

ASX APPENDIX 4D

Bravura Solutions Limited (Formerly Bravura Solutions Holdings Pty Ltd) **ABN 54 164 391 128**

31 December 2016

Lodged with the ASX under Listing Rule 4.2A

Contents

Results for Announcement to the Market	1
Half-year report	1
Corporate Directory	26

The information contained in this document should be read in conjunction with Bravura Solutions Limited Directors' Report and Financial Report for the year ended 30 June 2016 and any public announcements made by Bravura Solutions Limited and its controlled entities during the half-year in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and the *ASX Listing Rules*.

Appendix 4D

Half yearly Report

Name of entity	Bravura Solutions Limited
ABN	54 164 391 128
Financial period ended	31 December 2016
Previous corresponding reporting period	31 December 2015

Results for announcement to the market

Financial results	31 December 2016 \$000	31 December 2015 \$000	Percentage increase/(decrease) over previous corresponding period %
Revenue from ordinary activities	93,486	94,790	(1.38)%
Profit from ordinary activities after tax attributable to members	5,482	1,075	409.95%
Net profit for the period attributable to members	5,482	1,075	409.95%
Dividends (distributions)	Amount per security		Franked amount per security
Final dividend	-	-	-
Interim dividend	-	-	-
Previous corresponding period	-	-	-
Record date for determining entitlements to the dividends (if any)	Not applicable		
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:			

Dividends

Date the dividend is payable	Not applicable
Record date to determine entitlement to the dividend	Not applicable
Amount per security (cent)	Not applicable
Total dividend (\$'000)	Not applicable
Amount per security of foreign sourced dividend or distribution	Not applicable
Details of any dividend reinvestment plans in operation	Not applicable
The last date for receipt of an election notice for participation in any dividend reinvestment plans	Not applicable

NTA backing

	Current period 31 December 2016 Cent	Previous corresponding period 31 December 2015 Cent
Net tangible asset backing per ordinary security	(6.02)	(363.73)
Net assets per ordinary security	45.96	(33.09)

Control gained over entities having material effect

Name of entity (or group of entities)	Not applicable
Date control gained	Not applicable
Consolidated profit from ordinary activities since the date in the current period on which control was acquired, before amortisation and intercompany charges	Not applicable
Profit/(loss) from ordinary activities of the controlled entity/(or group of entities) for the whole of the previous corresponding period	Not applicable

Loss of control over entities having material effect

Name of entity (or group of entities)	Not applicable
Date control lost	Not applicable
Consolidated profit from ordinary activities for the current period to the date of loss of control	Not applicable
Profit/(loss) from ordinary activities of the controlled entity/(or group of entities) while controlled for the whole of the previous corresponding period	Not applicable

Details of associates and join venture entities

Name of entity	Percentage held		Share of net loss	
	Current period %	Previous period %	Current period \$'000	Previous period \$'000
Aggregate share of net loss	-	-	-	-

BRAVURA SOLUTIONS LIMITED

INTERIM FINANCIAL STATEMENTS

FOR THE HALF-YEAR ENDED

31 December 2016

Contents	Page
Directors' Report.....	4
Interim consolidated statement of other comprehensive income	7
Interim consolidated statement of financial position	8
Interim consolidated statement of changes in equity	9
Interim consolidated statement of cash flows	10
Notes to the interim consolidated financial statements	11
Directors' Declaration	23
Independent Auditor's Review Report	24

These interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the financial report for the year ended 30 June 2016 and any public announcements made by Bravura Solutions Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001* and the *ASX Listing Rules*.

Directors' Report

The Directors present their report on the consolidated entity (referred to hereafter as the Group/ consolidated entity) consisting of Bravura Solutions Limited ("Bravura") and the entities it controlled at the end of, or during, the half-year ended 31 December 2016.

Directors

The following persons were Directors of Bravura during the whole of the half-year and up to the date of this report, unless otherwise disclosed below:

Non-executive Directors

Brian Mitchell	Independent Chairman
Peter Mann	Independent
Alexa Henderson	Independent (appointed 19 September 2016)
Neil Broekhuizen	

Executive Directors

Tony Klim	CEO
Martin Deda	CFO

Principal activities

The principal activities of the Consolidated Entity during the course of the current and prior periods consisted of the provision of professional consulting services and the development, licensing and maintenance of highly specialised administration and management software applications for the Funds Administration and Wealth Management sectors of the financial services industry.

Review and results of operations

Whereas revenue for H1 FY17 at \$93.5 million, was marginally (1.3%) lower than the prior comparative period, operating expenses of the Group decreased from \$92.7 million during the half year ended 31 December 2015 to \$87.6 million in the current period, driving the improved earnings result. The Group has reported \$5.9 million of profit before tax for the current period as compared to \$2.1 million profit before tax in prior comparative period.

Wealth Management Revenue increased by 10.0% based on actual currency and by 19.5% in constant currency terms against prior comparative period. Sonata revenue now accounts for 72.6%, or \$41.9 million, of Wealth Management revenue, an increase of 19.5% based on actual currency, and 33.4% in constant currency terms against prior comparative period. Funds Administration Revenue increased by 3.3% on a constant currency basis.

H1FY17 EBITDA of \$18.2 million exceeded IPO prospectus forecast H1 EBITDA of \$17.7 million, an EBITDA Margin 19.5% versus 13.1%.

The financial period saw new sales as well as increased professional services revenue from existing clients which is expected to continue to drive revenue for the business. One new Sonata sale in Australia and one new major Sonata sale in the UK were booked in the period, as well as two new Funds Administration SaaS sales. Sales pipeline remains strong with no visible impact from Brexit other than FX.

To meet the demand from new sales and project activity from existing clients, as well as anticipated demand from forecast sales, the employee head count of the Group has increased from 939 in the corresponding period to 1,053 staff in the current period on a permanent or contractor basis staffing 12 offices around Australia, New Zealand, United Kingdom, Europe, South Africa, Asia and India. Employment related expenses comprised 63.6% of total operating expenses in the period.

Completion of IPO

Bravura listed on the Australian Stock Exchange on 16 November 2016 as Bravura Solutions Limited with ticker code BVS. Bravura Solutions Limited changed its name from Bravura Solutions Holdings Pty Ltd to Bravura Solutions Limited on 13 October 2016.

Proceeds of \$114.5 million were realised from the issue of shares to a range of quality institutional and retail investors at the issue price of \$1.45. As described in the IPO prospectus, voluntary escrow arrangements are in place for the remainder of the Ironbridge Capital shares and Bravura Executive Management share holdings.

The capital proceeds allowed Bravura to redeem Ironbridge's Redeemable Preference Shares (\$62.7 million in total) and repay \$58.8 million of a CBA debt facility so that Bravura was in a strong debt free position at listing.

Bravura Solutions Limited
Directors' Report
31 December 2016

The following table shows the results in the same format as the IPO prospectus. EBITDA and net earnings for the half year adjusted for one-off and non-recurring items was as follows:

	31 December 2016 \$'000	31 December 2015 \$'000
Notes		
Wealth Management	57,755	52,483
Funds Administration	35,731	42,307
Other income	4	10
Total income	93,490	94,800
Employee benefits expense	(55,757)	(60,256)
Third party cost of sales	(6,998)	(8,380)
Travel and accommodation costs	(2,861)	(2,768)
Occupancy costs	(3,241)	(3,486)
Telecommunication costs	(3,455)	(3,679)
Development operating expense	(1,319)	(1,128)
Other expenses (excluding non-recurring)	(1,655)	(2,634)
Pro-forma EBITDA	18,204	12,469
Depreciation and amortisation expense	(4,019)	(4,095)
Pro-forma EBIT	14,185	8,374
Finance costs	(4,389)	(5,953)
Foreign exchange loss	(1,201)	(295)
Profit before income tax	8,595	2,126
IPO transaction fees	(2,700)	-
Income tax expense	(413)	(1,051)
Net profit from continuing operations	5,482	1,075

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 6.

Rounding

Bravura is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191, dated 24 March 2015, and consequently the amounts in this report have been rounded off to the nearest thousand dollars.

Auditor

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

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



Brian Mitchell
Chairman and Non-executive Director

Sydney
27 February 2017

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

As lead auditor for the review of Bravura Solutions Limited for the half-year ended 31 December 2016, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Bravura Solutions Limited and the entities it controlled during the financial period.



Ernst & Young



P S Barnard
Partner
27 February 2017

Bravura Solutions Limited
Interim consolidated statement of other comprehensive income
For the half-year ended 31 December 2016

Half-year

	Notes	31 December 2016 \$'000	31 December 2015 \$'000
Revenue from continuing operations	3	93,490	94,800
Employee benefits expense		(55,757)	(60,256)
Depreciation and amortisation expense		(4,019)	(4,095)
Third party cost of sales		(6,998)	(8,380)
Travel and accommodation costs		(2,861)	(2,768)
Occupancy costs		(3,241)	(3,486)
Telecommunication costs		(3,455)	(3,679)
Development operating expense		(1,319)	(1,128)
IPO transaction costs		(2,700)	-
Other expenses		(1,655)	(2,634)
Foreign exchange loss		(1,201)	(295)
Finance costs		(4,389)	(5,953)
Profit before income tax		5,895	2,126
Income tax expense	4	(413)	(1,051)
Profit for the half-year after income tax expense attributable to shareholders of Bravura		5,482	1,075
Other comprehensive income will be reclassified subsequently to profit or loss when specific conditions are met			
Exchange differences on translation of foreign operations		4,493	783
Total comprehensive income for the half-year attributable to shareholders of Bravura		9,975	1,858
Earnings per share for profit attributable to the ordinary shareholders of Bravura:			
		Cents	Cents
Basic earnings per share	9b	0.03	0.03
Diluted earnings per share	9b	0.03	0.03

The above Interim consolidated statement of other comprehensive income should be read in conjunction with the accompanying notes

Bravura Solutions Limited
Interim consolidated statement of financial position
As at 31 December 2016

	Notes	31 December 2016 \$'000	30 June 2016 \$'000
ASSETS			
Current assets			
Cash and cash equivalents		23,133	29,113
Trade and other receivables		26,064	18,852
Current tax asset		-	101
Other current assets		4,408	4,976
Total current assets		53,605	53,042
Non-current assets			
Receivables		2,211	2,778
Other financial assets		-	7
Property, plant and equipment		9,525	10,877
Deferred tax assets		2,757	1,462
Intangible assets	5	108,601	105,652
Total non-current assets		123,094	120,776
Total assets		176,699	173,818
LIABILITIES			
Current liabilities			
Trade and other payables		16,430	7,608
Borrowings	6	-	11,968
Provisions		9,050	8,963
Provision for income tax		447	-
Deferred revenue		32,477	26,081
Other financial liability		-	181
Other current liabilities		13,637	14,429
Total current liabilities		72,041	69,230
Non-current liabilities			
Borrowings	7	-	49,884
Redeemable preference shares	8	-	59,680
Deferred tax liabilities		2,601	2,604
Provisions		3,521	4,473
Other non-current liabilities		72	-
Total non-current liabilities		6,194	116,641
Total liabilities		78,235	185,871
Net assets		98,464	(12,053)
EQUITY			
Contributed equity	9	185,102	84,560
Reserves		11,373	6,880
Accumulated losses		(98,011)	(103,493)
Total equity		98,464	(12,053)

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

Bravura Solutions Limited
Interim consolidated statement of changes in equity
For the half-year ended 31 December 2016

		Contributed equity \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total equity \$'000
	Notes				
Balance at 1 July 2015		84,560	348	(97,030)	(12,122)
Profit for the period				1,075	1,075
Other comprehensive income		-	435	.	435
Total comprehensive income for the half-year		-	435	1,075	1,510
Balance at 31 December 2015		84,560	783	(95,955)	(10,612)
Balance at 1 July 2016		84,560	6,880	(103,493)	(12,053)
Profit for the period				5,482	5,482
Other comprehensive income		-	4,493	.	4,493
Total comprehensive income for the half-year		-	4,493	5,482	9,975
Transactions with owners in their capacity as owners:					
Issue of shares	9b	114,450	-	-	114,450
Transaction costs	9b	(13,908)	-	-	(13,908)
Balance at 31 December 2016		185,102	11,373	(98,011)	98,464

The above Interim consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Bravura Solutions Limited
Interim consolidated statement of cash flows
For the half-year ended 31 December 2016

Half-year

Notes	31 December 2016 \$'000	31 December 2015 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	110,530	114,073
Payments to suppliers and employees (inclusive of goods and services tax)	(90,623)	(97,822)
Payments of IPO transaction costs	(2,197)	-
	<u>17,710</u>	<u>16,251</u>
Interest received	4	9
Income taxes paid	(1,001)	(626)
	<u>16,713</u>	<u>15,634</u>
Net cash inflow from operating activities		
	<u>16,713</u>	<u>15,634</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(1,511)	(919)
Payments for capitalised software development	(4,525)	(1,693)
	<u>(6,036)</u>	<u>(2,612)</u>
Net cash outflow from investing activities		
	<u>(6,036)</u>	<u>(2,612)</u>
Cash flows from financing activities		
Proceeds from share issue	114,580	-
Proceeds from borrowings	7,607	8,087
Payments of IPO transaction costs	(7,354)	-
Redemption of redeemable preference shares	(62,711)	-
Repayment of term facilities	(46,237)	-
Repayment of working capital facilities	(20,192)	(11,278)
Interest paid	(1,467)	(1,460)
Finance lease payment	-	(1,083)
	<u>(15,774)</u>	<u>(5,734)</u>
Net cash outflow from financing activities		
	<u>(15,774)</u>	<u>(5,734)</u>
Net increase/(decrease) in cash and cash equivalents	(5,097)	7,288
Cash and cash equivalents at the beginning of the half-year	29,113	18,882
Effects of exchange rate changes on cash and cash equivalents	(883)	349
	<u>23,133</u>	<u>26,519</u>
Cash and cash equivalents at end of the half-year		
	<u>23,133</u>	<u>26,519</u>

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

Notes to the interim consolidated financial statements

	Page
1 Summary of significant accounting policies.....	12
2 Segment information	13
3 Revenue and other income	15
4 Income tax expense	15
5 Non-current assets – Intangible assets	16
6 Current liabilities – Borrowings.....	17
7 Non-current liabilities – Borrowings.....	17
8 Non-current liabilities – Redeemable preference shares.....	18
9 Contributed equity	19
10 Dividends	19
11 Financial assets and liabilities	19
11.1 Financial assets	19
11.2 Financial liabilities.....	20
12 Contingent liabilities and commitments	21
13 Related party disclosures	21
14 Events occurring after the reporting period	22

1 Summary of significant accounting policies

The consolidated entity (or the Group) comprises Bravura Solutions Limited (the parent entity), a company limited by shares, and incorporated and domiciled in Australia, and all the entities it controlled during the period and at the reporting date.

(a) Basis of preparation of half-year financial report

These general purpose financial statements for the interim half-year reporting period ended 31 December 2016 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The consolidated entity is a for-profit entity for the purposes of preparing financial statements.

This interim financial report does not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the financial report for the year ended 30 June 2016 and any public announcements made by Bravura Solutions Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year. The financial statements are presented in Australian dollars (unless otherwise stated).

(b) Going concern

Although the Group has a net current liability position of \$18.4 million, \$32.5 million of the current liabilities relate to deferred revenue. The Board notes that the consolidated entity had a strong cash balance of \$23.1 million and positive cash flows from operating activities of \$16.7 million. The Group has undrawn credit limit lines totalling \$19.0 million.

Cash flow forecasts based on projected activity and business volumes indicate that the Group will be able to pay its creditors as and when due for at least 12 months from the date of approval of the financial statements, and that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at 31 December 2016. Accordingly, these financial statements have been prepared on a going concern basis.

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2016 reporting periods and have not been early adopted by the Consolidated Entity. The Consolidated Entity's assessment of significant new standards and interpretations is set out below.

AASB 9 Financial Instruments

This standard includes requirements to simplify the approach for the classification and measurement of financial instruments. This is not expected to materially impact the Group's financial statements.

AASB 15 Revenue from Contracts with Customers

This new standard, effective FY2019, establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Management is currently in the process of assessing the impact of this new standard on the Group's financial statements.

AASB 16 Leases

This new standard, effective FY2020, establishes the enhanced reporting requirements of the lessee and lessor when entering into Leases, which will require operating leases to be recorded on Balance Sheet. This change will impact the classification of certain expenses in the Income Statement such as rental expense, interest expense and amortisation. Consequently, non-IFRS measures such as EBIT and EBITDA will be impacted. Management is in the process of assessing the impact of this change.

2 Segment information

(a) Description of segments

Description of segments

The Chief Executive Officer considers the business from a product group perspective and has identified two reportable segments, as follows:

- **Wealth Management** - Wealth Management platforms provide end-to-end processing to support all back office functions relating to daily management of superannuation, pensions, life insurance, investment, private wealth and portfolio administration.
- **Funds Administration** - Funds Administration platforms support administration requirements for a range of investment vehicles in Europe and distributed globally for both retail and institutional investors.

No operating segments have been aggregated to form the above reportable operating segments.

The Chief Executive Officer monitors the operating results of its divisions separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating EBITDA. Operating EBITDA is earnings before finance cost, interest and foreign exchange gains and losses, tax, depreciation, amortisation as well as non-recurring expenses and significant items. Non-recurring expenses include those expenses that are one-off in nature and are not expected to re-occur in the ordinary course of business. Operating EBITDA is reconciled with profit or loss in the consolidated financial statements below:

	31 December 2016 \$'000	31 December 2015 \$'000
Wealth Management	57,755	52,483
Funds Administration	35,731	42,307
Total segment revenue ¹	93,486	94,790
Wealth Management	15,381	8,292
Funds Administration	17,223	18,987
Total segment Operating EBITDA	32,604	27,279
Corporate costs	(14,404)	(14,820)
Finance income (Note 3) ¹	4	10
Total operating EBITDA	18,204	12,469
Depreciation and amortisation expense	(4,019)	(4,095)
Finance expense	(4,389)	(5,953)
Foreign exchange loss	(1,201)	(295)
Profit before income tax and IPO transaction fees	8,595	2,126
IPO transaction fees	(2,700)	-
Income tax expense	(413)	(1,051)
Profit after income tax	5,482	1,075
	31 December 2016 \$'000	30 June 2016 \$'000
Segment Assets		
Wealth Management	157,702	148,471
Funds Administration	18,997	25,347
	176,699	173,818
Segment Liabilities		
Wealth Management	52,104	130,205
Funds Administration	26,131	55,666
	78,235	185,871

2 Segment information (continued)

	31 December 2016 \$'000	31 December 2015 \$'000
Segment Revenue by geography ¹		
Australia	31,295	37,360
United Kingdom	49,565	47,820
New Zealand	8,644	5,566
Others	3,982	4,044
	<u>93,486</u>	<u>94,790</u>
	31 December 2016 \$'000	30 June 2016 \$'000
Segment Assets by geography		
Australia	127,126	136,193
United Kingdom	35,757	29,761
New Zealand	8,566	5,009
Others	5,250	2,855
	<u>176,699</u>	<u>173,818</u>

¹ Segment revenue excludes finance income in this segment disclosure (note 3).

3 Revenue and other income

	31 December 2016 \$'000	31 December 2015 \$'000
<i>Sales revenue</i>		
Maintenance, support and hosting services	44,641	46,550
Professional services income	37,361	41,533
Licence fees	10,909	6,469
Other sales revenue	575	238
	93,486	94,790
<i>Other revenue</i>		
Interest received	4	10
	4	10
	93,490	94,800

4 Income tax expense

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim consolidated statement of comprehensive income are:

	31 December 2016 \$'000	31 December 2015 \$'000
Current income tax expense	1,712	1,161
Deferred income tax benefit relating to origin and reversal of temporary differences	(1,299)	(110)
Total income tax expense	413	1,051

5 Non-current assets – Intangible assets

	Goodwill \$'000	Business contracts and relationships \$'000	Intellectual property and software development \$'000	Total \$'000
At 30 June 2016				
Opening net book amount at 1 July 2015	73,209	3,167	28,151	104,527
Additions - internally generated	-	-	4,040	4,040
Amortisation charge	-	(987)	(1,928)	(2,915)
Closing net book amount	73,209	2,180	30,263	105,652
At 30 June 2016				
Cost	128,697	53,239	86,712	268,648
Accumulated amortisation and impairment	(55,488)	(51,059)	(56,449)	(162,996)
Net book amount	73,209	2,180	30,263	105,652
	Goodwill \$'000	Business contracts and relationships \$'000	Intellectual property and software development \$'000	Total \$'000
Half Year 31 December 2016				
Opening net book amount at 1 July 2016	73,209	2,180	30,263	105,652
Additions - internally generated	-	-	4,525	4,525
Amortisation charge	-	(493)	(1,083)	(1,576)
Closing net book amount	73,209	1,687	33,705	108,601
At 31 December 2016				
Cost	128,697	53,239	91,237	273,173
Accumulated amortisation and impairment	(55,488)	(51,552)	(57,532)	(164,572)
Net book amount	73,209	1,687	33,705	108,601

(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 two to fifteen 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.

No goodwill and intangibles impairment charges were recognised in the reporting period.

5 Non-current assets – Intangible assets (continued)

(b) Carrying amount of goodwill and other intangibles allocated to each of the cash generating units are as follows:

December 2016	Wealth Management \$'000	Funds Administration \$'000	Total \$'000
Goodwill	73,209	-	73,209
IP, business contracts and relationships	33,438	1,954	35,392
Consolidated carrying amount	106,647	1,954	108,601

June 2016	Wealth Management \$'000	Funds Administration \$'000	Total \$'000
Goodwill	73,209	-	73,209
IP, business contracts and relationships	29,888	2,555	32,443
Consolidated carrying amount	103,097	2,555	105,652

6 Current liabilities – Borrowings

	31 December 2016 \$'000	30 June 2016 \$'000
Secured		
Bank Loan	-	11,968
Unsecured		
Bank Loan	-	-
Total current liabilities - borrowings	-	11,968

Further information relating to loans is set out in note 7.

7 Non-current liabilities – Borrowings

	31 December 2016 \$'000	30 June 2016 \$'000
Secured		
Bank Loan	-	49,884
	-	49,884

(a) Secured liabilities and assets pledged as security

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

	31 December 2016 \$'000	30 June 2016 \$'000
Bank overdrafts and bank loans	-	61,852
	-	61,852

7 Non-current liabilities – Borrowings (continued)

The bank loans with CBA were secured by a deed of charge and mortgage over Bravura and certain wholly-owned subsidiaries. On 15 November 2016, this CBA facility was repaid and all security released. The new facility agreement with CBA is an unsecured revolving credit facility expiring 15 November 2019, providing AUD 12.1 million and GBP 4.5 million borrowing.

The facilities for guarantees are drawn by an amount of \$856,758 (2015: \$856,758).

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. There were no covenants breached during the current period.

(b) Financing arrangements

Unrestricted access was available to the following lines of credit:

	31 December 2016 \$'000	30 June 2016 \$'000
Bank loan facilities		
Total facilities	19,824	67,414
Used at balance date	857	63,139
Unused at balance date	18,967	4,275

8 Non-current liabilities – Redeemable preference shares

	31 December 2016 \$000	30 June 2016 \$000
Redeemable Preference Shares – opening balance	59,680	52,330
Interest accrued	3,031	7,350
Redeemed	(62,711)	-
	-	59,680

At 30 June 2016 there were 52,332,281 redeemable preference shares on issue, owned by funds managed and advised by Ironbridge Capital Holdings Pty Ltd. Each share is entitled to receive interest at a rate of 14% per annum payable on redemption and is mandatorily redeemable five years from the date of issue or at an exit event. The redeemable preference shares were redeemed in full, including interest accrued, on 15 November 2016.

9 Contributed equity

	31 December 2016 Shares	30 June 2016 Shares	31 December 2016 \$'000	30 June 2016 \$'000
--	-------------------------------	---------------------------	-------------------------------	---------------------------

(a) Share capital

Ordinary shares Fully paid	<u>214,246,090</u>	<u>32,069,999</u>	<u>185,102</u>	<u>84,560</u>
-------------------------------	--------------------	-------------------	----------------	---------------

(b) Movements in ordinary share capital:

	Date	Details	Number of shares	Issue price \$'000
	1 July 2015	Balance	<u>32,069,999</u>	<u>84,560</u>
31 December 2015		Balance	<u>32,069,999</u>	<u>84,560</u>
	1 July 2016	Balance	32,069,999	84,560
	17 September	Shares cancellation	(2,000,000)	-
	4 October	Share split	105,244,996	-
	16 November	Shares issued	78,931,095	114,450
		Transaction costs	-	(13,908)
31 December 2016		Balance	<u>214,246,090</u>	<u>185,102</u>

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the consolidated entity in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value.

10 Dividends

No dividends were paid to shareholders during the financial period (June 2016: \$nil). No dividends have been declared.

11 Financial assets and liabilities

11.1 Financial assets

	31 December 2016 \$'000	30 June 2016 \$'000
Cash and cash equivalents	23,133	29,113
Trade and other receivables	26,064	18,852
Receivables non-current	2,211	2,778
Derivative asset	-	7
	<u>51,408</u>	<u>50,750</u>

Cash and receivables are non-derivative financial assets carried at cost which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of counterparties. Carrying value approximates fair value.

Derivative asset

The Group had interest rate swap and cap agreements in place which were settled on 15 November 2016.

11 Financial assets and liabilities (continued)

11.2 Financial liabilities

	31 December 2016 \$'000	30 June 2016 \$'000
Borrowings	-	61,852
Redeemable preference shares	-	59,680
Interest rate swap	-	181
	-	121,713
Other financial liabilities (non-interest bearing)		
Trade and other payables	16,430	7,608
	16,430	129,321

Carrying value approximates fair value.

Secured bank borrowings

The bank loans with CBA were secured by a deed of charge and mortgage over Bravura and certain wholly-owned subsidiaries. On 15 November 2016, this CBA facility was repaid and all security released. Refer Note 7.

Un-secured bank borrowings

The Group has entered into a new facility agreement with the Commonwealth Bank of Australia (CBA), which expires on 19 November 2019. Refer Note 7.

Interest rate swap

The Group had an interest rate swap agreement in place which was settled on 15 November 2016.

Redeemable preference shares

At 30 June 2016 there were 52,332,281 redeemable preference shares on issue, owned by funds managed and advised by Ironbridge Capital Holdings Pty Ltd. Each share is entitled to receive interest at a rate of 14% per annum payable on redemption and is mandatorily redeemable five years from the date of issue or at an exit event. The redeemable preference shares were redeemed in full, including interest accrued, on 15 November 2016.

12 Contingent liabilities and commitments

(a) Contingent liabilities

The Consolidated Entity had contingent liabilities at 31 December 2016 in respect of:

Bank guarantees

Guarantees given in respect of office leases of subsidiaries amounting to \$856,708 (30 June 2016: \$856,708) are unsecured.

(b) Contingent assets

The Consolidated Entity had no contingent assets at 31 December 2016 (30 June 2016: \$nil).

(c) Commitments

Operating leases

	31 December 2016 \$'000	30 June 2016 \$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	5,314	4,635
Later than one year but not later than five years	10,993	10,474
Later than five years	16	594
	<hr/> 16,323	<hr/> 15,703

Operating lease commitments consist of amounts payable for office rental and equipment, which are generally renewable for one to ten years.

Capital commitments

There were no capital commitments during the financial period (30 June 2016: \$nil)

13 Related party disclosures

(a) Bonus payments to members of Key Management Personnel

Brian Mitchell, Tony Klim and Martin Deda received transaction bonuses amounting to \$107,000, \$107,000 and \$38,373 respectively during the reporting period.

(b) Loans from related parties

All loans to shareholders were repaid on 15 November 2016 (30 June 2016: \$130,000).

13 Related party disclosures (continued)

(c) Transactions with related parties

	Half Year ending 31 December 2016 \$'000	Half Year ending 30 June 2016 \$'000
Management fee - Ironbridge Capital Management Pty Ltd	200	200
IPO transaction fee - Ironbridge Capital Management Pty Ltd	4,000	-
	<hr/> 4,200 <hr/>	<hr/> 200 <hr/>

(d) 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.

14 Events occurring after the reporting period

There have been no occurrences of matters or circumstances subsequent to year end that have significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years.

Bravura Solutions Limited
Directors' Declaration
For the half-year ended 31 December 2016

In the Directors' opinion:

- (a) the interim financial statements and notes of Bravura Solutions Limited for the half-year ended 31 December 2016 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2016 and of its performance and cash flows for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Brian Mitchell
Chairman and Non-executive Director

Sydney
27 February 2017

To the members of Bravura Solutions Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bravura Solutions Limited, which comprises the condensed statement of financial position as at 31 December 2016, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Bravura Solutions Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

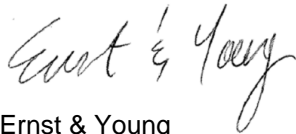
Independence

In conducting our review, 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 Directors' Report.

Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



P S Barnard
Partner
Sydney
27 February 2017

Corporate information

ABN 54 164 391 128

Corporate and registered Office

Level 6, 345 George Street
Sydney NSW 2000
Phone: +61 2 9018 7800
Fax: +61 2 9018 7811

Website address

www.bravurasolutions.com

Board of Directors

Brian Mitchell

Chairman and Non-executive Director

Peter Mann

Independent

Alexa Henderson

Independent

Neil Broekhuizen

Non-executive Director

Tony Klim

CEO and Managing Director

Martin Deda

CFO and Executive Director

Company Secretary

Martin Deda and Nigel Liddell

Auditors

Ernst & Young
200 George Street
Sydney NSW 2000
Phone: 61 2 9248 5555