	634,342,921	648,127,461
Weighted average number of ordinary shares used in calculating diluted earnings per share	641,770,651	648,127,461

41. SHARE-BASED PAYMENTS

(a) Details of options issued

Bravura operates an ownership-based scheme for senior employees and executive directors of the consolidated entity. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees may be granted options to purchase parcels of ordinary shares at an exercise price as specified below.

Each employee share option converts into one ordinary share on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to their date of their expiry.

The number of options is based on the level of seniority and other qualitative and quantitative measures as recommended by the Remuneration Committee. The options granted expire within three years of their issue.

During the financial year, the following share-based payments were granted. These options were issued without performance vesting conditions.

Grant date	Vesting date	Expiry date	Exercise price	Value per option	Number of options
29 Jun 2012	29 Jun 2015	29 Jul 2015	\$0.00	\$0.1557	7,427,730

(b) Fair values of the options

The options granted by Bravura during the year were valued using a trinomial Black-Scholes option pricing model. The assumptions used were as follows:

Dividend yield	Expected volatility	Risk-free interest rate	Expected term	Stock price	Option exercise price
0.00%	50.91%	2.38%	3 years	\$0.155	\$0.00

The following table illustrates the number (No.) and weighted average exercise prices (WAEP \$) of share options issued under the Bravura Option Plan.

	2012 No.	2012 WAEP \$	2011 No.	2011 WAEP \$
Outstanding at the beginning of the year	7,336,094	0.73	8,803,938	0.99
Granted during the year	7,427,730	0.00	-	-
Lapsed/cancelled during the year	(2,393,300)	1.54	(1,467,844)	1.17
Outstanding at the end of the year	12,370,524	0.13	7,336,094	0.73
Exercisable at the end of the year	4,867,127	0.33	5,672,424	0.89

No employee options were exercised during the financial year.

Options outstanding had exercise price between \$0.00 and \$1.45 and weighted average remaining contractual life of one to four years.

42. PARENT ENTITY FINANCIAL INFORMATION**(a) Summary financial information**

The individual financial statements for the parent entity show the following aggregate amounts:

	2012 \$'000	2011 \$'000
Balance sheet		
Current assets	12,737	11,823
Non-current assets	138,038	138,374
Total assets	150,775	150,197
Current liabilities	53,197	42,865
Non-current liabilities	2,947	6,770
Total liabilities	56,144	49,635
Net assets	94,631	100,562
Shareholders' equity		
Contributed equity	133,377	137,775
Reserves	8,654	8,652
Accumulated losses	(47,400)	(45,865)
	94,631	100,562
Loss for the year	(1,535)	(22,085)
Total comprehensive loss	(1,535)	(22,085)

(b) Guarantees entered into by the Parent Entity

The parent entity has provided financial guarantees in respect of bank overdrafts and loans of subsidiaries amounting to \$857,000 (2011: \$857,000), secured by registered mortgages over the freehold properties of the subsidiaries.

A liability has been recognised in relation to these financial guarantees in accordance with the policy set out in notes 1(o) and 1(ac).

(c) Contingent liabilities of the Parent Entity

The parent entity did not have any contingent liabilities as at 30 June 2012 (30 June 2011: \$nil). Information about guarantees given by the parent entity are detailed above.

(d) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2012, the parent entity had contractual commitments for the acquisition of property, plant or equipment totalling \$nil (2011: \$nil). These commitments are not recognised as liabilities as the relevant assets have not yet been received.

DIRECTORS' DECLARATION

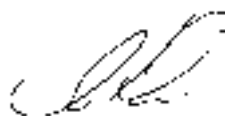
30 JUNE 2012

In the directors' opinion:

- (a) the financial statements and notes set out on pages 46 to 92 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the financial year ended on that date.
- (b) the financial statements and notes set out on pages 46 to 92 are also in accordance with the international financial reporting standards issued by the International Accounting Standards Board, as disclosed in note 1(a), and
- (c) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.



Tony Klim
CEO and Executive Director

Sydney
21 August 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5999
www.ey.com/au

Independent auditor's report to the members of Bravura Solutions Limited

Report on the financial report

We have audited the accompanying financial report of Bravura Solutions Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgment, 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 controls 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 controls. 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.

Independence

In conducting our audit we have complied with the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the financial report.



Opinion

In our opinion:

- a. the financial report of Bravura Solutions Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a)(i).

Report on the remuneration report

We have audited the Remuneration Report included in pages 34 to 43 of the directors' report for the year ended 30 June 2012. 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.

Opinion

In our opinion, the Remuneration Report of Bravura Solutions Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in grey ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in grey ink that reads 'E A Lang'.

E A Lang
Partner
Sydney
21 August 2012

ASX ADDITIONAL INFORMATION

AS AT 31 AUGUST 2012

DISTRIBUTION OF EQUITABLE SECURITIES

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

RANGE	Ordinary/fully paid ordinary shares		
	Total holders	Units	% issued capital
1 - 1,000	229	124,992	0.02
1,001 - 5,000	275	784,837	0.13
5,001 - 10,000	194	1,533,246	0.25
10,001 - 100,000	472	17,217,821	2.78
100,001 - 9,999,999,999	141	599,966,313	96.83
Rounding			-0.01
Total	1,311	619,627,209	100.00

UNMARKETABLE PARCELS

	Minimum parcel size	Holders	Units
Minimum \$500.00 parcel at \$0.20 per unit	2,500	344	325,958

EQUITY SECURITY HOLDERS

Top 20 holders of fully paid ordinary shares

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

	Ordinary/fully paid ordinary shares	
	Units	% issued capital
1. Carp Holdings NV	262,305,495	42.33
2. Aust Executor Trustees SA Ltd (Tea Custodians Limited)	84,563,513	13.65
3. Carp Advisory A Pty Limited	68,032,323	10.98
4. Carp Advisory B Pty Limited	68,032,323	10.98
5. Citicorp Nominees Pty Limited	19,126,776	3.09
6. Golden Pty Limited	13,248,497	2.14
7. G J P Investments Pty Ltd (The Langham A/C)	10,492,074	1.69
8. J P Morgan Nominees Australia Limited	4,747,595	0.77
9. Equity Trustees Limited (SGH LC2E)	4,698,442	0.76
10. Ms Nalayini Mahalingam	4,590,000	0.74
11. Mr Anthony Huntley	4,103,008	0.66
12. HSBC Custody Nominees (Australia) Limited	4,100,016	0.66
13. Papl Ebsco Pty Ltd (Rand Super Fund A/C)	3,245,000	0.52
14. Catch 88 Pty Ltd (Mitchell Super Fund A/C)	2,780,884	0.45
15. Ozeboats Pty Limited (K Family A/C)	2,212,153	0.36
16. Mr Ram Shanker Kangatharan	1,620,000	0.26
17. UBS Wealth Management Australia Nominees Pty Ltd	1,453,008	0.23
18. RNR Australia Pty Ltd (Data Aids P/L S/F No 2 A/C)	1,325,000	0.21
19. Mr Peter Anthony McCarthy + Mrs Maureen Helena McCarthy (McCarthy Family Super A/C)	1,285,000	0.21
20. Ms Linda-Maree Julian + Mr Mark Timothy Midwinter (Linda Julian & Assoc S/F A/C)	1,271,379	0.21

Unquoted equity securities - Employee Options

The Company has 12,307,958 Employee Options on issue that were issued to employees pursuant to the Bravura Solutions Employee Options Plan.

SUBSTANTIAL SECURITY HOLDERS

Substantial holders in the Company are listed below:

	Ordinary/fully paid ordinary shares	
	Units	% issued capital
Carp Holdings NV	262,305,495	42.33
Aust Executor Trustees SA Ltd (Tea Custodians Limited)	84,563,513	13.65
Carp Advisory A Pty Limited	68,032,323	10.98
Carp Advisory B Pty Limited	68,032,323	10.98

VOTING RIGHTS

The voting rights attached to ordinary shares are listed below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. There are no other classes of equity securities.

BOARD OF DIRECTORS

Brian Mitchell
[Chairman]

Trevor Perry
[Non-executive Director]

Neil Broekhuizen
[Non-executive Director]

Tony Klim
[Chief Executive Officer
and Managing Director]

Rebecca Norton
[Chief Financial Officer
and Executive Director]

JOINT COMPANY SECRETARIES

Nigel Liddell
[Appointed 14 September 2011]

Rebecca Norton
[Appointed 14 September 2011]

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of
Bravura Solutions will be held on:

Tuesday, 23 October 2012 at 10.30am

Swissotel Sydney
Blaxland A Room
Level 8, 68 Market Street
Sydney NSW 2000

SHARE REGISTRY

Computershare Investor
Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Phone: 1300 855 080

AUDITORS

Ernst & Young
680 George Street
Sydney NSW 2000
Phone: 61 2 9248 5555

STOCK EXCHANGE LISTING

Bravura Solutions is listed on the
Australian Securities Exchange
(ASX listing code: BVA)

WEBSITE ADDRESS

www.bravurasolutions.com

www.bravurasolutions.com

ASIA PACIFIC

Australia

Sydney	61 2 9018 7800
Melbourne	61 3 9935 2300
Adelaide	61 8 8236 1600

New Zealand

Auckland	64 9 489 6174
Wellington	64 4 472 6125

Hong Kong

Hong Kong	852 3753 8853
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Thailand

Bangkok	66 2 625 3033
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India

Gurgaon	91 124 4907000
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EUROPE, MIDDLE EAST AND AFRICA

United Kingdom

London	44 207 997 3000
Manchester	44 161 498 1800
Edinburgh	44 131 260 3300
Tonbridge	44 173 262 2700

Poland

Warsaw	48 22 256 0400
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Luxembourg

Luxembourg	352 26005 290
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South Africa

Johannesburg	27 11 258 8861
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