BRAVURA SOLUTIONS ANNUAL REPORT 2019

BRAVURA SOLUTIONS LIMITED
ABN 54 164 391 128

bravura solutions

BRAVURA
WORLD LEADING FINANCIAL SOLUTIONS

Bravura Solutions Limited is a leading provider of software solutions for the wealth management and funds administration industries, underpinned by functionally rich technology that enables modernisation, consolidation and simplification.

We are committed to increasing the operational and cost efficiency of our clients, enhancing their ability to rapidly innovate and grow, minimising their risk and enabling them to provide better service to their customers.

Backed by over 30 years of experience, our installed or managed hosted solutions are used by many of the world's leading financial institutions. In excess of A$2.8 trillion / £1.6 trillion in assets are entrusted to our systems.

We support our clients with a team of more than 1,300 people in 12 offices across Australia, New Zealand, United Kingdom, Europe, Africa and Asia.

For more information about us visit www.bravurasolutions.com. You can also follow us @BravuraFinTech.

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FINANCIAL HIGHLIGHTS

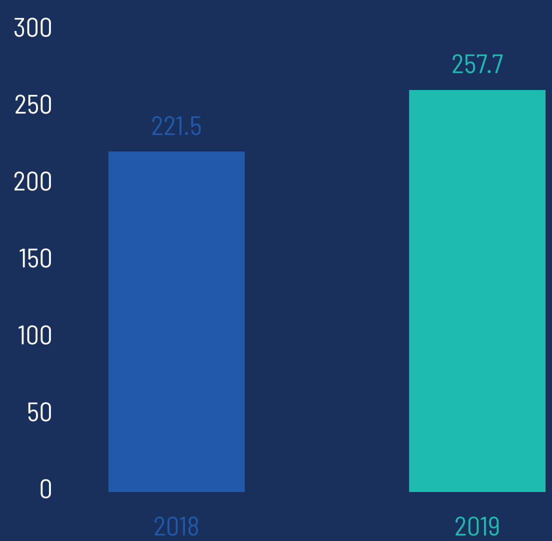
GROUP REVENUE

$257.7m

16% growth in FY19

GROUP REVENUE

A$m



FY19 FINANCIAL RESULTS SAW SIGNIFICANT GROWTH ON FY18 FOR REVENUE, EBITDA, AND NPAT

GROUP EBITDA

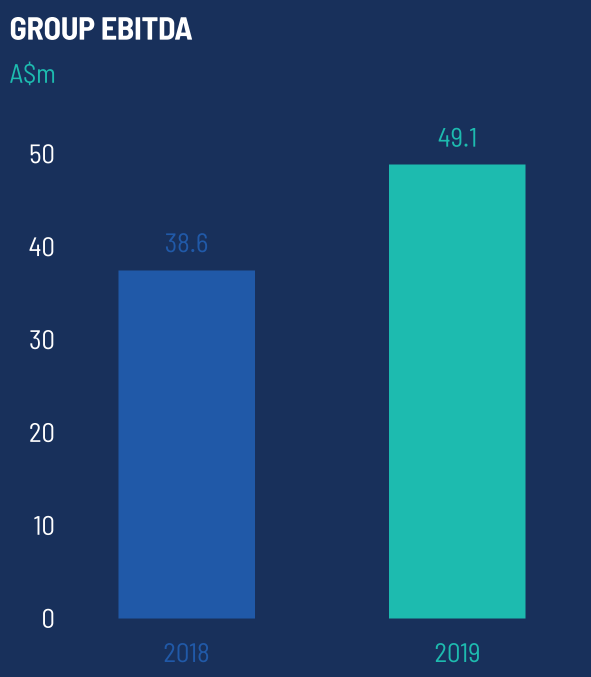
$49.1m

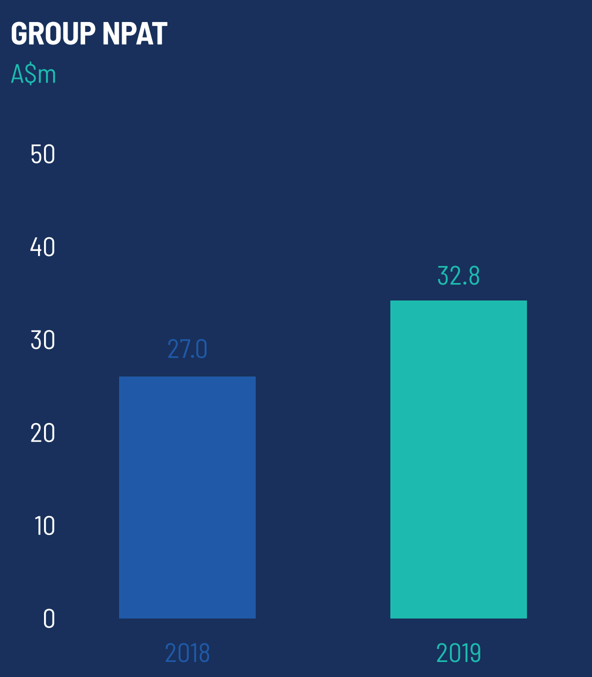
27% growth in FY19

GROUP NPAT

$32.8m

21% growth in FY19





BRAVURA SOLUTIONS **AT A GLANCE**

WHO WE ARE

Bravura is a market leading global provider of enterprise software and software-as-a-service (SaaS) to the Wealth Management and Funds Administration industries.

OUR MARKETS

Bravura operates over a wide number of financial services markets across two operating segments delivering software and services to manage and administer financial products.

Wealth Management

- Pensions, Superannuation and Kiwisaver
- Life insurance
- Wrap platforms
- Wealth Management Platforms
- Investment products
- Private wealth and portfolio administration

Funds Administration

- Fund managers
- Third party administrators

OUR REACH

Bravura has 12 offices throughout eight countries in APAC and EMEA. Bravura operates development and support centres in the United Kingdom, Poland, India, Australia, New Zealand and South Africa.

OUR PRODUCTS & SERVICES

Bravura delivers a comprehensive range of Wealth Management and Funds Administration products supported by professional services.

Wealth Management

- Sonata
- Garradin
- ePass
- Heritage Wealth Management products

Funds Administration

- RUFUS & RUFUS SaaS
- GTAS
- GFAS
- Babel

Professional Services

- Software implementation
- Software development
- Support
- Hosting and managed services
- Training

SONATA

Sonata is Bravura Solutions' flagship software product. Sonata provides rich, proven wealth management functionality, developed and delivered in modern technology with open interfaces. It is an integrated platform that supports Pensions, Superannuation and KiwiSaver, Life Insurance, and Wrap and Investment products.

PEOPLE

OPERATING ACROSS
12 OFFICES IN
8 COUNTRIES

1,300+
EMPLOYEES

5.5 YEARS
AVERAGE LENGTH
OF SERVICE

R&D

4
development centres in Australia, New Zealand, India and Poland

>$160m
invested Wealth Management over 13 years

85%
of staff are developers and consultants

$31.8m
spent on R&D in FY19

OUR BUSINESS

350
direct and indirect blue-chip clients including Fidelity International, Prudential, Scottish Friendly, Mercer, Westpac NZ, TAL, JPMorgan, Partners Life, Suncorp, STANLIB Wealth, Bank of New York Mellon, Legal & General, Schroders, Lloyds and Citi

5-10
year long term client contracts

>60
Wealth Management clients

13
Funds Administration clients

FY19 RESULTS

	FY19 A$m	FY18 A$m
Wealth Management revenue	176.8	155.1
Funds Administration revenue	80.9	66.4
Group revenue	257.7	221.5
Wealth Management EBITDA	53.9	46.2
Funds Administration EBITDA	32.3	26.7
Corporate costs	(37.1)	(34.4)
Group EBITDA	49.1	38.6
Depreciation and amortisation expense	(6.5)	(7.1)
Group EBIT	42.6	31.5
Net interest and foreign exchange expense	(1.1)	(0.7)
Profit before tax	41.5	30.8
Tax expense	(8.7)	(3.7)
Group NPAT	32.8	27.0
Earnings per share (A$ cps)	15.0	12.6

CHAIRMAN'S **LETTER**

"On behalf of the Board, I would like to thank our shareholders for your ongoing commitment to Bravura and the trust you have placed in us to deliver on our strategic business goals. FY19 was a highly rewarding year for the company and we look forward to another prosperous year ahead."

Dear Shareholders,

I am pleased to present to you, on behalf of your Board, the Bravura Solutions (Bravura) 2019 Annual Report.

FY19 proved to be another highly successful year at Bravura, with the business delivering strong revenue growth as well as continued operating leverage expansion. Growth in recurring revenue was up by 31% in FY19, representing 76% of total revenue, compared to 67% in FY18. Supported by the long-term nature of Bravura's client contracts, this increase in recurring revenue resulted from new clients being added and existing clients broadening their use of product functionality. Bravura's significant recurring revenue base provides a high degree of certainty around our long-term earnings profile and future cash flow expectations.

In terms of market trends, FY19 was the year in which the financial services customer deservedly took centre stage. In Australia, the key recommendations of the Royal Commission into Financial Services focussed on the need for banks, super funds and other financial services companies to provide greater transparency, reduce fees and act in the best interests of their customers. The Productivity Commission called for the government to review the efficiency of the superannuation system, while APRA released a new prudential standard that requires super funds to embed optimal member outcomes in their strategic planning. In New Zealand, a regulatory review into the life insurance industry covered similar themes, as will the review process for default KiwiSaver provider appointments later this year. In Europe, there were a number of EU directives aimed at enhancing transparency and the rights of the customer, including the General Data Protection Regulation (GDPR) and MiFID II. In the UK, auto enrolment has significantly boosted workplace pension coverage, leading to increased financial awareness and customer demand for a single, digital, consolidated view of their financial position. Defined Benefit (DB) schemes faced further challenges from market volatility, spiralling costs stemming from GMP equalisation and government plans to strengthen The Pensions Regulator's powers through stronger sanctions for bad behaviour and a new DB funding code. The FCA also introduced the Senior Managers and Certification Regime to reduce harm to consumers and strengthen market integrity by making individuals working in the financial service industry more accountable. It was clear from the breadth and rapid pace of change across the global financial services sector that organisations face a significant challenge to respond – a challenge even greater for those relying on legacy IT systems.

In contrast, Bravura's market leading solutions continued to support our clients with the complex and evolving challenges they face. At Bravura, we understand that focussing on the entire customer journey is key to sustainable business success in every geography. Our modern technology enables clients to cost effectively adapt to regulatory change as needed, and to automate back office processing so that resources can be freed up and redirected towards delivering superior client outcomes. Rather than viewing the new raft of customer requirements as a compliance burden, our clients can seize the opportunity to lead the market through value-added propositions. To this end, an additional A$32m was invested into the Bravura product range in FY19, to enhance functionality deployed for the benefit of our entire client base.

The efficacy of our product suite was reflected in the company's strong financial performance. In FY19, the Wealth Management segment achieved healthy growth, with revenue increasing by 14% and EBITDA by 17%, primarily due to our flagship offering, Sonata. During the year, Bravura delivered complex implementation projects for new Sonata clients across key geographic markets, as well as met strong demand among our existing global client base for additional functionality.

Great progress was also made in our Funds Administration segment, which continued to be a market leader in providing digital solutions and straight through messaging capabilities. In FY19, the division delivered growth, with revenue increasing by 22% and EBITDA by 21%.

Reflecting the company's robust performance during the year, Bravura's share price ended FY19 at A$4.86 per share, up from A$3.21 per share at the end of FY18. Continuing its ascension, Bravura now ranks among the top 200 listed companies in Australia after being admitted into the S&P/ASX 200 Index in October 2018. Bravura's share price performance was up 51.4% for FY19, significantly exceeding the S&P/ASX200 Index performance of 7.1%. Our addition into the ASX200 reflects the company's strong share price performance and increasing market capitalisation.

At Bravura, our strong business results are delivering excellent shareholder returns. The Board has declared a final unfranked dividend of 4.8 cents per share for FY19. Group EPS was up 19% to 15.0 cents per share. The dividend record date is 4 September 2019, and the dividend will be paid to shareholders on 27 September 2019.

On behalf of the Board, I would like to sincerely thank you – our valued shareholders – for your ongoing support for Bravura and the trust you have placed in us to deliver on our strategic business goals. My special thanks also, to all our employees worldwide whose tireless efforts and unyielding commitment have made Bravura what it is today. FY19 was a highly rewarding year for the company and I take great pride in reporting that Bravura is ideally positioned for another prosperous year ahead.

B.A. Mitchell

BRIAN MITCHELL
CHAIRMAN

REVIEW OF FULL YEAR RESULTS

Highlights of our FY19 results include:

- Group Revenue up 16%, to $257.7m
- Group EBITDA up 27%, to $49.1m
- Group NPAT up 21%, to $32.8m
- Net cash of $194.8m

Results by Segment:

- Wealth Management
  - Revenue up 14%, to $176.8m
  - EBITDA up 17% to $53.9m
- Funds Administration
  - Revenue up 22%, to $80.9m
  - EBITDA up 21%, to $32.3m

CEO REPORT

"In FY19, there was substantial growth across the business, driven by the entire Bravura product suite. We continued to drive operating efficiencies and expand our operating leverage, enabling the business to maintain very strong margins."

It has been another excellent year at Bravura Solutions (Bravura) and I am delighted to share with you the key aspects of our business performance.

Pleasingly, the business once again exceeded its performance in the previous year across all key metrics, including revenue, EBITDA, and NPAT. In FY19, the company achieved group revenue of A$257.7m, an increase of 16% over the previous year. Group EBITDA increased by 27% to A$49.1m, while group NPAT increased by 21% to A$32.8m. As at 30 June 2019, the company had net cash of A$194.8m.

In FY19, there was substantial growth across the business, driven by the entire Bravura product suite within our Wealth Management and Funds Administration segments. We continued to drive operating efficiencies and expand our operating leverage, enabling the business to maintain very strong margins

The year was dominated by a raft of new regulatory changes that put further pressure on financial services organisations to reduce operating costs and improve customer outcomes. Accordingly, we worked with our clients to help them meet customer demand for cutting edge digital experiences, strengthen customer engagement through personalised communications, employ AI to achieve customer insights and operational optimisation, transition to open banking and open APIs, and maximise business efficiencies to drive better customer outcomes.

Bravura's Wealth Management segment achieved solid financial results, underpinned by our flagship product Sonata. In FY19 we delivered a series of successful implementations in key global markets, numerous new projects for existing clients and substantial groundwork towards realising future growth. As a result, Wealth Management revenue was up by 14% to A$176.8m, while the division's EBITDA increased by 17% to A$53.9m.

Sonata's rich functionality and modern technical architecture allowed several new clients to develop their digital capability and enhance their customer experiences through innovative real-time digital offerings in FY19. In New Zealand, ASB Bank went live on Sonata as its new core administration platform, with the complex digital transformation project completed in under a year. In the UK, Legal & General Investment Management continued its digital transformation journey in strategic partnership with Bravura, with our hosted Sonata platform deployed to support new business in just nine months. Also, in a global first, we saw Commonwealth Super Corporation in Australia go live with Sonata as a fully managed cloud service. In addition, existing Bravura clients across our global markets undertook new projects to extend their Sonata functionality.

FY19 has seen our Funds Administration segment deliver growth, with revenue reaching $80.9m, a 22% increase on the previous financial year. Funds Administration EBITDA rose by 21% to reach 32.3m. Professional services grew by 52% to $31m due to our existing clients' continued commitment to Bravura products.

During FY19, we were delighted to announce that our long-term partners, JPMorgan and Citi both signed renewed and enhanced contracts with Bravura, for a further five years each. We were also pleased to see continued growth in our portfolio of Rufus SaaS clients with T Bailey Financial Services successfully launching on the package. In addition, our Babel product was appreciably enhanced to fully support CREST electronic settlement for funds, with two clients launching the new module.

Delivering on our commitment to innovation, we continued to invest in our Innovation Labs in FY19. Located in EMEA and APAC, the labs provide an environment in which our developers can work in close collaboration with our customers to apply emerging technologies to meet real-world challenges. In FY19, the EMEA Lab applied AI techniques to investor analytics, advisor support tools and operational optimisation, worked with providers to integrate open banking capabilities into their digital platforms and collaborated with clients to leverage distributed ledger technology. The APAC Lab developed AI-assisted exception handling for superannuation payments and a machine-learning approach to the allocation of insurance claims. A big data strategy is now a key focus for the lab, providing customers with the tools to utilise complex analytics on Sonata data for operational improvements.

To support our rapid growth and increasing reputation as a market leader, Bravura relocated our London, Melbourne and Johannesburg offices to exciting new premises in FY19. Combined with our robust business performance, these modern, sophisticated office spaces represent the next step in Bravura's global growth and development journey. In London, our prestigious new Bishopsgate address positions the company for success by comfortably accommodating a workforce that has grown by 45% in three years. Located in the heart of the CBD, Bravura's impressive new Melbourne office reflects our recent ascension into the S&P/ASX 200 and provides modern, agile workspaces to attract and retain the very best talent to our business. In South Africa, our Johannesburg team also recently moved into larger premises to cater for Bravura's expansion in this strategically important market.

Having ended FY19 with a net cash position of A$194.8m, Bravura's balance sheet is well positioned to support further growth opportunities, both organic and acquisitive, as they arise. We are currently exploring adjacent geographies as potential growth opportunities for the business and there is also a strong pipeline of activity as our existing clients continue to expand their use of Bravura products into additional business lines and new geographies.

FY19 has been a most productive year and I thank the Bravura Board, senior management and, in particular, our 1,300+ staff for their hard work and commitment to developing and delivering world-class technology solutions to our customers. As we enter FY20, our business is in a very strong competitive position thanks to their valuable contribution and I have every confidence in Bravura's continued growth and business success.

TONY KLIM
CHIEF EXECUTIVE OFFICER
AND MANAGING DIRECTOR

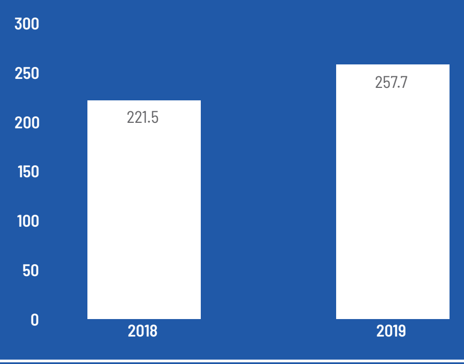
COMMENTARY
BRAVURA SOLUTIONS GROUP

GROUP FINANCIALS

- Group revenue of **$257.7 million** was **up 16% on FY19**
- Group FY19 EBITDA of $**49.1 million exceeded FY19 by 27%**
- Group NPAT FY19 was $32.8 million, **up 21% on FY19**

GROUP REVENUE

A$m

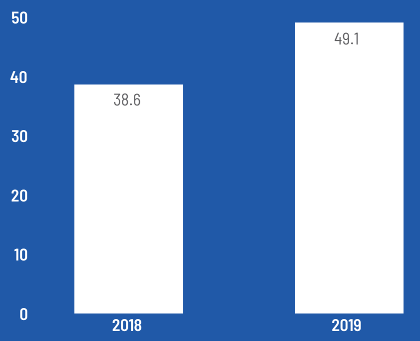


GROUP COMMENTARY

- Strong result driven by robust growth across the Bravura product suite
- Continued strong demand for professional services from existing clients
- Solid base of long-term contracts driving excellent growth

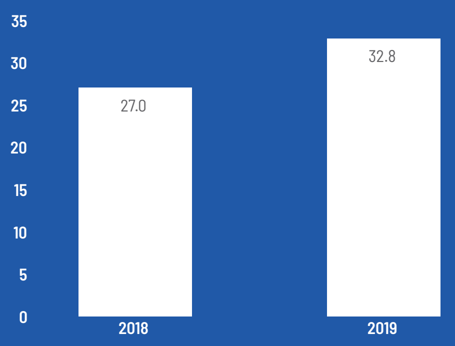
GROUP EBITDA

A$m



GROUP NPAT

A$m



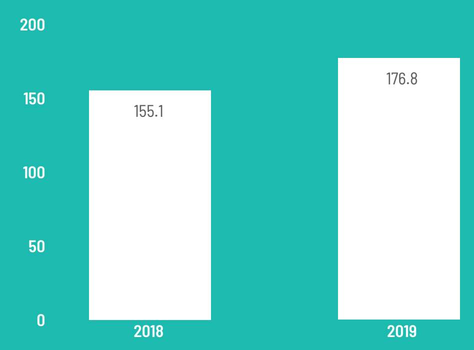
COMMENTARY
WEALTH MANAGEMENT

SEGMENT FINANCIALS

- Wealth Management revenue increased 14% to **$176.8 million**
- Segment EBITDA increased **17%** to **$53.9 million**

WEALTH MANAGEMENT REVENUE

A$m

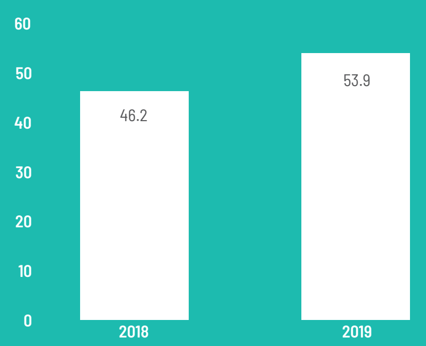


SEGMENT COMMENTARY

- Result driven by new contracts, expanding project work and increasing demand from new and existing clients
- Sonata delivered very strong revenue growth and now makes up almost all of the Wealth Management segment
- EBITDA margin expanded as a function of significant inherent operating leverage in the business model

SEGMENT EBITDA

A$m



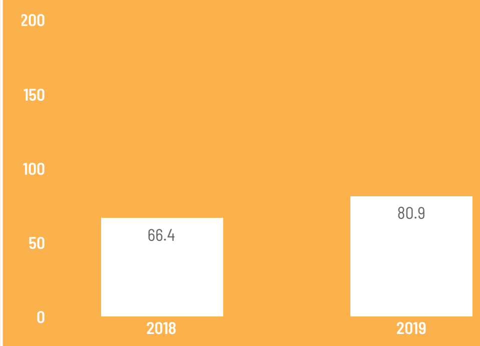
COMMENTARY
FUNDS ADMINISTRATION

SEGMENT FINANCIALS

- Funds Administration revenue increased **22% to $80.9 million**
- Funds Administration EBITDA increased 21% **to $32.3 million**
- Funds Administration maintained strong EBITDA margins of 40%

FUNDS ADMINISTRATION REVENUE

A$m

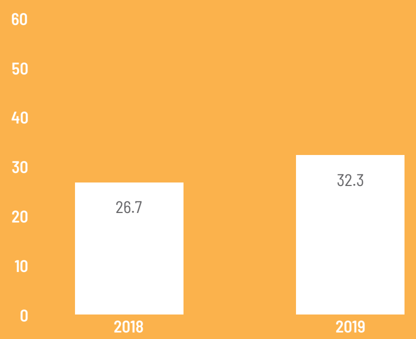


SEGMENT COMMENTARY

- Funds Administration delivered growth following increased implementation and development work arising from a renewed and enhanced contract with a significant global client, as well as improved utilisation across its client base
- Bravura maintains its strong market credentials in providing digital solutions and straight through messaging capabilities
- Bravura's SaaS offering creates new opportunities for growth in existing and new geographies

SEGMENT EBITDA

A$m

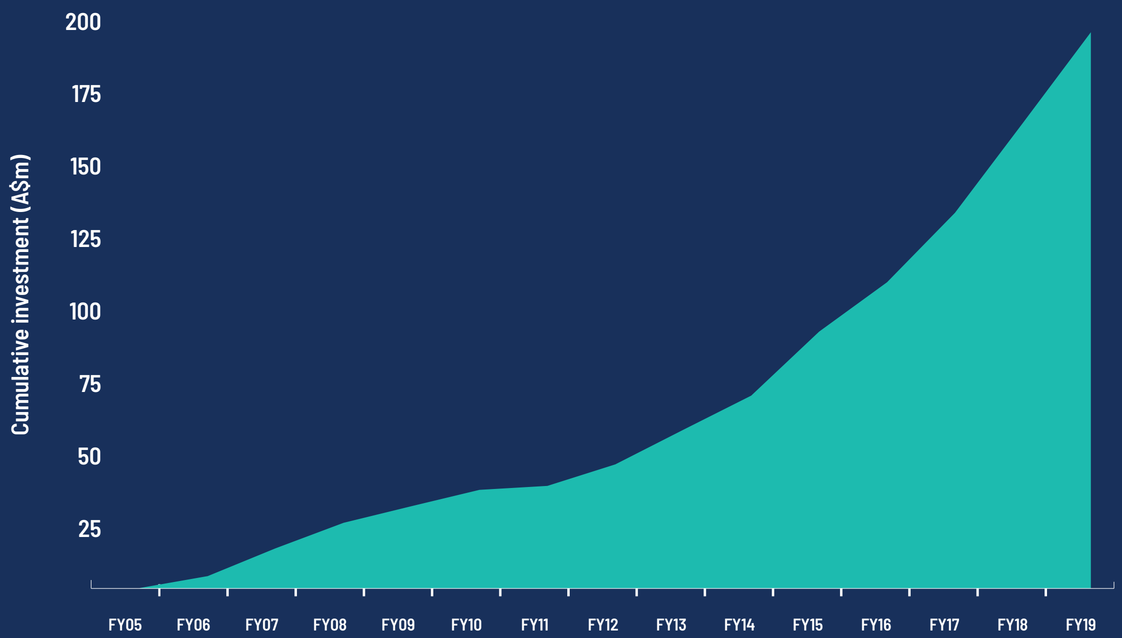


RESEARCH AND DEVELOPMENT

We continue to maintain a strong pipeline of development activity to meet the needs of both current and future clients across our products. Continued investment in the Bravura product suite enhances our offering and maintains our market leading position.

The chart below shows the cumulative R&D investment Bravura has made across the product suite. This continued investment has led to an acceleration in Bravura's blue chip client base since 2011. Going forward, further development is expected to be funded increasingly by new and existing clients requesting specific enhancements and functionality, as has occurred in FY19 totalling $31.8m. This client-funded development is expected to increase and non-client funded development to reduce.

BRAVURA'S CUMULATIVE INVESTMENT



SONATA **SOFTWARE**

WHAT IS SONATA?

Bravura provides flagship software products used by financial institutions across the globe to administer financial products such as investments, wrap platforms, life insurance, superannuation, pensions and Kiwisaver on behalf of their customers. Bravura's clients typically deploy Sonata either themselves, managing their own IT, operational and administrative aspects of the system within their organisation, via an outsourced hosted or SaaS deployment or through a third-party administrator who manages Sonata on the client's behalf.

> "Bravura's software supports clients with a digital, efficient, and client centric technology platform."

PRODUCT FEATURES

FINANCIAL PRODUCTS SUPPORTED

- Investment products
- Wrap platforms
- Superannuation (incl. Kiwisaver) & pension
- Life insurance
- Private wealth & portfolio admin
- Funds Administration

PROCESSES

FRONT-OFFICE

- New product creation
- Product distribution

MIDDLE-OFFICE

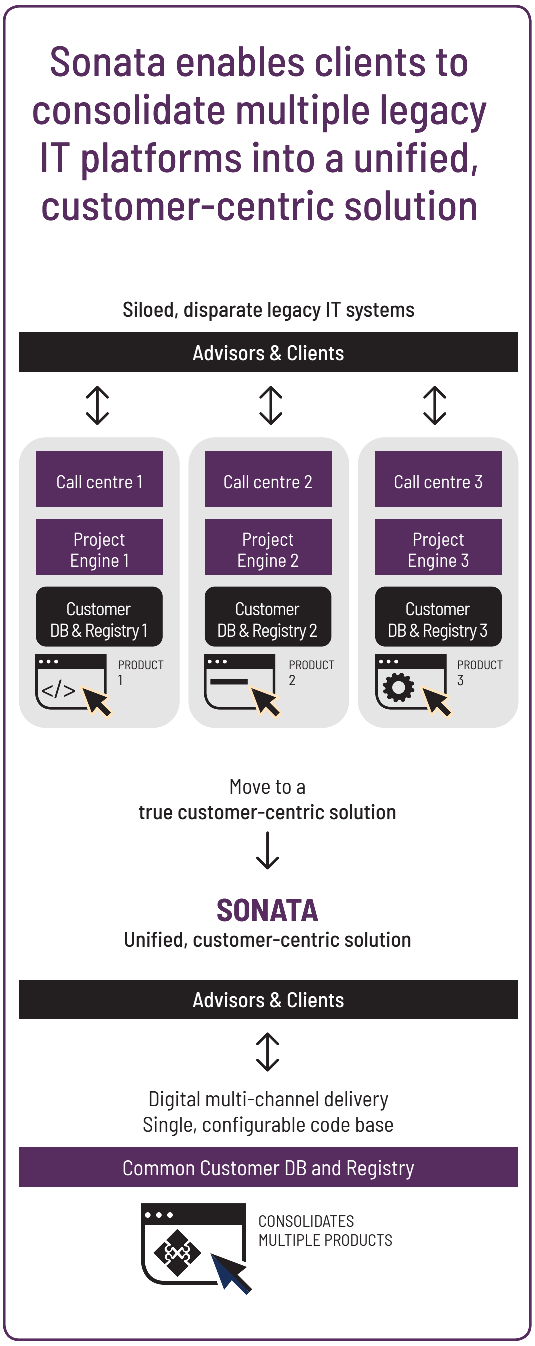
- Compliance and auditing

BACK-OFFICE

- Administration, workflow and correspondence
- Valuations and modelling

FEATURES

- Unified digital platform accessible across multiple devices
- Modern solution available as an installed or hosted model
- Processes multiple financial products
- Support compliance across multiple jurisdictions
- Highly secure record keeping
- Scalable, modern technology



WHAT DOES BRAVURA DO?

Sonata provides a platform that can enable Bravura's clients to unify a number of disparate, siloed IT systems and provides a single-client view of customer information that facilitates consolidated reporting. In doing so, Sonata assists clients to reduce the costs associated with maintaining multiple software systems and enhances their customer experience through more streamlined digital engagement.

WHO USES BRAVURA SOFTWARE?

Typical clients include major local and international banks, life insurance companies, wealth management companies, superannuation funds and KiwiSaver providers, and administration and IT outsourcers who provide services to financial institutions. Sales are driven by the need to support regulatory changes, drive costs from operations and to deliver digital and mobile experience to customers.

KEY MANAGEMENT

TONY KLIM

CEO AND
MANAGING DIRECTOR

Tony Klim has over 30 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 he has been instrumental in the development of new technology products and services targeted at the financial services sector

Prior to joining Bravura Solutions 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 was 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

Tony has a Bachelor of Science, Honours, in Physics from the University of Manchester.

MARTIN DEDA

CFO AND
EXECUTIVE DIRECTOR

Martin Deda has over 30 years of experience in senior finance and operational roles, predominantly within the IT and professional services industry sectors.

Throughout his career, Martin has added significant value to the private and public companies he has worked for across Australia, Asia, UK, Continental Europe and the US, improving business profitability and deriving value from M&A transactions. He has extensive experience in C level operational and financial management as well as Board roles.

Prior to joining Bravura Solutions in September 2014, Martin was the Chief Operating Officer/ Chief Financial Officer for top tier law firm Minter Ellison. He previously held C-level positions at ASX200 listed global healthcare IT provider, iSOFT Ltd and CSC for Central and Eastern Europe. He has also held senior finance and operations roles at TNT and Storage Tek in EMEA. He is currently a Non-Executive Director of PageUp People Limited (formerly PageUp People Pty Ltd) (since 12 December 2012).

Martin holds a MBA from the University of Sydney, and a BSc. (Mathematics, Nuclear & Radiation Chemistry) from the University of New South Wales.

NICK PARSONS

GLOBAL CHIEF
TECHNOLOGY OFFICER

Based in London, Nick Parsons has over 30 years of experience in the IT industry, specialising in financial sector solutions for fund managers and TPAs. Nick is Global Chief Technology Officer for Bravura Solutions, with responsibilities that include defining the Company's evolving IT vision and strategy across the product range. He has been with Bravura Solutions since July 2007.

Prior to joining Bravura Solutions, Nick was the Chief Technology Officer for DST Global Solutions, where he was responsible for driving technical innovation across a diverse product range and implementing a number of complex global projects.

ANDY CHESTERTON

CHIEF OPERATING OFFICER,
FUNDS ADMINISTRATION

Based in London, Andy Chesterton has over 28 years of experience in the finance industry. Andy is responsible for the Funds Administration functions across EMEA, including product development (as well as financial messaging) globally. He has been with Bravura Solutions since it acquired the RUFUS division of The Bank of New York (now BNY Mellon) in December 2006.

Andy held various senior roles in The Bank of New York's Retail Funds Services and Retail Funds Software House divisions. Andy joined the Retail Funds Software House division in 2000 as the Head of Development. He was previously responsible for custody and treasury development teams at SG Warburg & Co.

MATERIAL BUSINESS **RISKS**

The material business risks that have the potential to impact Bravura Solutions are outlined below, together with mitigating actions undertaken to minimise these risks:

RISK	NATURE OF RISK	MITIGATION
Increased competition	Bravura Solutions competes with a number of specialist software vendors.	In order to mitigate the risk from increased competition, Bravura Solutions: ▪ continues to invest in Sonata development to enhance the core platform; and ▪ has implemented employee incentives to attract and retain key personnel.
Foreign exchange	Bravura Solutions is exposed to foreign exchange movements which may affect the value of its assets, liabilities, revenues and costs, and consequently, its financial results.	Bravura Solutions has a presence in a number of jurisdictions and the increase in relative revenue contributions from those jurisdictions tends to mitigate some of this exposure. Bravura Solutions has implemented relevant procedures, such as having debt facilities available in its main currencies and managing intercompany balances at the lowest level possible, to manage and minimise this risk.
Economic climate	Domestic and international economic conditions can impact client revenue.	Bravura Solutions has a presence in a number of jurisdictions to mitigate this risk.
Information security breach and failure of critical systems	Bravura Solutions could be impacted by the failure of critical systems, whether caused by error or malicious attack.	Bravura Solutions has gained ISO 22301:2012 accreditation for its disaster recovery and business continuity management systems to mitigate this risk. Bravura Solutions has also established and maintained the following: ▪ dedicated information security teams; ▪ mandatory information security awareness training across the business; ▪ Board oversight through the Audit and Risk Management Committee and executive oversight via an internal information security committee.

BRAVURA SOLUTIONS ANNUAL FINANCIAL REPORT 2019

BRAVURA SOLUTIONS LIMITED
ABN 54 164 391 128

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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 2019 and any public announcements made by Bravura Solutions Limited and its controlled entities during the year in accordance with the continuous disclosure obligations arising under 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" or "Consolidated Entity") consisting of Bravura Solutions Limited ("Bravura Solutions" or "the Company") and the entities it controlled at the end of, or during, the year ended 30 June 2019.

DIRECTORS

The Directors of Bravura Solutions at any time during or since the end of the financial year are:

Non-executive Directors	
Brian Mitchell	Independent Chairman
Peter Mann	Independent
Alexa Henderson	Independent
Neil Broekhuizen	Independent
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 years consisted of the development, licensing and maintenance of highly specialised administration and management software applications and the provision of professional consulting services for the Wealth Management and Funds Administration sectors of the financial services industry.

OPERATING AND FINANCIAL REVIEW

During the reporting period, the Board maintained its focus on client satisfaction, margin expansion and revenue growth. The financial period saw an increase in project activity with existing and new clients which was the main contributor to the Revenue growth of 16.6% (2018 15.4%) against the prior comparative period. The total Revenue of $258.2m was made up of $176.8m generated in the Wealth Management Segment and $80.9m in the Funds Administration segment, both of which grew revenue against the prior period

While expenses, predominately employee benefits expense, grew against the prior period to support the projects activity, EBITDA increased by $10.5m against the prior period, to $49.1m. The total of depreciation, amortisation, foreign exchange and finance costs was similar to the prior period resulting in profit before tax of $41.5m being $10.7m (35%) higher than the prior period.

The Group continues to invest in research and development, to ensure our products meet market needs and are continuously updated with the latest market and regulatory requirements. Of the total development spend during FY2019, focused on progressing the road map for Sonata was $31.8 million (2018: $29.7 million), of which $4.0 million (2018: $6.3 million) was capitalised as intangible assets.

The profit for the Consolidated Entity after providing for income tax for the year ended 30 June 2019 amounted to $32.8 million (2018: $27.0 million).

Employee related expenses comprised 73.4% (2018: 74.3%) of total operating expenses in the year staffing 12 offices across Australia, New Zealand, United Kingdom, Poland, South Africa, Hong Kong and India.

To meet the demand from new sales and consulting activity from existing clients, as well as anticipated demand from forecast sales, employee headcount of the Group increased from 1,278 in the corresponding year to 1,351 staff in the current year on a permanent or contractor basis.

DIRECTORS' REPORT (CONTINUED)

The following table shows EBITDA* and net earnings for the year and comparative year as follows:

	NOTES	2019	2018
		$'000	$'000
Wealth Management		**176,810**	155,070
Funds Administration		**80,892**	66,401
Other revenue		**503**	30
Total revenue	6	**258,205**	221,501
Employee benefits expense	7	**(153,476)**	(135,881)
Third party cost of sales		**(19,097)**	(17,285)
Travel and accommodation costs		**(6,385)**	(5,083)
Occupancy costs		**(9,528)**	(7,315)
Telecommunication costs		**(9,252)**	(8,760)
Development operating expense		**(2,240)**	(2,410)
Other expenses (including hosting asset depreciation)		**(9,166)**	(6,192)
EBITDA*		**49,061**	38,575
Depreciation and amortisation expense		**(6,467)**	(7,066)
EBIT		**42,594**	31,509
Finance expense	7	**(189)**	(580)
Foreign exchange loss		**(899)**	(169)
Profit before income tax		**41,506**	30,760
Income tax expense	8	**(8,698)**	(3,730)
Net profit		**32,808**	27,030

*EBITDA is earnings before finance cost, interest and foreign exchange gains and losses, tax, depreciation, and amortisation. EBITDA includes $2.5 million (2018: $1.7 million) depreciation of property, plant and equipment dedicated to client hosting services.

DIVIDENDS

A final dividend of 4.8c per share has been declared for FY19. The Dividend Reinvestment Plan has been activated. A final FY18 dividend of 4.5c per share was paid on 28 September 2018. An interim dividend of 5.3c per share was paid to shareholders on 28 March 2019.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the year, the Company issued 229,055 shares under the Dividend Reinvestment Plan on 28 March 2019 and 28,695,653 shares to institutional investors on 8 May 2019, raising $165 million to fund growth related initiatives.

EVENTS SUBSEQUENT TO REPORTING DATE

On 23 August 2019, the Consolidated Entity entered into an agreement to acquire 100% of the equity in Midwinter Financial Services for a consideration of $50 million, funded by existing cash reserves. The purchase price allocation process has not yet been completed.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations or the state of affairs of the Consolidated Entity in future financial years.

DIRECTORS' REPORT (CONTINUED)

BRAVURA SOLUTIONS DIRECTORS BIOGRAPHIES

Director and position	Experience
 **Brian Mitchell** **CPM FAICD FAMI MIML** **Chairman and Independent Non-executive Director**	Brian Mitchell is a senior executive with over 30 years experience in the IT industry with broad experience in the hardware, software and service sectors. His experience has been gained from working in the United Kingdom, Australia, Asia Pacific and the United States of America. 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. Brian has held various other senior management roles with organisations such as IBM Corporation, BIS Banking Systems and Digital Equipment Corporation. Brian is currently Chairman of OtherLevels Holdings Limited. Brian is a Certified Practising Marketer, a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Marketing Institute, and a member of the Institute of Managers & Leaders. Brian is the Chair of the Remuneration and Nomination Committee.
 **Peter Mann** **Independent Non-executive Director**	Peter Mann is a respected business leader with more than 30 years experience in the financial services industry. Prior to joining Bravura Solutions as an Independent Non-Executive Director, Peter was Vice Chairman of Old Mutual Group, where he spent a total of 12 years and oversaw a period of exceptional growth and achievement. Peter's time with Old Mutual Group included 6 years as CEO of Skandia, one of the UK's largest retail platforms, which was acquired by Old Mutual in 2006. Under Peter's leadership, Skandia grew to become the largest retail platform in the UK, with £60 billion in assets under management. Prior to this, Peter was CEO of Bankhall, a leading supplier of support services to financial advisers. Bankhall was acquired by Skandia in 2001. As CEO at Bankhall, Peter drove significant revenue and profit growth, implementing new services for existing members across multiple business lines. He was an active panel member of the Association of Independent Financial Advisors, lobbying the Financial Services Authority, ombudsman, product providers and other market participants on behalf of Bankhall members. In addition to being an Independent Non-Executive Director at Bravura Solutions, Peter is currently Chairman of Gryphon Group Holdings Limited, Tori Global Limited and Harwood Wealth Management Group PLC. He is also a Non-Executive Director of MMI Holdings UK Limited. Peter is a member of the Audit and Risk Management Committee and the Remuneration and Nomination Committee.
 **Alexa Henderson** **BSc CA** **Independent Non-executive Director**	Alexa Henderson has over 30 years of experience in finance, accounting and audit across the United Kingdom and Australia. She has a strong background in financial institution corporate governance and the guidance of appropriate audit practices and risk management processes. Alexa has worked with KPMG, Arthur Andersen and Deutsche Bank (WM Company). She is currently on the board of directors of three financial services companies in the United Kingdom being BMO Real Estate Investments Limited, JP Morgan Japan Smaller Companies Trust PLC and Standard Life UK Smaller Companies Trust PLC. She has chaired the audit committee of each of BMO Real Estate Investments Limited and JP Morgan Japan Smaller Companies Trust PLC. Alexa Henderson holds a BSc in Economics and Accounting from Edinburgh University, is a Chartered Accountant and has been a member of the Institute of Chartered Accountants of Scotland since 1985. Alexa is the Chair of the Audit and Risk Management Committee.

DIRECTORS' REPORT (CONTINUED)

Director and position	Experience
 **Neil Broekhuizen** **CA, B.Sc. (Eng) Hons** **Independent Non-executive Director**	Neil Broekhuizen has over 30 years experience in the finance industry including the last 27 years in private equity with Investcorp and Bridgepoint in Europe and with Ironbridge in Australia. In addition to being an Independent Non-Executive Director at Bravura Solutions, Neil is also a Non-Executive Director of Monash IVF Group Limited and PKS Holding Limited. Neil is a qualified Chartered Accountant and holds a BSc (Eng) Honours degree from Imperial College, University of London, where he read electronic engineering. Neil is a member of the Audit and Risk Management Committee and the Remuneration and Nomination Committee.
 **Tony Klim** **B.Sc (Physics Hons)** **CEO and Managing Director**	Tony Klim has over 30 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 he has been instrumental in the development of new technology products and services targeted at the financial services sector. Prior to joining Bravura Solutions 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 was 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. Tony has a Bachelor of Science, Honours, in Physics from the University of Manchester.
 **Martin Deda** **BSc, MBA, FCPA, GAICD** **CFO and Executive Director, Joint Company Secretary**	Martin Deda has over 30 years of experience in senior finance and operational roles, predominantly within the IT and professional services industry sectors. Throughout his career, Martin has added significant value to the private and public companies he has worked for across Australia, Asia, UK, Continental Europe and the US, improving business profitability and deriving value from M&A transactions. He has extensive experience in C-level operational and financial management as well as Board roles. Prior to joining Bravura Solutions in September 2014, Martin was the Chief Operating Officer/ Chief Financial Officer for top tier law firm Minter Ellison. He previously held C-level positions at ASX200 listed global healthcare IT provider, iSOFT Ltd and CSC for Central and Eastern Europe. He has also held senior finance and operations roles at TNT and Storage Tek in EMEA. He is currently a Non-Executive Director of PageUp People Limited (formerly PageUp People Pty Ltd) (since 12 December 2012). Martin holds an MBA from the University of Sydney, and a BSc. (Mathematics, Nuclear & Radiation Chemistry) from the University of New South Wales.

DIRECTORS' REPORT (CONTINUED)

BRAVURA SOLUTIONS COMPANY SECRETARY BIOGRAPHY

Position	Experience
 **Nigel Liddell** **LLB** **General Counsel and Joint Company Secretary**	Based in London, Nigel qualified as a Solicitor in 1993 and has over 25 years of in-house legal experience, mainly in the IT and services industries. He is responsible for managing the legal affairs of the Group and is the Head of Facilities for the EMEA region. Nigel joined Bravura Solutions in March 2008 as the Head of Legal EMEA and took over the global role in July 2011. Prior to joining Bravura Solutions, he was Director and Group General Counsel at DST Global Solutions and has held senior roles at GE Capital IT Solutions, Action Computers (a London-listed company) and Hertz Europe.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Bravura Solutions will continue to focus on accelerating the adoption of Sonata as the wealth management and life insurance application of choice in both EMEA and APAC while expanding its managed services model. The Company will continue to enhance its strategic relationships with existing clients with a focus on regulatory changes and product enhancements.

CORPORATE GOVERNANCE STATEMENT

The Corporate Governance Statement of Bravura Solutions can be found on the Company's website, https://bravurasolutions.com/wp/wp-content/uploads/2019/08/FY19CGS_ESG.pdf

SHARE OPTIONS

The Consolidated Entity has 2,921,043 performance rights under long-term incentive plans and these rights remain unvested and unexercised at the reporting date (30 June 2018: 2,119,692) (Refer to Note 25).

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of Bravura Solutions during FY2019 are:

	BOARD MEETINGS		BOARD SUB-COMMITTEE MEETINGS		AUDIT AND RISK MANAGEMENT COMMITTEE		REMUNERATION AND NOMINATION COMMITTEE	
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED
B Mitchell	21	21	5	5	-	-	4	4
P Mann	21	18	-	-	6	6	4	4
T Klim	21	21	-	-	-	-	-	-
N Broekhuizen	21	21	-	-	6	6	4	4
M Deda	21	21	5	5	-	-	-	-
A Henderson	21	21	-	-	6	6	-	-

DIRECTORS' REPORT (CONTINUED)

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, Bravura Solutions paid a premium in respect of a contract to insure the Directors of Bravura Solutions in line with the Constitution 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 SOLUTIONS

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

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Consolidated Entity is not subject to any significant environmental regulation under the laws of the Commonwealth, States or other territories.

NON-AUDIT SERVICES

Details of amounts paid or payable to the auditors for non-audit services provided during the year by Ernst & Young are outlined in Note 35 in the Financial Report.

The Directors, in accordance with advice from the Audit and Risk Management Committee, are satisfied that the provision of non-audit services as disclosed in Note 35 in the Financial Report does not compromise the external auditor's independence as outlined in the Corporation Act 2001 for the following reasons:

- Non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Committee.
- Non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Company or jointly sharing risks and rewards.

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

The auditor's independence declaration is set out on page 48 and forms part of the Director's Report for the year ended 30 June 2019.

Indemnification of auditors to the extent permitted by law, the Company has agreed to indemnify its auditors Ernst & Young, as part of the terms of its audit engagement agreement against claims made by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

ROUNDING-OFF

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

REMUNERATION REPORT

The Remuneration Report on pages 28 to 47 forms part of the Directors' Report.

This report is issued in accordance with a resolution of the Directors.

BRIAN MITCHELL
CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Sydney
23 August 2019

REMUNERATION REPORT (AUDITED)

Contents

1 LETTER FROM THE CHAIR OF THE REMUNERATION AND NOMINATION COMMITTEE

Dear Shareholder,

On behalf of the Board, I am pleased to present Bravura Solution's Remuneration Report (Report) for the financial year ended 30 June 2019 (FY19). This report outlines how Bravura's performance has been linked to reward outcomes for Key Management Personnel (KMP) during this financial year.

Bravura Solutions' remuneration framework, as outlined in the accompanying Report, reflects our commitment to deliver competitive remuneration for outstanding performance in order to attract and retain talented individuals across our operational regions, while aligning the interests of executives and shareholders. Throughout FY19, Bravura Solutions delivered consistent performance against key financial measures, with strong revenue, EBITDA and NPAT growth underpinned by the depth of the Bravura product suite across both Funds Administration and Wealth Management.

Each year the Board assesses several factors when determining remuneration outcomes. In addition to overall financial results, the Committee assesses performance including the quality of the results, achievement against individual objectives and the effectiveness of strategic initiatives implemented to determine the extent to which the overall outcomes adequately reflect actual performance and returns to shareholders.

This Report is structured to provide shareholders with insights into the remuneration governance, policies, procedures and practices being applied. Having received the support of shareholders for the approaches currently in place, this report is intended to assist shareholders to engage with the Board regarding refinements and improvements that might be desirable, as the Company implements the necessary continuous improvement process to remuneration governance as the circumstances of the Company evolve.

Bravura's remuneration strategy is designed to support and reinforce its business strategy. For the coming financial year, ending 30 June 2020, there are no changes proposed to the overall mix of fixed and "at-risk" (STIP/LTIP) for KMP. The at-risk components of remuneration are tied to measures that reflect the successful execution of our business strategy in both the short and long term. Our strategic drivers are reflected in STI and LTI performance measures, ensuring that Bravura's performance directly affects what executive KMP are paid.

The Board will continue to engage with shareholders and their representatives on matters related to remuneration and we look forward to your comments and support for remuneration related resolutions at the upcoming AGM.

Yours sincerely,

B.A. Mitchell

BRIAN MITCHELL
NON-EXECUTIVE DIRECTOR
CHAIR OF THE REMUNERATION AND NOMINATION COMMITTEE

REMUNERATION REPORT (AUDITED) (CONTINUED)

2 PERSONS ADDRESSED AND SCOPE OF THE REMUNERATION REPORT

This Report covers the KMP of Bravura Solutions. The Report sets out, in accordance with section 300A of the Corporations Act, associated regulations, and good governance:

- The Company's governance relating to remuneration;
- The policy for determining the nature and amount or value of remuneration of KMP;
- The various components or framework of that remuneration;
- The prescribed details relating to the amount or value paid to KMP, as well as a description of any performance conditions;
- The relationship between KMP remuneration and the performance of the Company; and
- Such other/additional details as may be relevant to shareholders in order for them to form a complete understanding of the Company's remuneration governance, policies, procedures and practices as they relate to KMP.

KMP are the directors and employees who have authority and responsibility for determining, planning, directing and controlling the activities of the Company. On that basis, the following roles/individuals are addressed in this Report:

Non-executive Directors:

- Mr Brian Mitchell, independent non-executive director since 16 December 2009;
  - Chairman of the Board since 16 December 2009;
  - Chair of the Remuneration and Nomination Committee since 16 November 2016;
- Mr Neil Broekhuizen, independent non-executive director, having joined on 8 September 2009;
  - Member of the Audit and Risk Management Committee since 16 November 2016;
  - Member of the Remuneration and Nomination Committee since 16 November 2016;
- Mr Peter Mann, independent non-executive director since 22 December 2015;
  - Member of the Audit and Risk Management Committee since 16 November 2016;
  - Member of the Remuneration and Nomination Committee since 16 November 2016;
- Ms Alexa Henderson, independent non-executive director since 19 September 2016;
  - Chair of the Audit and Risk Management Committee since 16 November 2016.

Senior Executives classified as KMP or otherwise addressed in this Report for completeness:

- Mr Tony Klim, Chief Executive Officer (since 18 May 2011) and Managing Director (since 30 June 2011), having joined on 18 February 2008;
- Mr Martin Deda, Executive Director and Chief Financial Officer since 22 September 2014;
- Mr Nick Parsons, Chief Technology Officer, having joined on 30 July 2007; and
- Mr Andy Chesterton, Chief Operating Officer – Funds Administration since March 2014, having joined in December 2006. Mr Chesterton has announced his intention to retire during FY20 and will be replaced as a KMP at such time as the organisation finalises a replacement for Mr Chesterton.

3 CONTEXT OF AND CHANGES TO KMP REMUNERATION FOR FY19 AND INTO FY20.

There are no significant changes being considered or recommended by the Board in relation to the current remuneration framework for executive KMP. From November 2016 onwards, the Board has worked to ensure delivery of competitive remuneration for outstanding performance in order to attract and retain talented individuals across our operational regions, while aligning the interests of executives and shareholders. The following summary outlines the key context for and matters of interest in relation to KMP remuneration governance since the last remuneration report:

- The Board acknowledges and thanks shareholders for endorsing the changes regarding disposal restrictions for the Long Term Incentive Program (LTIP) at the 2018 AGM. While this change had no impact on the number of performance rights offered to KMP, nor to any of the measurement aspects of the LTIP plan, it now enables consistency of tax treatments post any future vesting event regardless of the location of KMP;
- Market capitalisation remains one of the main factors that influences external assessments of the appropriateness of remuneration, and it is often seen as the primary indication of the size and status of the Company, and the field in which the Company is competing for talent. In this regard, it is noted that the value of the Company has increased, through FY19;
- Bravura Solutions operates internationally, with executive KMP recruited/located in both Australia and the United Kingdom, and therefore the Company competes in an international market for executive KMP talent. This is an important consideration given that remuneration quantum and structure varies between different international geographies, in accordance with their applicable standards and expectations. It will be important for shareholders to consider the need to meet various local market standards when forming judgements regarding whether the remuneration arrangements set out for executive KMP are appropriate;
- Related to the above, when shareholders are reviewing executive remuneration on a year-on-year basis, the impact of currency fluctuations on remuneration agreed and paid in foreign currency remains a consideration. The disclosures contained in this Report address notable changes to remuneration that are not the result of currency fluctuations;

REMUNERATION REPORT (AUDITED) (CONTINUED)

- The Board sought feedback from shareholders and proxy advisors following the release of the 2018 Remuneration Report and the subsequent AGM, and is continuing to improve remuneration governance and disclosure in response. The Board welcomes any ongoing feedback from shareholders in this regard;
- As foreshadowed in the 2018 Remuneration Report, the Board increased director fees by 3% for FY19, in line with market trends evident in data provided by independent expert consultants (UK and Australia). Executive KMP increases were in line with CPI changes in each location.
- Given the growth in operational scale and complexity of Bravura since re-listing in 2016, and the finite pool from which non-executive Directors are sourced, the non-executive Director fee policy is currently under review with the support of Independent Remuneration Consultants. Any changes to the non-executive Director fee policy will be outlined in the FY20 Annual Report;
- The Bravura Solutions LTIP remains unchanged from that voted on by shareholders at the 2018 AGM. The two measures used over the three-year measurement period are Earnings Per Share (EPS) and Indexed Total Shareholder Return (iTSR) rather than ranked relative TSR (rTSR). Given the small number of ASX listed Fintech comparators, the Board believes that use of a generic indication of the return that shareholders expect from investing in the market generally is the most appropriate.

4 OVERVIEW OF BRAVURA SOLUTIONS REMUNERATION GOVERNANCE FRAMEWORK & STRATEGY

4.1 TRANSPARENCY AND ENGAGEMENT

The Company seeks input regarding the governance of KMP remuneration from a wide range of sources, including:

- Shareholders;
- Remuneration and Nomination Committee Members;
- Stakeholder groups including proxy advisors;
- External remuneration consultants (ERCs);
- Other experts and professionals such as tax advisors and lawyers; and
- Company management to understand roles and issues facing the Company.

The following outlines a summary of Bravura Solutions formal Remuneration Governance Framework that has resulted from those engagements and related considerations. Some of the framework has been published to the market, and is available at https://bravurasolutions.com/wp/wp-content/uploads/2019/08/FY19CGS_ESG.pdf.

It is important that shareholders, proxy advisors and other interested parties consider this information as part of forming a judgement regarding the remuneration policies, procedures and practices of the Company.

4.2 REMUNERATION AND NOMINATION COMMITTEE CHARTER

The Remuneration and Nomination Committee (the "Committee") is appointed and authorised by the Board to assist the Board in fulfilling its statutory and fiduciary duties. The Committee is responsible for making recommendations to the Board about:

- Identifying individuals who may be qualified to become directors through assessing the Board's "skills matrix" and identifying any gaps;
- The appointment process and re-election of members of the Board and its committees;
- Board and senior executive succession issues and planning;
- The development of a process for the evaluation of the performance of the Board, its Committees and Directors;
- The review of the performance of senior executives and members of the Board, which should take place at least annually;
- Remuneration, recruitment, retention and termination policies and procedures for senior executives;
- The remuneration packages of senior executives, non-executive Directors, executive Directors, equity-based incentive plans and other employee benefit programs; and
- The remuneration policy for Directors, including as it is applied and the process by which any shareholder approved pool of Directors' fees is allocated.

The Committee must consist of at least three members (only non-executive directors) and must be made up of a majority of independent directors. The Committee has the authority to seek any information which is relevant to its functions from any employee of Bravura Solutions or external parties. The Committee has the authority to obtain outside professional advice as it determines necessary to carry out its duties. The Committee is also responsible for developing and overseeing the diversity policy. The full Charter is available on the Company website.

REMUNERATION REPORT (AUDITED) (CONTINUED)

4.3 SENIOR EXECUTIVE REMUNERATION FRAMEWORK

The senior executive remuneration framework applies to senior executives who are defined as follows:

- Managing Director - accountable to the Board for the Company's performance and long-term planning;
- Those roles classified as executive KMP under the Corporations Act;
- Direct reports to the Managing Director – roles that are business unit, functional, or expertise heads; and
- Any other roles as determined by the Board.

The framework outlines the Company's intentions regarding senior executive remuneration, including how remuneration is to be structured, benchmarked and adjusted in response to changes in the circumstances of the Company, and in line with current best-practices. The framework is summarised in the formal and documented remuneration policy of the Company, available on the Company website. The following outlines the intentions of the Board in relation to applying the framework to senior executives:

- Remuneration should be composed of:
  - Base package (inclusive of superannuation, allowances, benefits and any applicable fringe benefits tax (FBT));
  - STIP which provides a reward for performance against annual objectives and which may be subject to deferral as determined by the Board from time to time; and
  - LTIP which provides an equity-based reward for performance against indicators of shareholder benefit or value creation, over a three year period, intended to create alignment with shareholders; and
  - In total the sum of the elements will constitute a total remuneration package (TRP).
- Both internal relativities and external market factors should be considered;
- The performance of the Company and of senior executives should be considered in respect of the design of remuneration;
- That the base package policy mid-points should be usually set with reference to P50 (the median or the middle) of the relevant market practice, noting that both local and international markets may need to be considered when relevant;
- That TRPs at target (being the base package plus incentive awards intended to be paid for targeted levels of performance) should be usually set with reference to P75 (the upper quartile, the point at which 75% of the sample lies below) of the relevant market practice so as to create a strong incentive to achieve targeted objectives in both the short and long-term;
- Remuneration will be managed within a range of a policy benchmark to allow for the recognition of individual differences such as the calibre of the incumbent and the competency with which they fulfil a role, and that range will be within +/- 20% of the policy benchmark;
- Exceptions will be managed separately such as when particular talent needs to be retained or there are individuals with unique expertise that need to be acquired; and
- Termination benefits will generally be limited to the default amount allowed for under the Corporations Act (without shareholder approval) and will not be made when an executive is removed for misconduct.

The Board continues to consider its approach in relation to setting remuneration when there are two or more markets that need to be considered, generally the Australian market which shareholders may be expected to reference when assessing remuneration, and international markets as may be relevant to each role. This is challenging because only by meeting market expectations in each location can the Company hope to build and retain an appropriately talented executive team in respect of its international locations, and yet remuneration must also appear reasonable and appropriate to Australian stakeholders given that the Company is listed in Australia. In consideration of the approaches most evident in the market, being:

- Remunerate according to the Australian market, which is likely to lead to a loss of internationally sourced talent, but which produce internal relativities between roles that are logical;
- Remunerate according to the market relevant to each executive location, which may lead to outcomes that appear high or unusual in terms of structure relative to Australian standards, and which may produce unusual internal relativities; or
- A hybrid approach such as setting base packages according to the Australian market (locally reasonable and producing good internal relativities), and set TRP's relative to each executive location (ensuring competitiveness in total pay, but with varying degrees of focus on incentives) or some other criteria.

To date, the Company continues to be most closely aligned to the second approach, as was necessary to build the business and maintain local market expertise, and this has led to some of the observations regarding relativities with the Australian market noted in this Report. The Board anticipates, and welcomes, feedback from shareholders in this regard.

REMUNERATION REPORT (AUDITED) (CONTINUED)

4.4 NON-EXECUTIVE DIRECTOR REMUNERATION

The Remuneration Policy outlines the framework for remuneration as it applies to non-executive directors of the Company in their capacity as directors and as members of committees, and may be summarised as follows:

- Remuneration may be composed of:
  - Board fees;
  - Committee fees;
  - Superannuation;
  - Other benefits; and
  - Equity (if appropriate at the time).
- Remuneration will be managed within the aggregate fee limit (AFL) or fee pool approved by shareholders of the Company;
- Remuneration will be reviewed annually;
- Termination benefits will not be paid to non-executive directors;
- A policy level of Board fees (being the fees paid for membership of the Board, inclusive of superannuation and exclusive of committee fees) will usually be set with reference to the P50 (median or middle) of the market of comparable ASX listed companies when benchmarking is undertaken; and
- Committee fees may be used to recognise additional contributions to the work of the Board by members of committees, usually producing a clustering of total fees around the P50 reflecting the workload of each NED, but that the inclusion of these should result in outcomes that, when combined with Board fees will not normally exceed P75 of the market of comparable ASX listed companies.

Currently the Company does not provide equity as part of non-executive director remuneration and shareholder approval would be sought for any plan that may facilitate this element of remuneration being paid.

4.5 APPROACH TO DETERMINING COMPARATORS FOR REMUNERATION BENCHMARKING

When the Company seeks external market data in relation to NED or senior executive benchmarking, the following principles are generally intended to apply, however the Board seeks independent expert advice regarding design of comparator groups as part of engaging an external remuneration consultant:

- A benchmarking comparator group will take into account the Company's estimated sustainable market capitalisation at the time of the exercise, which may involve smoothing the market capitalisation of the Company over a period, so as to ensure that anomalies in Company value at particular times do not unduly influence outcomes;
- It will include direct competitors of comparable scale to the extent possible;
- The group should be large enough to produce valid statistics, and small enough to be reasonably specific;
- To the extent that direct competitors are not sufficient to produce a statistically robust sample, companies of comparable scale from the same industry or sector will be included;
- The group should be balanced with an equal number of comparators, larger and smaller, generally limited to those within a range of half to double the Company's market capitalisation value used in designing the group; and
- Benchmarking will be undertaken in respect of both Australian and international data, as may be appropriate to each role, and which will in combination inform decisions regarding setting a policy benchmark.

These principles are specific to remuneration benchmarking exercises and therefore may produce different outcomes than those applied to the design of other types of comparator groups.

4.6 SHORT-TERM INCENTIVE FRAMEWORK

The short-term incentive framework may be summarised as follows:

- The Company will operate a formal Short-Term Incentive Plan (STIP) as part of the remuneration offered to senior executives (as defined in the policy) so as to:
  - Motivate senior executives to achieve the short-term annual objectives linked to Company success and shareholder value creation;
  - Create a strong link between performance and reward;
  - Share Company success with the senior executives that contribute to it, and
  - Create a component of the employment cost that is responsive to short to medium-term changes in the circumstances of the Company.
- Non-executive Directors are excluded from participation;
- The measurement period for performance should be the financial year of the Company which is considered short-term;
- Formal STIP rules have been developed, as well as documentation to support the effectiveness of the plan;
- The STIP is outcome-focussed rather than input-focussed, and while an individual performance component should be present, rewards should generally be linked to indicators of shareholder value creation;

REMUNERATION REPORT (AUDITED) (CONTINUED)

- The Board will retain discretion to adjust actual awards so as to manage circumstances in which the calculated award may be considered inappropriate;
- The Board has discretion to include deferral of some part of the award as part of a STIP invitation (not currently applicable); and
- Any clawback policy as may be developed by the Company from time to time will apply to the STIP.

4.7 LONG-TERM INCENTIVE FRAMEWORK

The long-term incentive framework may be summarised as follows:

- The Company will operate a formal Long-Term Incentive Plan (LTIP) as part of the remuneration offered to senior executives (as defined in the policy) so as to:
  - Motivate senior executives to achieve long-term objectives linked to shareholder value creation over the long term;
  - Create a strong link between performance and reward over the long term; and
  - Share the experience of shareholders with the senior executives that contribute to it including creating an ownership position.
- Non-executive Directors are excluded from participation;
- The measurement period for performance should be aligned with the financial year of the Company and should include three financial years;
- The Board will retain discretion to adjust actual vesting so as to manage circumstances in which the calculated vesting may be considered inappropriate; and
- Any clawback policy as may be developed by the Company from time to time, will apply to the LTIP.

4.8 DEFINING THRESHOLD, TARGET AND STRETCH FOR INCENTIVE PURPOSES

In relation to the design, implementation and operation of incentives there should, where possible, be a range of performance and reward outcomes identified and defined. These should be set with regard to the elasticity of the measure, the impact of the measure on shareholder value creation and the ability of senior executives to influence the measure. In order to create clarity and consistency, the following concepts and principles are generally intended to apply to the design of incentive scales:

- "Target", being a challenging but achievable outcome, and which is the expected outcome for a senior executive/team that is of high calibre and high performing;
- "Threshold", being a minimum acceptable outcome for a "near miss" of the target, associated with a fraction of the target reward appropriate to the threshold outcome; and
- "Stretch" (the maximum) levels of objectives, which is intended to be a "blue sky" or exceptional outperformance not expected to be achieved, the purpose of which is to create a continuous incentive to outperform when outperformance of the target has already been achieved. This is particularly important for shareholders to understand when comparing with other companies whose maximum levels of incentives may be associated with a planned or target outcome.

Awards for outcomes between these levels should generally be scaled on a pro-rata basis dependent on actual performances. This is intended to provide a motivating opportunity to attain a reward, and to ensure that reward outcomes align with performance, under a range of circumstances.

It is recognised that there is a link between the budget setting culture of the Company and the setting of incentive hurdles. In this regard, the Board is confident that budgets developed and agreed to are sufficiently challenging but also achievable, and therefore appropriate to be linked to target rather than to threshold.

4.9 CLAWBACK

Payments or vesting related to performance conditions associated with STIP and LTIP are intended to be subject to any clawback policy if and as developed by the Company from time to time.

The Board continues to seek advice regarding remuneration practices including the possible development of a clawback policy, however at this time it remains the view of the Board that a clawback policy is unnecessary. Clawback policies are generally intended to relate to the recovery of overpayments when there has been a material misstatement in the financial reports of the Company, a demonstrably low risk based on the frequency of occurrence in the Australian market. The Company has sufficient controls in place as to be confident that this risk is negligible. It is recognised that some institutions and proxy advisors tend to prefer to see a clawback policy in-place as a matter of good governance, however the practical value of this is to be considered.

4.10 SECURITIES TRADING POLICY

The Company's policy on trading in Bravura Solutions securities by Directors and other KMP of the Company:

- Sets out the guidelines for dealing in any type of Bravura Solutions securities by the Company's KMP; and
- Summarises the law relating to insider trading which applies to everyone, including to all Bravura Solutions group employees as well as to KMP.

Under the current policy, Directors and all employees are prohibited from engaging in short term trading of company securities and KMP must not trade during "prohibited periods" (with some limited exceptions, and with prior written approval, as set out in the policy). The following periods in a year are "prohibited periods":

REMUNERATION REPORT (AUDITED) (CONTINUED)

- From the Company's year end until the release of the full year results;
- From the Company's half year end until the release of the half yearly results; and
- Any additional periods imposed by the Board from time to time (for example when the Company is considering matters which are subject to Listing Rule 3.1A).

The policy also prohibits KMP from using any derivatives or other products which operate to limit the economic risk of unvested Bravura Solutions securities.

4.11 EQUITY HOLDINGS

The Company does not currently have an equity holding policy applicable to KMP, as historically the majority of KMP had material holdings, however this matter remains subject to consideration given the changing circumstances of the Company, and market practices.

4.12 DIVERSITY POLICY

The Company has adopted a formal and documented diversity policy, which is available on the Company website. The Company values and is proud of its strong and diverse workforce and is committed to supporting and further developing this diversity through attracting, recruiting, engaging and retaining diverse talent and aligning the Company's culture and management systems to this commitment. In summary, the policy outlines the following, and compliance is overseen by the Committee:

- The Company intends to promote the principles of merit and fairness when making decisions about recruitment, development, promotion, remuneration and flexible work arrangements, and to foster a commitment to diversity by leaders at all levels;
- The Company will maintain programs and initiatives to support the policy including mentoring programs, professional development and flexible work opportunities;
- Measurable objectives are to be set in relation to gender diversity, and are to be reviewed annually;
- The policy will be communicated to the market, including a summary in the Annual Report (this summary); and
- The Company intends to meet its obligations in respect of diversity as outlined under the ASX Corporate Governance Council's Principles and Recommendations (3rd edition).

4.13 VARIABLE EXECUTIVE REMUNERATION – THE SHORT-TERM INCENTIVE PLAN (STIP)

SHORT-TERM INCENTIVE PLAN (STIP)	
ASPECT	**PLAN, OFFERS AND COMMENTS**
Purpose	This element of remuneration aims to provide an incentive for senior executives to deliver or outperform annual business plans that will lead to sustainable superior returns for shareholders. Target-based STIP's are also intended to modulate the cost to the Company of employing senior executives, such that risk is shared with the executives themselves and the cost to the Company is reduced in periods of poor performance.
Measurement period	The Company's financial year.
Award opportunities	**FY19 Invitations** The Group CEO was offered a target-based STIP equivalent to 50% of the base package for target performance, with a maximum/stretch opportunity of up to 120% of the target award, i.e. 60% of the base package. Other senior executives who are KMP were offered a target-based STIP equivalent to 30% of their base package for target performance, with a maximum/stretch opportunity of up to 120% of the target award, i.e. 36% of the base package. **FY20 Invitations** As at the date of writing this Report, FY20 invitations had not been determined. **Comments** Shareholders should refer to the definitions of threshold, target and stretch presented elsewhere in this document when assessing incentive practices.

REMUNERATION REPORT (AUDITED) (CONTINUED)

SHORT-TERM INCENTIVE PLAN (STIP)	
ASPECT	**PLAN, OFFERS AND COMMENTS**
Key Performance Indicators (KPIs), Weighting and performance goals	**FY19 Invitations** FY19 Invitations to participate in the STIP were based on a series of KPIs set for each role with a threshold, target and stretch as outlined in section 7.2 for each incumbent. The majority weighting is given to financial performance indicators (generally 60-80% weighting) with minor weightings given to role-specific indicators. Note: Total outcomes cannot exceed 120% of the pool and awards will be scaled back on a pro-rata basis for each participant until this condition is met. **FY20 Invitations** As at the date of writing this Report, FY20 invitations had not been determined. **Comments** The Board selected these measures as being those that are critical to the delivery of the expectations set and expected to drive economic profitability and ultimately shareholder value creation over the long term, within a financial year period.
Award determination and payment	Calculations are performed following the end of the measurement period and the audit of Company accounts. The Board retains discretion to modify outcomes to ensure that the STIP does not produce outcomes that shareholders would be likely to consider inappropriate. **FY19 Invitations** 100% of awards are made in cash with PAYG tax deducted. **FY20 Invitations** As at the date of writing this Report, FY20 invitations had not been determined.
Cessation of employment during a measurement period	In the event of cessation of employment due to dismissal for cause, all entitlements in relation to the measurement period are forfeited. In the case of cessation of employment for other reasons, the incumbent may be entitled to receive a pro-rata payment at the discretion of the Board.
Change of control	The treatment of STIP in the case of a takeover or change of control is subject to Board discretion.
Plan gate & board discretion	For each measurement period the Board will have the discretion to modify outcomes to ensure that they are appropriate. When such discretion is applied, it will be disclosed and explained. A specified gate condition applies to offers of STIP such that no award will be payable in relation to any KPI if the gate condition is not met or exceeded. **FY19 Invitations** A gate applied of threshold Group EBITDA and/or Group NPAT (depending on KMP role) and no award for any measure would be payable if the gate was not exceeded. **FY20 Invitations** As at the date of writing this Report, FY20 invitations had not been determined.
Fraud, gross misconduct etc.	If the Board forms the view that a participant has committed fraud, defalcation or gross misconduct in relation to the Company then all entitlements in relation to the measurement period will be forfeited by that participant.

REMUNERATION REPORT (AUDITED) (CONTINUED)

4.14 VARIABLE EXECUTIVE REMUNERATION – LONG-TERM INCENTIVE PLAN (LTIP)

Performance rights were granted to executives with hurdles that apply as follows:

(1) 50% of the LTIP grant is subject to an Earnings Per Share (EPS) hurdle; and

(2) 50% of the LTIP grant is subject to a Total Shareholder Return (iTSR) hurdle.

The use of two performance hurdles weighted equally is consistent with market practice. The hurdles motivate executives with a clear line of sight to the outcome through the combination of an internal (EPS) and external (iTSR) measure. When expectations are met, and all other things being equal, the LTIP is intended to vest and deliver the appropriate level of remuneration and market positioning.

Participants in the LTIP must not enter into transactions or arrangements, including by way of derivatives or similar financial products, which limit the economic risk of holding unvested awards.

In total, the Consolidated Entity granted 801,351 performance rights during the year under the LTIP, of which 421,074 were to KMP (Refer to Note 8.2).

The structure and details of LTIP performance rights issued to executives in FY19 under the plan are summarised in the following table:

LONG-TERM INCENTIVE PLAN (LTIP)	
ASPECT	**PLAN, OFFERS AND COMMENTS**
Purpose	The LTIP's purpose is to align executive interests with those of shareholders by linking reward to sustainable value creation for shareholders. As well as facilitating executives becoming shareholders, the LTIP both shares long-term risks with executives (the downside below target, noting that under AASB2, costs related to non-market conditions can be written back when vesting is lower than expectations) and provides an incentive for senior executives to exceed expectations (the upside above target). Other purposes of the LTIP are to assist in the attraction and retention of a stable team of sustainability focussed senior executives.
Nature	Each LTIP performance right entitles the participant to one share in the Company upon vesting.
Grant frequency	Annual grant and ad-hoc on commencement of employment and future potential grants.
Eligibility criteria	Selected executives.
Exercise price	5-day VWAP preceding grant date.
Exercise of vested Performance Rights	Vested performance rights are exercised automatically following vesting to the extent that the performance hurdles are met. Rights that are not exercised, lapse. Exercised rights will be satisfied in the form of ordinary Company shares, except where the Board exercises its discretion to settle in the form of cash.
Right to dividends	No dividend rights until exercised.

REMUNERATION REPORT (AUDITED) (CONTINUED)

LONG-TERM INCENTIVE PLAN (LTIP)

ASPECT	PLAN, OFFERS AND COMMENTS
Performance hurdles	**Earnings per share (EPS) – 50% of LTIP performance rights granted**

PERFORMANCE LEVEL	TOTAL GROWTH OVER 3 YEARS	VESTING
Stretch	≥56%	100%
Between target & stretch	>33% & <56%	>50% & <100%
Target	**33%**	**50%**
Between target & stretch	>22% & <33%	>25% & < 50%
Threshold	22%	25%
Below threshold	<22%	0%

Performance right vesting levels are interpolated between each percentile above.

Indexed Total Shareholder Return (iTSR) – 50% of LTIP performance rights granted

Based on relative iTSR performance over a three year measurement period against a comparator group (ASX 300 iTSR Index):

PERFORMANCE LEVEL	COMPANY'S TSR COMPARED TO THE ASX300 TOTAL RETURN INDEX	VESTING
Stretch	≥100% of Index Plus 10% CAGR	100%
Between target & stretch	>100% Plus 5% CAGR & < 100% of Index Plus 10% CAGR	Pro-rata
Target	**100% of Index** Plus 5% CAGR	**50%**
Between threshold & target	>100% of Index & <100% of Index Plus 5% CAGR	Pro-rata
Threshold	100% of Index	25%
Below threshold	<100% of Index	0%

Performance right vesting levels are interpolated between each percentile above.

Vesting period	Three years from grant date. No retesting.

REMUNERATION REPORT (AUDITED) (CONTINUED)

5 PLANNED EXECUTIVE REMUNERATION FOR FY19 (NON-STATUTORY DISCLOSURE)

The disclosures required under the Corporations Act (including regulations) and prepared in accordance with applicable accounting standards, do not provide shareholders with an understanding of the intended remuneration for a given year. For example, the LTIP disclosed is calculated in accordance with AASB2 and is not reflective of the remuneration opportunity for the year being reported on, nor the LTIP that vested in relation to the year. The following table is intended to ensure that shareholders have an accurate understanding of the remuneration offered to executives during FY19, at target performance, to facilitate an assessment of the alignment between performance and reward. The definition of target needs to be considered, as outlined earlier in this Report. There are opportunities for incentives to exceed the target levels outlined here, however stretch/maximum incentives are designed to be unlikely to occur.

In the case of the STIP, the maximum incentive is currently 120% of target. No deferral currently applies to STIP awards.

			STIP OPPORTUNITY					
POSITION	INCUMBENT	BASE PACKAGE EXCLUDING SUPER $	TARGET OF BASE PACKAGE %	TARGET STIP AMOUNT[2] $	LTIP[1] $	SUPERANNUATION $	OTHER BENEFITS $	TOTAL REMUNERATION PACKAGE AT TARGET PERFORMANCE[3] $
CEO and Managing Director	Mr Tony Klim	747,390	50	373,059	323,923	-	114,913	1,235,362
CFO and Executive Director	Mr Martin Deda	466,445	30	140,234	128,313	25,000	30,466	662,145
Chief Technology Officer	Mr Nick Parsons	531,732	30	159,248	188,778	-	60,796	751,776
Chief Operating Officer, Funds Administration	Mr Andy Chesterton	482,810	30	144,596	171,409	14,484	75,071	716,961

1) LTIP represents the expensing in FY19 of grant date fair values as per AASB2, and therefore is included on an actual basis, rather than at target.
2) No deferral currently applies to STIP awards.
3) Total remuneration excluding LTIP.

REMUNERATION REPORT (AUDITED) (CONTINUED)

6 VESTED/AWARDED INCENTIVES AND REMUNERATION OUTCOMES IN RESPECT OF THE COMPLETED FY19 PERIOD (NON-STATUTORY DISCLOSURE)

The statutory disclosure requirements and accounting standards can make it difficult for shareholders to obtain a clear understanding of what the actual remuneration outcomes for executives were in relation to a given reporting period. The following table brings together outcomes reflecting the year of performance in which the outcome as measured i.e. STIP is presented as being part of the remuneration for the year in which performance was tested, and LTIP would be presented as being part of the remuneration for the year during which performance testing was completed (which will be first reported in 2020, after the FY19 grant measurement period is completed). No equity-based remuneration or LTIP granted in previous years vested during FY19.

POSITION	INCUMBENT	YEAR	BASE PACKAGE EXCLUDING SUPER $	TOTAL STIP AWARDED FOLLOWING COMPLETION OF THE FINANCIAL YEAR (CASH ONLY) AMOUNT $	TRP %	SUPERANNUATION $	OTHER BENEFITS $	TOTAL REMUNERATION PACKAGE $
CEO and Managing Director	Mr Tony Klim	2019	747,390	372,180	33.2	-	114,913	1,234,483
CFO and Executive Director	Mr Martin Deda	2019	466,445	153,094	24.7	25,000	30,466	675,005
Chief Technology Officer	Mr Nick Parsons	2019	531,732	174,553	24.7	-	60,796	767,081
Chief Operating Officer, Funds Administration	Mr Andy Chesterton	2019	482,810	148,855	23.6	14,484	75,071	721,220

Details regarding the assessments of performance that gave rise to the incentive outcomes for FY19 are given below.

7 PERFORMANCE OUTCOMES FOR FY19 INCLUDING STIP AND LTIP ASSESSMENT

7.1 COMPANY PERFORMANCE

Throughout FY19, Bravura Solutions delivered consistent performance against key financial measures, with strong revenue, EBITDA and NPAT growth underpinned by the depth of the Bravura product suite across both Funds Administration and Wealth Management.

Significant achievements include:

- Group revenue increasing by 16%
- Group EBITDA increasing by 27%
- Group NPAT increasing by 21%
- Strong growth in recurring revenue.
- Bravura's market leading solutions supporting new and existing wealth management and funds administration clients to meet a range of challenges including more intuitive and sophisticated digital experiences and continuous regulatory change.

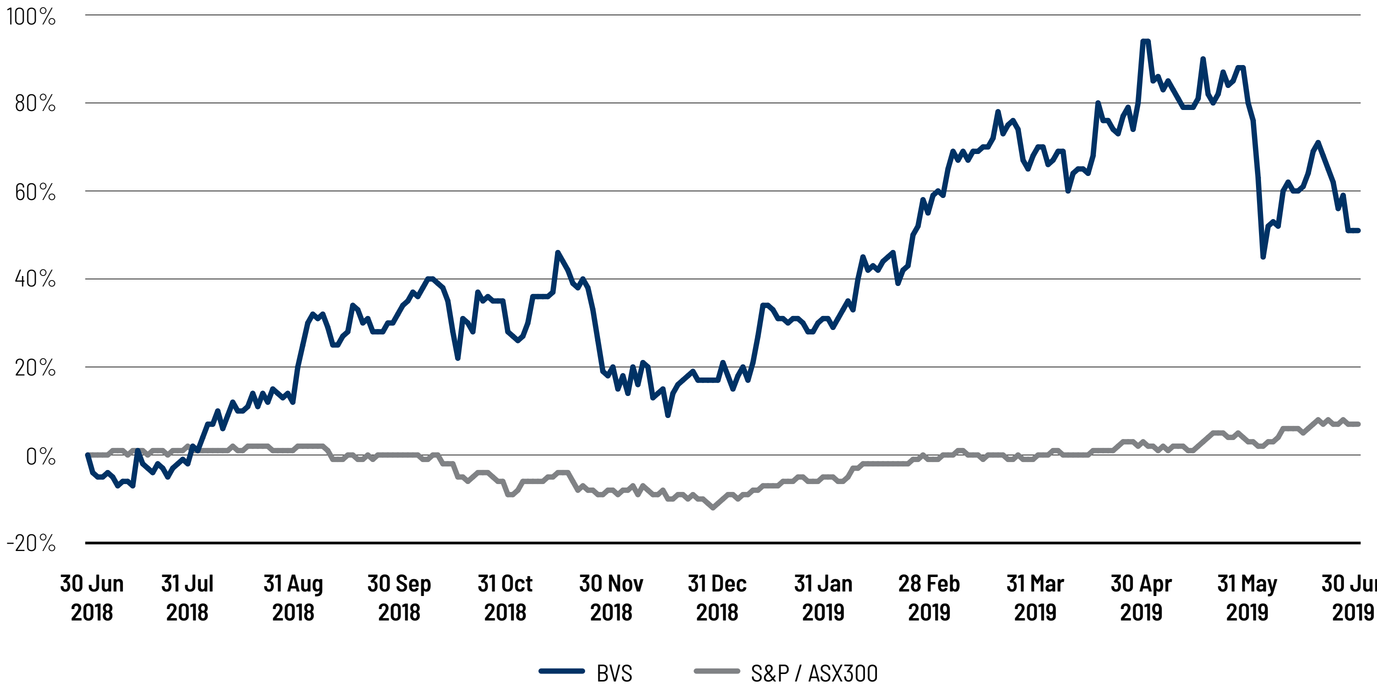
The following outlines the performance of the Company over the FY19 period and recent financial years. Since the Company listed in November of 2016, the data presented reflects the period between listing and the end of FY19.

REMUNERATION REPORT (AUDITED) (CONTINUED)

FY END DATE	REVENUE[1]	PROFIT AFTER TAX	SHARE PRICE	CHANGE IN SHARE PRICE	DIVIDENDS	SHORT-TERM CHANGE IN SHAREHOLDER VALUE OVER 1 YEAR (SP INCREASE + DIVIDENDS) AMOUNT	%	LONG-TERM (CUMULATIVE) 3 YEARS CHANGE IN SHAREHOLDER VALUE AMOUNT	%	3 YR TOTAL RETURN (DIVIDENDS ASSUMED TO BE REINVESTED)
	$M	$M	$	$	$	$	%	$	%	%
30-Jun-17	191.9	14.4	1.60	0.15	0.00	0.15	10.3	n/a	n/a	n/a
30-Jun-18	221.5	27.0	3.21	1.61	0.09	1.70	106.3	n/a	n/a	n/a
30-Jun-19	257.7	32.8	4.86	1.65	0.10	1.75	54.5	n/a	n/a	n/a

1) Excluding interest income.

BVS v S&P/ASX300 relative performance



7.2 LINKS BETWEEN PERFORMANCE AND REWARD INCLUDING STIP AND LTIP OUTCOMES

The remuneration of executive KMP is intended to be composed of three parts as outlined, being:

- Base package, which is not intended to vary with performance but which tends to increase as the scale/complexity/value of the business increases and to maintain competitive practices (i.e. typically following growth and success);
- STIP, which is intended to vary with indicators of annual Company and individual/role performance; and
- LTIP, which is also intended to deliver a variable reward based on long-term measures of Company performance and value creation for shareholders.

The STIP achieved in relation to the FY19 period being completed will be paid after the end of the period (i.e. in October 2019 which is part of FY20). The awards outlined below were considered appropriate under the STIP scheme since the objectives were set and offers made in relation to the achievement of each KPI at the beginning of the financial year, and the majority of those objectives were met. In relation to the completed FY19 period the payment of STIP was calculated as follows:

REMUNERATION REPORT (AUDITED) (CONTINUED)

NAME	POSITION	KPI SUMMARY	WEIGHTING %	THRESHOLD $'000	TARGET $'000	STRETCH $'000	TARGET AWARD $	ACHIEVE-MENT %	AWARDED $	TOTAL STIP AWARD $
		FY19 SHORT-TERM INCENTIVE KPI SUMMARY								AWARD OUTCOMES FY19 PAID FY20
Mr Tony Klim	CEO and Managing Director	Group NPAT	80	30,011	31,590	34,749	373,059	99.8%	372,180	372,180
		Role Specific	20							
Mr Martin Deda	CFO and Executive Director	Group NPAT	80	30,011	31,590	34,749	140,234	109.2%	153,094	153,094
		Role Specific	20							
Mr Nick Parsons	Chief Technology Officer	Group NPAT	30	30,011	31,590	34,749	159,248	109.6%	174,553	174,553
		Group EBITDA	30	46,123	48,550	53,405				
		Role Specific	40							
Mr Andy Chesterton	Chief Operating Officer, Funds Administration	Group NPAT	30	30,011	31,590	34,749	144,596	102.9%	148,855	148,855
		Group EBITDA	30	46,123	48,550	53,405				
		Role Specific	40							

The KPIs outlined were selected because they were the most significant matters expected to contribute to the success of the Company during FY19 in the case of each role. Following the end of the measurement period (the financial year), the Company accounts were audited and reports on the Company's activities during the year were prepared for the Board. The Board then assessed the extent to which target levels of performance had been achieved in relation to each KPI and used the pre-determined scales (for non-binary measures) to calculate the total award payable. This method of performance assessment was chosen because it is the most objective approach to short-term incentive governance, and reflective of market best practices.

The Board takes the view that group NPAT and segment EBITDA, delivery of the expectations outlined and successful strategy implementation are the key short-term drivers of long-term value creation for shareholders at this time.

7.3 LINKS BETWEEN COMPANY STRATEGY AND REMUNERATION

The Company intends to attract and retain the superior talent required to successfully implement the Company's strategies at a reasonable and appropriately variable cost by:

- Positioning base packages (the fixed element) around relevant market data benchmarks when they are undertaken;
- Supplementing the base package with at-risk remuneration, being incentives that motivate executive focus on:
  - Short to mid-term objectives linked to the strategy via KPIs and annual performance assessments; and
  - Long-term value creation for shareholders by linking a material component of remuneration to those factors that shareholders have expressed should be the long-term focus of executives and the Board.

To the extent appropriate, the Company links strategic implementation and measures of success of the strategy directly to incentives in the way that measures are selected and calibrated.

REMUNERATION REPORT (AUDITED) (CONTINUED)

8 KMP HELD EQUITY AND PERFORMANCE RIGHTS

8.1 RELEVANT INTEREST IN ORDINARY SHARES OF THE DIRECTORS AND OTHER KMP

The movement during the reporting period in the number of ordinary securities in the Company held directly, indirectly or beneficially, by each KMP, including their related parties is as follows:

2019

DIRECTORS OF BRAVURA SOLUTIONS LIMITED	BALANCE AT THE START OF THE YEAR	PURCHASED DURING THE YEAR	SOLD DURING THE YEAR	BALANCE AT THE END OF THE YEAR
B Mitchell[1]	2,000,000	19,629	-	2,019,629
P Mann	83,316	-	(25,172)	58,144
T Klim	1,890,000	-	(690,000)	1,200,000
N Broekhuizen	215,000	-	-	215,000
M Deda	667,098	-	(100,000)	567,098
A Henderson	70,975	-	-	70,975

SENIOR EXECUTIVES OF THE GROUP	BALANCE AT THE START OF THE YEAR	PURCHASED DURING THE YEAR	SOLD DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Nick Parsons	1,147,500	-	-	1,147,500
Andy Chesterton	459,000	-	(160,000)	299,000

1. On 28 March 2019, Brian Mitchell received 19,629 shares under the Dividend Reinvestment Plan.

2018

DIRECTORS OF BRAVURA SOLUTIONS LIMITED	BALANCE AT THE START OF THE YEAR	PURCHASED DURING THE YEAR	OTHER SALES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
B Mitchell	1,890,000	110,000	-	2,000,000
P Mann	25,172	58,144	-	83,316
T Klim	1,890,000	-	-	1,890,000
N Broekhuizen[2]	100,000	115,000	-	215,000
M Deda	787,500	39,298	(159,700)	667,098
A Henderson	10,000	60,975	-	70,975

SENIOR EXECUTIVES OF THE GROUP	BALANCE AT THE START OF THE YEAR	PURCHASED DURING THE YEAR	OTHER SALES DURING THE YEAR	BALANCE AT THE END OF THE YEAR
Nick Parsons	1,147,500	-	-	1,147,500
Andy Chesterton	459,000	-	-	459,000

2. The above shareholdings are those in which Mr Broekhuizen had a direct interest. As a Director of Ironbridge, Mr Broekhuizen controlled 47% of the ordinary shares issued, amounting to 101,127,033. In March 2018, Ironbridge disposed of all of its shareholdings.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Shares held by Brian Mitchell, Tony Klim, Martin Deda, Nick Parsons and Andy Chesterton were subject to escrow arrangements. These ceased in March 2018.

8.2 KMP HELD PERFORMANCE RIGHTS

For the period ended 30 June 2019

	BALANCE OF UNVESTED PERFORMANCE RIGHTS AT THE START OF THE YEAR	GRANTED AS COMPENSATION DURING THE YEAR	FORFEITED DURING THE YEAR	VESTED DURING THE YEAR	EXERCISED DURING THE YEAR	BALANCE OF UNVESTED PERFORMANCE RIGHTS AT THE END OF THE YEAR
Tony Klim	522,204	191,301	-	-	-	713,505
Martin Deda	210,039	73,965	-	-	-	284,004
Nick Parsons	222,915	81,661	-	-	-	304,576
Andy Chesterton	202,406	74,147	-	-	-	276,553
Total	**1,157,564**	**421,074**	**-**	**-**	**-**	**1,578,638**

For the period ended 30 June 2018

	BALANCE OF UNVESTED PERFORMANCE RIGHTS AT THE START OF THE YEAR	GRANTED AS COMPENSATION DURING THE YEAR	FORFEITED DURING THE YEAR	VESTED DURING THE YEAR	EXERCISED DURING THE YEAR	BALANCE OF UNVESTED PERFORMANCE RIGHTS AT THE END OF THE YEAR
Tony Klim	-	522,204	-	-	-	522,204
Martin Deda	-	210,039	-	-	-	210,039
Nick Parsons	-	222,915	-	-	-	222,915
Andy Chesterton	-	202,406	-	-	-	202,406
Total	-	1,157,564	-	-	-	1,157,564

Note: The LTIP commenced operation from November 2017.

REMUNERATION REPORT (AUDITED) (CONTINUED)

LTIP PERFORMANCE RIGHTS HOLDINGS OF KEY MANAGEMENT PERSONNEL

For the period ended 30 June 2019

	HURDLE TYPE[1,3]	GRANT DATE FAIR VALUE[2]	BALANCE OF RIGHTS AT THE START OF THE YEAR	GRANTED DURING THE YEAR	BALANCE OF UNVESTED RIGHTS AT THE END OF THE YEAR
Tony Klim	TSR	$2.45	261,102	95,651	356,753
	EPS	$3.80	261,102	95,650	356,752
Martin Deda	TSR	$2.45	105,020	36,983	142,003
	EPS	$3.80	105,019	36,982	142,001
Nick Parsons	TSR	$2.45	111,458	40,831	152,289
	EPS	$3.80	111,457	40,830	152,287
Andy Chesterton	TSR	$2.45	101,203	37,074	138,277
	EPS	$3.80	101,203	37,073	138,276
Total			1,157,564	**421,074**	**1,578,638**

For the period ended 30 June 2018

	HURDLE TYPE[1,3]	GRANT DATE FAIR VALUE[2]	BALANCE OF RIGHTS AT THE START OF THE YEAR	GRANTED DURING THE YEAR	BALANCE OF UNVESTED RIGHTS AT THE END OF THE YEAR
Tony Klim	TSR	$0.71	-	261,102	261,102
	EPS	$1.47	-	261,102	261,102
Martin Deda	TSR	$0.71	-	105,020	105,020
	EPS	$1.47	-	105,019	105,019
Nick Parsons	TSR	$1.43	-	111,458	111,458
	EPS	$1.96	-	111,457	111,457
Andy Chesterton	TSR	$1.43	-	101,203	101,203
	EPS	$1.96	-	101,203	101,203
Total			-	1,157,564	1,157,564

1. For performance hurdles, refer structure and details of LTIP performance rights in earlier sections of this Remuneration Report.
2. Grant date fair value in respect of grants made during the year, Refer to note 25 in the Financial Report.
3. Performance rights have no exercise price.

REMUNERATION REPORT (AUDITED) (CONTINUED)

9 REMUNERATION RECORDS FOR FY19 – STATUTORY DISCLOSURES

9.1 SENIOR EXECUTIVE REMUNERATION

The following table outlines the remuneration paid or payable to by senior executives of the Company, prepared according to statutory disclosure requirements and applicable accounting standards:

	SHORT-TERM EMPLOYEE BENEFITS								
NAME	FIXED REMUNERATION $	DIRECTORS' FEES $	SHORT-TERM INCENTIVE $	SUPER-ANNUATION $	LONG-TERM INCENTIVE[2] $	OTHER BENEFITS $	TOTAL $	% GROWTH ON PRIOR YEAR EXCL LTI & TERMINATION BENEFITS[1]	% GROWTH ON PRIOR YEAR INCL LTI & TERMINATION BENEFITS[1, 2]
Tony Klim (CEO and Managing Director)									
2019	747,390	-	372,180	-	323,923	114,913	1,558,406	4%	20%
2018	701,463	-	366,959	-	118,312	116,570	1,303,304	7%	8%
Martin Deda (CFO and Executive Director)									
2019	466,445	-	153,094	25,000	128,313	30,466	803,318	5%	16%
2018	454,329	-	150,494	25,000	47,587	14,887	692,297	3%	5%
Nick Parsons (Chief Technology Officer)									
2019	531,732	-	174,553	-	188,778	60,796	955,859	6%	19%
2018	493,027	-	179,649	-	80,807	51,987	805,470	25%	25%
Andy Chesterton (COO - Funds Administration)									
2019	482,810	-	148,855	14,484	171,409	75,071	892,629	16%	29%
2018	453,157	-	90,310	7,949	73,372	68,775	693,563	-4%	3%
Ceased to be a KMP									
Rama Velpuri (Global Head of Engineering - Wealth Management)									
2018	172,220	-	-	-	-	-	172,220	36%	N/A
Total									
2019	2,228,377	-	848,682	39,484	812,423	281,246	4,210,212		
2018	2,274,196	-	787,412	32,949	320,078	252,219	3,666,854		

Further details regarding incentive opportunities and outcomes are presented in the relevant sections of the Remuneration Report to assist shareholders to obtain a more complete understanding of remuneration as it relates to senior executives. Other benefits include car parking, annual leave and other benefits.

1. For Tony Klim, Nick Parsons and Andy Chesterton the % growth on prior year is impacted by movement in the GBP/AUD exchange rate.
2. LTI represents the expensing in FY19 of grant date fair values as per AASB2 Share-based Payments, and therefore is included on an expensed basis, rather than at target.

REMUNERATION REPORT (AUDITED) (CONTINUED)

9.2 NED REMUNERATION

Remuneration paid or payable to non-executive Directors, prepared in accordance with the statutory disclosure requirements, is presented below:

NAME	DIRECTORS' FEES $	OTHER BENEFITS $	TOTAL $
B Mitchell (Non-Executive Director and Chairman)			
2019	211,200	-	211,200
2018	206,000	-	206,000
P Mann (Non-Executive Director)			
2019	109,679	-	109,679
2018	102,980	-	102,980
N Broekhuizen (Non-Executive Director)[1]			
2019	110,854	7,000	117,854
2018	108,150	-	108,150
A Henderson (Non-Executive Director)			
2019	103,719	-	103,719
2018	97,384	-	97,384
Total Non-Executive Directors			
2019	**535,452**	**7,000**	**542,452**
2018	514,514	-	514,514

1. During the reporting period, Neil Broekhuizen received $7,000 additional fees for services rendered in respect of the Group's M&A activities.

10 EMPLOYMENT TERMS FOR KEY MANAGEMENT PERSONNEL

A summary of contract terms in relation to executive KMP is presented below:

NAME	POSITION HELD AT CLOSE OF FY19	EMPLOYING COMPANY	DURATION OF CONTRACT	PERIOD OF NOTICE	TERMINATION PAYMENTS
Mr Tony Klim	CEO and Managing Director	Bravura Solutions (UK) Limited	Open ended	12 months	Up to 12 months*
Mr Martin Deda	CFO and Executive Director	Bravura Solutions Operations Pty Limited	Open ended	6 months	Up to 12 months*
Mr Nick Parsons	Global Chief Technology Officer	Bravura Solutions (UK) Limited	Open ended	6 months	Up to 12 months*
Mr Andy Chesterton	Chief Operating Officer, Funds Administration	Bravura Solutions (UK) Limited	Open ended	6 months	Up to 12 months*

* Under the Corporations Act the termination benefit limit is 12 months average salary (last 3 years) unless shareholder approval is obtained.

The treatment of incentives in the case of termination is addressed in separate sections of this Report that give details on incentive design.

REMUNERATION REPORT (AUDITED) (CONTINUED)

On appointment to the Board, all non-executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation relevant to the office of the Director. The appointment letters specify a term of three years with no notice periods. Non-executive Directors are not eligible to receive termination payments under the terms of the appointments.

NAME	POSITION HELD AT CLOSE OF FY19	EMPLOYING COMPANY	DURATION OF CONTRACT	PERIOD OF NOTICE FROM COMPANY	TERMINATION PAYMENTS
Mr Brian Mitchell	Independent, Non-executive Chairman	Bravura Solutions Limited	Open ended	At any time	None
Mr Neil Broekhuizen	Independent Non-executive Director	Bravura Solutions Limited	Open ended	At any time	None
Mr Peter Mann	Independent Non-executive Director	Bravura Solutions Limited	Open ended	At any time	None
Ms Alexa Henderson	Independent Non-executive Director	Bravura Solutions Limited	Open ended	At any time	None

Non-executive Director fees are managed within the current aggregate fees limit (AFL or fee pool) of $750,000 as was outlined in the 2016 IPO prospectus.

Alexa Henderson and Peter Mann receive their fees in GBP as agreed in their letters of appointment. Actual amounts paid or payable vary as a result of exchange rate movements.

KMP salaries and NED fees for FY20 have not yet been finalised.

11 OTHER REMUNERATION RELATED MATTERS

The following outlines other remuneration related matters that may be of interest to stakeholders, in the interests of transparency and disclosure:

- There were no loans to Directors or other KMP at any time during the reporting period; and
- There were no relevant material transactions involving KMP other than compensation and transactions concerning shares, performance rights/options as discussed in this Report.

12 EXTERNAL REMUNERATION CONSULTANT ADVICE

During the reporting period, the Board received KMP remuneration recommendations and advice from external remuneration consultants (ERC). The advice included:

- Advice regarding incentive design, particularly LTIP;
- Development of LTIP documentation and support for implementation, including drafting of the related resolutions for inclusion in the Notice of Meeting; and
- Advice regarding the Company's Remuneration Report as presented in respect of FY19.

The consultant is Godfrey Remuneration Group Pty Ltd, and the fees charged were $1,650 including GST.

The Board is satisfied that the KMP remuneration recommendations were free from undue influence from KMP to whom the recommendations related. The Board has been closely involved in all dealings with the external remuneration consultants and each KMP remuneration recommendation received during the year was accompanied by a legal declaration from the consultant to the effect that their advice was provided free from undue influence from the KMP to whom the recommendations related.

This Report forms part of the Directors' Report and has been audited in accordance with Section 300A of the *Corporations Acts* 2001.

AUDITOR'S INDEPENDENCE DECLARATION

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

As lead auditor for the audit of Bravura Solutions Limited for the financial year ended 30 June 2019, 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 audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

Ernst & Young

Ernst & Young

Gamini Martinus

Gamini Martinus
Partner
23 August 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	NOTES	2019 $'000	2018 $'000
Revenue from contracts with customers	6	**258,205**	221,501
Employee benefits expense	7	**(153,476)**	(135,881)
Depreciation and amortisation expense	7	**(8,974)**	(8,724)
Third party cost of sales		**(19,097)**	(17,285)
Travel and accommodation costs		**(6,385)**	(5,083)
Occupancy costs		**(9,528)**	(7,315)
Telecommunication costs		**(9,252)**	(8,760)
Development operating expense		**(2,240)**	(2,410)
Other expenses		**(6,659)**	(4,534)
Foreign exchange loss		**(899)**	(169)
Finance costs	7	**(189)**	(580)
Profit before income tax		**41,506**	30,760
Income tax expense	8	**(8,698)**	(3,730)
Profit for the year after income tax expense attributable to shareholders of Bravura Solutions		**32,808**	27,030
Other comprehensive income will be reclassified subsequently to profit or loss when specific conditions are met			
Exchange differences on translation of foreign operations	24a	**781**	(213)
Total comprehensive income for the year attributable to shareholders of Bravura Solutions		**33,589**	26,817
Profit attributable to owners	24b	**32,808**	27,030

Earnings per share attributable to the ordinary equity holders of Bravura Solutions Limited:

		CENTS	CENTS
Basic earnings per share	9	**15.0**	12.6
Diluted earnings per share	9	**14.8**	12.6

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	NOTES	2019	2018
		$'000	$'000
ASSETS			
Current assets			
Cash and cash equivalents	10	**194,797**	36,941
Trade receivables	11	**23,697**	28,918
Contract assets	6.2	**10,295**	8,268
Other current assets	12	**7,838**	7,043
Total current assets		**236,627**	81,170
Non-current assets			
Contract assets	6.2	**4,271**	3,372
Property, plant and equipment	13	**21,222**	11,588
Deferred tax assets	14	**4,507**	3,504
Intangible assets	15	**113,546**	112,691
Total non-current assets		**143,546**	131,155
Total assets		**380,173**	212,325
LIABILITIES			
Current liabilities			
Trade and other payables	16	**11,608**	10,422
Borrowings	18	**-**	12,183
Provisions	19	**10,299**	9,380
Provision for income tax	17	**4,730**	1,871
Contract liabilities	6.2	**33,267**	36,278
Other current liabilities	20	**17,022**	18,257
Total current liabilities		**76,926**	88,391
Non-current liabilities			
Contract liabilities	6.2	**1,606**	2,812
Deferred tax liabilities	21	**3,507**	3,754
Provisions	22	**6,677**	3,182
Total non-current liabilities		**11,790**	9,748
Total liabilities		**88,716**	98,139
Net assets		**291,457**	114,186
EQUITY			
Contributed equity	23	**347,182**	184,989
Reserves	24a	**12,941**	10,514
Accumulated losses	24b	**(68,666)**	(81,317)
Total equity		**291,457**	114,186

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 2019

2018	NOTES	CONTRIBUTED EQUITY	RESERVES	ACCUMULATED LOSSES	TOTAL EQUITY
		$'000	$'000	$'000	$'000
Balance at 1 July		184,989	10,058	(89,065)	105,982
Profit for the year	24b	-	-	27,030	27,030
Other comprehensive loss	24a	-	(213)	-	(213)
Total comprehensive income/(loss) for the year		-	(213)	27,030	26,817
Transactions with owners in their capacity as owners:					
Dividends paid	24b	-	-	(19,282)	(19,282)
Share-based payments	24a	-	669	-	669
Balance at 30 June		184,989	10,514	(81,317)	114,186

2019		$'000	$'000	$'000	$'000
Balance at 30 June		**184,989**	**10,514**	**(81,317)**	**114,186**
Adoption of AASB 15	**1aa**	**-**	**-**	**839**	**839**
Balance at 1 July		**184,989**	**10,514**	**(80,478)**	**115,025**
Profit for the year	**24b**	**-**	**-**	**32,808**	**32,808**
Other comprehensive income	**24a**	**-**	**781**	**-**	**781**
Total comprehensive income for the year		**-**	**781**	**32,808**	**33,589**
Transactions with owners in their capacity as owners:					
Issue of share capital	**23**	**166,237**	**-**	**-**	**166,237**
Transaction costs	**23**	**(4,044)**	**-**	**-**	**(4,044)**
Dividends paid	**24b**	**-**	**-**	**(20,996)**	**(20,996)**
Share-based payments	**24a**	**-**	**1,646**	**-**	**1,646**
Balance at 30 June		**347,182**	**12,941**	**(68,666)**	**291,457**

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 2019

	NOTES	2019	2018
		$'000	$'000
Operating activities			
Receipts from customers (inclusive of goods and services tax)		**285,515**	255,708
Payments to suppliers and employees (inclusive of goods and services tax)		**(232,627)**	(206,835)
		52,888	48,873
Interest received	6.1	**503**	30
Income taxes paid		**(6,918)**	(2,685)
Net cash inflows from operating activities	33	**46,473**	46,218
Investing activities			
Purchase of property, plant and equipment	13	**(13,321)**	(7,176)
Payments for capitalised software development	15	**(4,011)**	(6,328)
Net cash outflows from investing activities		**(17,332)**	(13,504)
Financing activities			
Proceeds from share issue	23a	**166,237**	-
Payments of transaction costs		**(3,994)**	-
Proceeds from borrowings		**-**	6,380
Repayment of borrowings		**(12,445)**	-
Interest paid		**(574)**	(619)
Dividends paid	24b	**(20,996)**	(19,282)
Net cash inflows/(outflows) from financing activities		**128,228**	(13,521)
Net increase in cash and cash equivalents		**157,369**	19,193
Cash and cash equivalents at the beginning of the year		**36,941**	17,071
Effects of exchange rate changes on cash and cash equivalents		**487**	677
Cash and cash equivalents at end of the year	10	**194,797**	36,941

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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 Solutions and its subsidiaries.

The Financial Report was authorised for issue on 23 August 2019 by the Board of Directors.

(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 consolidated financial statements of the Consolidated Entity comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Detailed information on AASB 15 adoption is located in Note 1(aa).

(ii) *Historical cost convention*

These financial statements have been prepared under the historical cost convention.

(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.

(iv) *Comparatives*

The Consolidated Entity has made reclassifications in prior year comparatives in order to align with the presentation in this Financial Report.

(b) Going concern

These financial statements have been prepared on a going concern basis.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of Bravura Solutions ("Company" or "Parent Entity") and its subsidiaries ("the Group") as at 30 June 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of Other Comprehensive Income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation unless the transaction provides evidence of the impairment of that asset transferred.

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

(d) 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 Solutions 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) Ltd – New Zealand dollars (NZ$)

(b) Bravura Solutions (UK) Holdings Ltd – Australian dollars (AU$)

(c) Bravura Solutions (UK) Investments Ltd – British pounds (GB£)

(d) Bravura Solutions (UK) Ltd – British pounds (GB£)

(e) Bravura Solutions (HK) Ltd – United States dollars (US$)

(f) Bravura Solutions Luxembourg Holdings S.à.r.l. – Euro (€)

(g) Bravura Software Solutions (SA) (Proprietary) Ltd – South African Rand (ZAR)

(h) Bravura Solutions (Poland) Holdings S.P. ZOO – Polish Zloty (PLN)

(i) Bravura Solutions Polska S.P. ZOO – Polish Zloty (PLN)

(j) Mutual Fund Technologies Ltd – British pounds (GB£)

(k) Bravura Solutions Services (UK) Ltd – British pounds (GB£)

(l) Bravura Solutions India LLP – Indian Rupee (INR)

As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of Bravura Solutions at the rate of exchange ruling at the reporting date and revenues, expenses and other comprehensive income are translated at the 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 Profit and Loss and Other Comprehensive Income.

(e) Revenue

(i) *Revenue from contracts with customers*

Revenue recognition for the comparative year complied with the previous accounting standards AASB 111 Construction Contracts and AASB 118 Revenue and related interpretations. From 1 July 2018, the Group applied AASB 15 Revenue from Contracts with Customers. Further details on revenue recognition, any transitional adjustments, impacts from application of the previous standards if applied to the reporting year and differences between the previous and the current standards are discussed in Note 1(aa).

- Contract assets

Accrued services and licence revenue and deferred incremental costs of obtaining a contract are recorded within contract assets on the Consolidated Statement of Financial Position.

- Contract liabilities

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

(ii) *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.

(iii) *Dividends*

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

(iv) *Other revenue*

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

(f) Income tax

The income tax expense or revenue for the year is the tax payable on the current year'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 substantially enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting 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 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 reporting date.

Tax consolidation legislation

Certain Australian entities in the Group formed a tax consolidated group in Australia from 10 October 2013. The tax consolidated group's current tax expense and other deferred tax assets are required to be allocated to the members of the Australian 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 Australian member of the tax consolidated group is determined as if the Australian Group 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.

(g) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental 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.

(h) 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 aggregate of consideration transferred and the amount recognised for non-controlling interests in the acquiree and any previous interest held in the acquiree, over the net identifiable assets acquired and liabilities assumed, 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.

(i) 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 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 impairment are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

(j) 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.

(k) Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Trade receivables are generally due for settlement within 30 to 60 days.

(l) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) *Financial assets*

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section on (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, the Group currently holds and classifies financial assets in the following categories:

- Financial assets at amortised cost
- Financial assets at fair value through OCI

Financial assets at amortised cost

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

  And

- The contractual terms of the financial asset give rise on the specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and loan to an associate and loan to a director included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of party of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its investment in subsidiaries within the parent entity (Refer to Note 34) at fair value through OCI.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired

  Or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

All of the Group's financial liabilities are classified as loans and borrowings.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral party of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information, Refer to Note 18.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such as exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(m) Derivatives

The Group may use derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. 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).

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss. Per Note 3, the Group does not apply hedge accounting. Derivatives are carried as financial assets when the fair value is positive and financial liabilities when the fair value is negative.

(n) 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 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.

(o) 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:

Plant and equipment	20% to 50%
Furniture and fittings	20% to 30%
Leasehold improvements	Term of lease
Hosting plant and equipment	20%

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. Refer to Note 1(i).

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

(p) 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.

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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.

(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 five to fifteen 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 following: technical feasibility of completing the intangible asset so that it will be available for use or sale, the intention to complete and the 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. Development costs incurred after technological feasibility are established as capitalised. Research costs are expensed when incurred.

(q) Trade and other payables

Trade payables and other payables are carried at amortised cost 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.

(r) 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.

(s) 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.

Onerous contract provisions are recognised for losses on contracts where the forecast costs of fulfilling the contract throughout the contract period exceed the forecast income receivable. The provision is calculated based on discounted cash flows to the end of the contract.

(t) 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 quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) *Share-based Payments*

Employees (including Executive Directors and other senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for performance rights (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 25. That cost is recognised in employee benefits expense (Note 7), together with a corresponding increase in equity (reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss. The dilutive effect of outstanding performance rights is reflected as additional share dilution in the computation of diluted earnings per share (Refer to Note 9).

(u) 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.

(v) 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.

(w) Fair value measurement

AASB 13 *Fair Value Measurement* establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other AASBs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7 *Financial Instruments: Disclosures*. These changes have no significant impact on the Consolidated Entity's disclosures as the carrying amount of the assets and liabilities are a reasonable approximation of their fair value.

AASB 13 Fair Value Measurement requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- 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
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(x) 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 Chief Executive Officer.

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

(y) Rounding of amounts

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

(z) New and amended standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting year and have not been early adopted by the Consolidated Entity. The Consolidated Entity's assessment of the impact of these new standards and interpretations is set out below, which standards will be adopted on their respective dates.

(i) *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 the Statement of Financial Position. This change will impact the classification of certain expenses in the income statement such as rental expense, interest expense and amortisation. Non-IFRS measures such as EBIT and EBITDA will not be impacted for segment reporting purposes.

The Consolidated Entity will elect to adopt the modified retrospective approach, applying the standard retrospectively to only the most current year presented in the financial statements (i.e. the initial year of application). The Consolidated Entity has to recognise the cumulative effect of initially applying AASB 16 as an adjustment to the opening balance of retained earnings. The Consolidated Entity has undertaken a comprehensive review of the implementation impacts of AASB 16, which its outcomes are disclosed in Note 26.

(ii) *AASB Interpretation 23 Uncertainty over Income Tax Treatment*

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 and does not apply to taxes or levies outside the scope of AASB 112, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically address the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group will consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty will be followed. The Interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Group will apply the Interpretation from its effective date. The Group operates in a complex multinational tax environment, applying the Interpretation may affect its consolidated financial statements. In addition, the Group may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

(aa) New standards, interpretations and amendments adopted by the Group

(i) AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.

The Consolidated Entity elected the modified retrospective approach, recognising the cumulative effect of initially applying AASB 15 as an adjustment to the opening balance of retained earnings as at 1 July 2018.

AASB 15 provides a single, principles-based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point at which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures regarding revenue are also introduced. The main impact is the following:

a1. Incremental costs of obtaining a contract

The Group remunerates employees who actively participate in the sales process with commissions calculated based on revenues and contract margins where they have been involved in the successful contract execution. This typically includes revenues and contract margins which will be recognised in subsequent financial reporting years. Under the previous accounting policy, commissions related to sales are recognised as an expense on contract execution, which is the point at which a constructive obligation arises for the Company. Under AASB 15, these costs are recognised as an asset on contract execution with the amortisation period being consistent with the period over which the associated revenue will be recognised. On transition at 1 July 2018, the application of AASB 15 results in an increase in the Company's assets by $724 thousand. Tax effect associated with these adjustments amount to $212 thousand as a charge to retained earnings.

a2. Revenue from embedded long-term licences

From time to time, the Group prices licences and maintenance services in a bundled annual fee. Under the previous accounting policy, the delivery of certain licences and provision of maintenance were considered non-separable and were rateably recognised over the term. Under AASB 15, the licence element is considered a separate performance obligation satisfied at a point in time. Its stand-alone selling price is determined, to be recognised upfront at the present value of the related future contractual revenue streams, discounted at the discount rate taking into consideration corporate borrowing rates, size of the customers and jurisdiction of the customers, with the discount being unwound through profit or loss over the period of the agreements and presented as interest income. On transition at 1 July 2018, the application of AASB 15 results in an increase in the Company's assets by $398 thousand. Tax effect associated with these adjustments amount to $71 thousand as a charge to retained earnings.

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The Group adopted AASB 15 using the modified retrospective method of adoption. The effect of adopting AASB 15 is as follows:

	Adjustments	1 July 2018
		$'000
Assets		
Contract assets - current	(a1), (a2)	273
Contract assets - non-current	(a1), (a2)	849
Total assets		1,122
Liabilities		
Deferred tax liabilities	(b)	283
Total liabilities		283
Net impact on equity, including:		839
Retained earnings		839
Other components of equity		-

(a1) Incremental costs of obtaining a contract previously expensed
(a2) Accrued revenue from embedded long-term licences
(b) Tax effects on AASB 15 transitional adjustments

Differences between the previous and the new standard:

The Consolidated Entity derives its revenues from the licence, maintenance and managed services/hosting of its software products and from support, consulting, development, training and other professional services. The vast majority of its software and maintenance arrangements include support services and a few also include professional services. Based on detailed impact assessment, the new standard does not significantly impact revenue recognition for these revenue streams.

As the impact by line item has been determined to be immaterial, no disclosure is made regarding the amount by which each financial statement line item is affected in the current reporting year by the application of AASB 15 as compared to the previous standards and related interpretations that were in effect before the change.

AASB 118 and AASB 111

Under the previous standards, 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 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*

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 taking into consideration corporate borrowing rates, size of the customers and jurisdiction of the customers, with the discount being unwound through profit or loss over the period of the agreements and presented as interest income.

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Licence fees may be recognised upfront if:

- the arrangement with the customer does not require significant development, modification or customisation of the software solution;
- there are no contingencies on the licences that could cause deferral of revenue (e.g. refund clauses attached to the licence) i.e. no amounts are refundable;
- the contract is non-cancellable and there are no break clauses considered substantive; and
- there is no remaining obligation for Bravura Solutions attached to the licence.

(ii) *Maintenance, support, hosting and managed services fees*

Maintenance, support, hosting and managed services revenue is recognised on a straight-line basis over the period of the contract.

(iii) *Professional service fees*

Revenue is recognised over the period when services are provided.

In the case of fixed price 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 recognition 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. Licence revenue is determined using the residual method.

AASB 15

The new standard applies a single, principles-based five-step model to revenue recognition:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation

The transfer of control is a pre-requisite for revenue recognition under the new standard. Under AASB 15, the transfer of control to the customer represents the transfer of the rights with regard to the good or service. The customer's ability to receive the benefit from the good or service is represented by its right to substantially all of the cash inflows, or the reduction of the cash outflows, generated by the good or service. Upon transfer of control, the customer has sole possession of the right to use the good or service for the remainder of its economic life or to consume the good or service in its own operations. AASB 15 states that "control of an asset refers to the ability to direct the use of and obtain substantially all of the remaining benefits from the asset". Control also means the ability to prevent others from directing the use of, and receiving the benefit from, a good or service.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. Overall, the principles set out in the preceding section on the previous standard are materially consistent for Bravura Solutions' customer contracts when allocating the consideration to elements of the contract, including licence fees.

Under the previous standard, licence revenue is determined using the residual method, whereas under the new standard, licence revenue is determined by allocating the consideration to the performance obligations attached to the licence, which allocation is similarly determined using the residual method. However, this new allocation method is not having a material impact on licence revenue recognition because consistent to the previous standard, Bravura Solutions continues to consider that licence fees may be recognised upfront if:

- the arrangement with the customer does not require significant development, modification or customisation of the software solution;
- there are no contingencies on the licences that could cause deferral of revenue (e.g. refund clauses attached to the licence) i.e. no amounts are refundable;
- the contract is non-cancellable and there are no break clauses considered substantive; and
- there is no remaining obligation for Bravura Solutions attached to the licence.

In contrast to the previous standard, AASB 15 also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. Such costs are capitalised and amortised over the length of the contract.

The new standard establishes also new disclosure principles for reporting 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.

(ii) AASB 9 Financial Instruments

The adoption of AASB 9 has no material impact on the financial statements, refer to Note 1(l).

(ab) Parent Entity financial information

The financial information for the Parent Entity of Bravura Solutions is disclosed in Note 34 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 fair value through other comprehensive income in the financial statements of Bravura Solutions. Fair value is determined based on the closing share price on the reporting date. 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*

The Group have adopted and complied with the tax consolidation legislation.

The head entity, Bravura Solutions Limited, 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.

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 with indefinite useful life*

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 with indefinite useful lives are allocated.

(ii) *Taxes*

Management regularly assesses the adequacy of income tax provisions having regard to the differing tax rules and regulations applicable in the various jurisdictions in which the Group operates. Due to the complexities of tax rules and regulations in numerous jurisdictions, matters such as the availability and timing of tax deductions and the application of the arm's length principle to cross-border transactions often require significant judgements and assumptions to be made.

Deferred tax assets are recognised for deductible temporary differences and tax losses to the extent that it is probable that future taxable profits will be available to utilise those temporary differences and tax losses. Significant judgement is required by management to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

(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 Consolidated 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.

(iv) *Revenue recognition for multiple element arrangements*

Revenue is measured at the stand-alone selling price as allocated to the contractual performance obligations. 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, maintenance and managed services/hosting of its software products and of support, consulting, development, training and other professional services. The vast majority of its software and maintenance arrangements include support services and a few also include professional services.

The Consolidated Entity recognises revenue by applying the five-step model to the Consolidated Entity's activities as described in Note 1(aa)(i). 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.

(v) *Onerous contracts*

The Consolidated Entity determines the amount of any onerous contract provision by estimating the costs of fulfilling a contract which include all directly attributable costs that are unavoidable under the terms of the contract.

(b) Critical judgments in applying the Entity's accounting policies

(i) *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.

(ii) *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.

(iii) *Share-based payments*

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the options at the date at which they are granted. The fair value of options has been valued taking into account among other valuation assumptions the vesting period, expected dividend payout and the share price at the date the options were granted.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

3 FINANCIAL ASSETS AND FINANCIAL LIABILITIES

3.1 FINANCIAL ASSETS

	2019	2018
	$'000	$'000
Cash and cash equivalents	**194,797**	36,941
Trade receivables	**23,697**	28,918
	218,494	65,859

Cash (Refer to Note 10) and trade receivables (Refer to Note 11) 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. Fair values approximate their carrying values of these instruments and management has determined the impact of estimated credit losses to be immaterial.

3.2 FINANCIAL LIABILITIES

	2019	2018
	$'000	$'000
Borrowings	**-**	12,183
	-	12,183
Other financial liabilities (non-interest bearing)		
Trade and other payables	**11,608**	10,422
	11,608	22,605

The Group has an unsecured multi-currency facility agreement with the Commonwealth Bank of Australia (CBA), which expires on 15 November 2021 (Refer to Note 18).

Borrowings, trade and other payables are carried at amortised cost. Fair values of these approximate their carrying values due to the short-term maturities of these instruments.

3.3 FINANCIAL INSTRUMENTS RISK MANAGEMENT OBJECTIVES AND POLICIES

The Consolidated Entity's activities expose it to the following risks arising from the financial instruments:

- Credit risk;
- Market risk (including foreign currency risk and interest rate risk); and
- Liquidity risk.

(i) *Risk management framework:*

The Consolidated Entity's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor risks and adherence to limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The senior management team 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 may use derivative financial instruments such as 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

(ii) *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.

Credit risk is considered limited for trade receivables at the reporting date, based on the nature and payment history of the Consolidated Entity's customers.

The Consolidated Entity manages this risk through regularly assessing the credit quality of customers. There has not been any impairment of trade receivables during the year ended 30 June 2019 (2018: $nil).

The Consolidated Entity's maximum exposure to credit risk at balance date for the recognised financial assets is the carrying amount and management has determined the impact of estimated credit losses to be immaterial.

At 30 June 2019, the ageing of trade receivables that were not impaired was as follows:

	2019	2018
	$'000	$'000
Neither past due nor impaired	**20,641**	23,715
Past due 1-30 days	**2,251**	4,749
Past due 31-90 days	**805**	318
Past due 91+ days	**-**	136
	23,697	28,918

(iii) *Market risk*

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

(a) *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 Consolidated Entity's functional currency. The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. The Consolidated Statement of Financial Position is affected by movements in the relevant currency exchange rate when converting these into Australian dollars (the Consolidated Entity's presentation currency) for consolidation purposes.

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

	AUSTRALIAN $	POUND STERLING £	NEW ZEALAND $
	$'000	$'000	$'000
2019			
Financial assets	147,584	48,177	1,977
Financial liabilities	1,056	3,935	231

	AUSTRALIAN $	POUND STERLING £	NEW ZEALAND $
	$'000	$'000	$'000
2018			
Financial assets	15,742	43,777	1,296
Financial liabilities	11,278	4,367	1,979

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

The significant exchange rates during the year are as follows:

	AVERAGE RATE		YEAR-END SPOT RATE	
	$	$	$	$
	2019	2018	2019	2018
New Zealand Dollar	**0.938**	0.927	**0.956**	0.914
Pound Sterling	**1.807**	1.773	**1.806**	1.782
US Dollar	**1.399**	1.334	**1.423**	1.349
Euro	**1.597**	1.557	**1.618**	1.576
South African Rand	**0.099**	0.101	**0.101**	0.098
Polish Zloty	**0.371**	0.362	**0.380**	0.360
Hong Kong Dollar	**0.178**	0.170	**0.182**	0.172
Indian Rupee	**0.020**	0.020	**0.021**	0.020

The following tables demonstrate the sensitivity to a reasonably possible change in US Dollar, Euro, GB Pound Sterling, New Zealand Dollar, Polish Zloty, Indian Rupee and South African Rand exchange rates, with all other variables held constant. A positive number below indicates an increase in profit, a negative number indicates a reduction in profit. The Group's exposure to foreign currency changes for all other currencies is not material.

EFFECT (BEFORE TAX)	PROFIT OR LOSS	
	$'000	$'000
	STRENGTHENING	WEAKENING
2019		
New Zealand Dollar (5% movement)	**179**	**(162)**
GB Pound Sterling (5% movement)	**(221)**	**197**
US Dollar (5% movement)	**136**	**(123)**
Polish Zloty (5% movement)	**229**	**(207)**
Euro (5% movement)	**(16)**	**18**
South African Rand (5% movement)	**(165)**	**149**
Other currencies (5% movement)	**34**	**(34)**
2018		
New Zealand Dollar (5% movement)	(227)	207
GB Pound Sterling (5% movement)	143	(129)
US Dollar (5% movement)	(490)	435
Polish Zloty (5% movement)	61	(55)
Euro (5% movement)	74	(67)
South African Rand (5% movement)	(103)	93
Other currencies (5% movement)	215	(194)

(b) *Price Risk*

The Consolidated Entity is not exposed to price risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

(c) *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 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. Prior to IPO on 16 November 2016, the Consolidated Entity's policy was to maintain at least 75% of its term borrowings at a fixed rate using interest rate swaps to achieve this when necessary. There are no derivatives in place from this date as the levels of borrowings no longer require such.

	2019		2018	
	WEIGHTED AVERAGE INTEREST RATE	BALANCE	WEIGHTED AVERAGE INTEREST RATE	BALANCE
	%	$'000	%	$'000
Cash - corporate	**1.45**	**161,000**	-	-
Bank loans	**3.155**	**-**	3.705	12,183
Net exposure to cash flow interest rate risk		**161,000**		12,183

An increase in the interest rates by one percentage point would have a positive effect on profit of $1.6 million (2018: $(0.1 million)) per annum. A decrease in the interest rates by one percentage point would have a negative effect on profit of $(1.6 million) (2018: $0.1 million).

(iv) *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 18.

	CONSOLIDATED	
FLOATING RATE	2019	2018
	$'000	$'000
Revolving facilities	**-**	12,183
	-	12,183

Borrowings are carried at amortised value. Trade and other payables are carried at cost. Fair values of both approximate their carrying values due to the short-term maturities of these instruments.

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. There were no covenants breached during the Reporting Period.

The table below analyses the Consolidated Entity's financial assets and financial liabilities into relevant maturity groupings based on their contractual undiscounted maturities:

AT 30 JUNE 2019	1 YEAR OR LESS	BETWEEN 1 TO 2 YEARS	BETWEEN 2 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL CONTRACTUAL	CARRYING AMOUNT
	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets						
Cash	**194,797**	-	-	-	**194,797**	**194,797**
Trade Receivables	**23,697**	-	-	-	**23,697**	**23,697**
Financial liabilities						
Trade and other payables	**(6,340)**	-	-	-	**(6,340)**	**(6,340)**
	212,154	-	-	-	**212,154**	**212,154**

AT 30 JUNE 2018	1 YEAR OR LESS	BETWEEN 1 TO 2 YEARS	BETWEEN 2 AND 5 YEARS	MORE THAN 5 YEARS	TOTAL CONTRACTUAL	CARRYING AMOUNT
	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets						
Cash	**36,941**	-	-	-	**36,941**	**36,941**
Trade Receivables	**28,918**	-	-	-	**28,918**	**28,918**
Financial liabilities						
Trade and other payables	**(4,961)**	-	-	-	**(4,961)**	**(4,961)**
Borrowings – includes interest	**(12,368)**	-	-	-	**(12,368)**	**(12,183)**
	48,530	-	-	-	**48,530**	**48,715**

4 FAIR VALUE MEASUREMENTS

	CARRYING VALUE		FAIR VALUE	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Financial liabilities				
Borrowings	-	12,183	-	12,368
	-	12,183	-	12,368

The fair values of cash, receivables. trade and other payables and borrowings approximate their carrying amounts largely due to the short-term maturities of these instruments.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Consolidated Entity's financial instruments including borrowings are valued using the Level 2 valuation techniques, taking into account observable inputs.

The Consolidated Entity's receivables are valued using the level 3 valuation techniques, taking into account counterparty credit risk.

No financial assets or liabilities were transferred from level 1, 2 and 3 during the year ended 30 June 2019 (2018: $nil).

For non-current assets, Bravura Solutions has considered a discount rate to recognise the net present value of these receivables. Level 3 inputs have been considered including corporate borrowing rates, size of the customer and jurisdiction of the customer. A discounted cashflow model was used to derive the fair value. The range of discount rates was between 2.10% and 9.40%.

The carrying value of non-current receivables for 2019 of the Consolidated Entity was a reasonable approximation of their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

5 SEGMENT INFORMATION

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; and
- 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, and amortisation. Operating EBITDA is reconciled with profit or loss in the consolidated financial statements below.

Segment operating EBITDA includes $2.5 million (2018: $1.7 million) depreciation of property, plant and equipment dedicated to client hosting services.

	2019	2018
	$'000	$'000
Wealth Management	**176,810**	155,070
Funds Administration	**80,892**	66,401
Total segment revenue[1]	**257,702**	221,471
Wealth Management[2]	**53,889**	46,239
Funds Administration[2]	**32,342**	26,716
Total segment Operating EBITDA	**86,231**	72,955
Corporate costs	**(37,673)**	(34,410)
Finance income[1]	**503**	30
Total operating EBITDA	**49,061**	38,575
Depreciation and amortisation expense	**(6,467)**	(7,066)
Finance expense	**(189)**	(580)
Foreign exchange loss	**(899)**	(169)
Profit before income tax	**41,506**	30,760
Income tax expense	**(8,698)**	(3,730)
Net profit after tax	**32,808**	27,030

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

SEGMENT ASSETS[3]	2019 $'000	2018 $'000
Wealth Management	**187,196**	184,571
Funds Administration	**31,977**	27,754
Corporate	**161,000**	-
	380,173	212,325

SEGMENT LIABILITIES	2019 $'000	2018 $'000
Wealth Management	**57,433**	68,326
Funds Administration	**31,283**	29,813
	88,716	98,139

SEGMENT NON-CURRENT OPERATING ASSETS BY GEOGRAPHY[4]	2019 $'000	2018 $'000
Australia	**117,346**	115,491
UK	**17,654**	7,888
New Zealand	**2,408**	2,917
Others	**1,631**	1,355
	139,039	127,651

1. Segment revenue excludes finance income in this segment disclosure (Refer to Note 6.1) and is based on Management's view.
2. Includes hosting asset depreciation.
3. Corporate assets represent the net proceeds of the Institutional Placement not yet invested at the reporting date.
4. Non-current assets for this purpose consist of primarily property, plant and equipment and intangible assets, but excludes deferred tax assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

6 REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

6.1 DISAGGREGATED REVENUE INFORMATION

	WM	FA	2019	WM	FA	2018
	$'000	$'000	$'000	$'000	$'000	$'000
Revenue from contracts with customers						
Maintenance, support and hosting	53,838	48,626	102,464	51,255	45,553	96,808
Professional services	111,222	30,987	142,209	92,337	20,379	112,716
Licence fees	10,360	1,279	11,639	9,665	293	9,958
Other sales revenue	1,390	-	1,390	1,813	176	1,989
Total revenue from customers	176,810	80,892	257,702	155,070	66,401	221,471
Other revenue						
Finance income - interest received			503			30
			503			30
Total revenue			258,205			221,501
Timing of recognition						
Licences transferred at a point in time	10,360	1,279	11,639	9,665	293	9,958
Services transferred over time	166,450	79,613	246,063	145,405	66,108	211,513
Total revenue from customers	176,810	80,892	257,702	155,070	66,401	221,471
Geography						
Australia			63,074			66,111
UK			168,615			122,838
New Zealand			14,908			15,963
Others			11,105			16,559
Total revenue from customers			257,702			221,471

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

6.2 CONTRACT BALANCES

	WM	FA	2019	WM	FA	2018
CONTRACT BALANCES	$'000	$'000	$'000	$'000	$'000	$'000
Trade receivables	**20,410**	**3,287**	**23,697**	24,107	4,811	28,918
Contract assets - current	**7,310**	**2,985**	**10,295**	6,360	1,908	8,268
Contract assets - non-current	**3,831**	**440**	**4,271**	3,372	-	3,372
Contract liabilities - current	**22,335**	**10,932**	**33,267**	20,129	16,149	36,278
Contract liabilities - non-current	**1,449**	**157**	**1,606**	2,740	72	2,812

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days (Refer to Note 11).

The Consolidated Entity has written off $nil bad debts during the year ended 30 June 2019 (2018: $nil) and recognised an allowance for estimated credit loss on trade receivables of $nil (2018: $nil).

Contract assets are initially recognised for revenue earned from professional services as receipt of consideration is conditional on successful completion of certain milestones. Upon completion of such milestones and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables once invoiced. Contract assets also include licence fees. They are recognised upfront at the present value of the related future contractual revenue streams, discounted at the discount rate taking into consideration corporate borrowing rates, size of the customers and jurisdiction of the customers, with the discount being unwound through profit or loss over the period of the agreements and presented as interest income.

Contract liabilities include long-term advances received to deliver maintenance, support and hosting services. Fees for services received in advance are recorded as a liability within contract liabilities on the Consolidated Statement of Financial Position and these amounts are amortised to profit or loss over the relevant period of the contract which is in line with the provision of the services.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

6.3 PERFORMANCE OBLIGATIONS

Information about the Group's performance obligations are summarised below:

1. *Software licences*

   Contracts with customers typically contain the sale of a software licence, which typically occurs at a point in time when control of the licence is transferred to the customer, generally on delivery of the software.

2. *Maintenance and support services*

   Contracts with customers typically contain the provision of software maintenance and support services over time, which are generally fixed price in nature and recognised on a straight-line basis over the period of the contract.

3. *Professional services*

   Contracts with customers typically contain the provision of implementation and development services over time, which are generally invoiced on a time and materials basis and recognised over the period of rendering of service of the contract. From time to time, these services may be provided on a fixed price basis, which in that instance are accounting for using the percentage of completion method, including labour hours expended in the costs-incurred input method.

4. *Hosting and managed services*

   Contracts with customers may contain the provision of hosting and/or managed services over time, which are generally fixed price in nature and recognised on a straight-line basis over the period of the contract.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied), excluding remaining performance obligations included in contract liabilities on the Statement of Financial Position, as at 30 June 2019 are as follows:

	WM	FA	2019
	$'000	$'000	$'000
Within one year	51,713	66,939	118,652
More than one year	125,624	129,558	255,182
Total revenue	**177,337**	**196,497**	**373,834**

No comparative information for 2018 has been included as a result of the Consolidated Entity adopting AASB 15 using the modified retrospective method.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

7 EXPENSES

	2019 $'000	2018 $'000
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
Salary and wages	**136,180**	119,969
Defined contribution superannuation and pension expense	**14,184**	13,807
Share-based payments	**1,646**	669
Other	**1,466**	1,436
Total employee benefits expense	**153,476**	135,881
Depreciation		
Plant and equipment	**2,979**	2,083
Leasehold improvements	**675**	412
Hosting plant and equipment	**1,798**	2,402
Furniture, fittings and equipment	**366**	224
Total depreciation	**5,818**	5,121
Amortisation		
Business contracts and relationships	**-**	1,194
Intellectual property and software development	**3,156**	2,409
Total amortisation	**3,156**	3,603
Total depreciation and amortisation	**8,974**	8,724
Finance costs		
Interest and finance charges paid/payable	**34**	453
Borrowing costs and other	**155**	127
Total finance costs expensed	**189**	580
Lease of premises and equipment	**8,605**	4,551

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

8 INCOME TAX EXPENSE

The Group calculates the period income tax using the tax rate that would be applicable to the expected total annual earnings. The major components of the income tax expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income are:

	2019	2018
	$'000	$'000
Income tax expense		
Current tax	**10,083**	3,446
Deferred tax	**(1,522)**	221
Under provision in prior years	**137**	63
Total income tax expense	**8,698**	3,730
Deferred income tax (benefit)/expense included in income tax expense comprises:		
Increase in deferred tax assets (Refer to Note 14)	**(1,032)**	(1,351)
(Decrease)/increase in deferred tax liabilities (Refer to Note 21)	**(490)**	1,572
	(1,522)	221
Net amount charged to equity (including adoption of AASB 15 and exchange differences)	**272**	-
	(1,250)	221
Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	**41,506**	30,760
Tax at the Australian tax rate of 30% (2018: 30%)	**12,452**	9,228
Difference in overseas tax rates	**(10,680)**	(7,250)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Current year unrecognised tax losses	**2,256**	2,264
Non-deductible expenses	**632**	423
Attributable CFC income	**739**	383
Withholding tax written off	**445**	118
Other assessable income	**2,440**	-
Tax losses UK recognised	**-**	(2,845)
Undistributed reserves	**-**	1,338
Other	**277**	8
Under provision in prior years	**137**	63
Total income tax expense	**8,698**	3,730
Tax losses		
Australia		
Unused tax losses for which no deferred tax asset has been recognised	**51,846**	43,501
Unused non-refundable tax offset for which no deferred tax asset has been recognised	**7,716**	6,762
Potential tax benefit of unused Australian tax losses @30% (2018: 30%)	**23,270**	19,812
United Kingdom		
Unused tax losses for which no deferred tax asset has been recognised	**9,410**	11,387
Potential tax benefit of unused UK tax losses @17% (2018: 19%)	**1,600**	2,164

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.

As a result of the 2016 IPO and the 2019 Institutional Placement, Bravura Solutions incurred certain costs which were split for accounting purposes between equity and expense under AASB 132. For income tax purposes, these costs would be either outright deductible or deductible over a period of five years, as such, the unbooked deferred tax asset in respect of these costs is $476,123 in relation to costs expensed and $2,564,436 in relation to costs charged to equity.

Tax consolidation legislation

Certain Australian entities in the Group formed a tax consolidated group with effect from 10 October 2013. Bravura Solutions Limited 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 EARNINGS PER SHARE (EPS)

	2019	2018
	$'000	$'000
Profit attributable to ordinary equity holders of the parent	**32,808**	27,030
Profit attributable to ordinary equity holders of the parent for basic and diluted EPS calculations	**32,808**	27,030
	'000	'000
Weighted average number of ordinary shares for basic EPS	**218,551**	214,246
Effects of dilution from:		
Performance rights	**2,604**	896
Weighted average number of ordinary shares adjusted for the effect of dilution	**221,155**	215,142

During the year, 229,055 shares were issued on 28 March 2019 under the Dividend Reinvestment Plan and 28,695,653 shares on 8 May 2019 under the Institutional Placement (Refer to Note 23b), which led to a lower weighted average number of shares in the FY19 EPS calculation than the total shares outstanding (Refer Note 23).

	CENTS	CENTS
Basic EPS	**15.0**	12.6
Diluted EPS	**14.8**	12.6

10 CURRENT ASSETS – CASH AND CASH EQUIVALENTS

	2019	2018
	$'000	$'000
Cash at bank	**194,796**	36,939
Cash on hand	**1**	2
	194,797	36,941

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

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

(b) Risk Exposure

Cash at bank 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 Solutions, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalent is $194.8 million (2018: $36.9 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

11 CURRENT ASSETS – TRADE RECEIVABLES

	2019	2018
	$'000	$'000
Trade receivables	**23,697**	28,918
	23,697	28,918

Impaired, bad and doubtful trade receivables written off

The Consolidated Entity has written off $nil bad debts during the year ended 30 June 2019 (2018: $nil) and recognised an allowance for estimated credit loss on trade receivables of $nil (2018: $nil).

As at 30 June 2019 current trade receivables of the Consolidated Entity with a nominal value of $nil (2018: $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 (2018: $nil).

See Note 3.3(ii) on credit risk of trade receivables.

12 CURRENT ASSETS – OTHER CURRENT ASSETS

	2019	2018
	$'000	$'000
Prepayments	**5,562**	5,168
Other receivables	**799**	845
Deposits	**1,477**	1,030
	7,838	7,043

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

13 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	PLANT AND EQUIPMENT	FURNITURE, FITTINGS AND EQUIPMENT	LEASEHOLD IMPROVEMENTS	HOSTING PLANT AND EQUIPMENT	TOTAL
	$'000	$'000	$'000	$'000	$'000
Cost					
At 1 July 2017	15,783	1,760	6,462	14,206	38,211
Addition	4,614	155	48	2,359	7,176
Disposals	(2,121)	(339)	(1,085)	(165)	(3,710)
Exchange difference	363	42	8	766	1,179
At 30 June 2018	18,639	1,618	5,433	17,166	42,856
Addition[1]	5,262	972	6,535	2,527	15,296
Disposals	(2,177)	(538)	(2,967)	-	(5,682)
Exchange difference	325	45	148	231	749
At 30 June 2019	22,049	2,097	9,149	19,924	53,219
Depreciation and impairment					
At 1 July 2017	(10,818)	(1,200)	(5,776)	(11,192)	(28,986)
Depreciation	(2,083)	(224)	(412)	(2,402)	(5,121)
Disposals	2,121	339	1,085	165	3,710
Exchange difference	(236)	(20)	(38)	(577)	(871)
At 30 June 2018	(11,016)	(1,105)	(5,141)	(14,006)	(31,268)
Depreciation	(2,979)	(366)	(675)	(1,798)	(5,818)
Disposals	2,138	508	2,964	-	5,610
Exchange difference	(234)	(26)	(99)	(162)	(521)
At 30 June 2019	(12,091)	(989)	(2,951)	(15,966)	(31,997)
Net book value					
At 30 June 2018	7,623	513	292	3,160	11,588
At 30 June 2019	9,958	1,108	6,198	3,958	21,222

1. During the reporting period, $1.5 million of asset retirement costs associated with leasehold improvements were capitalised and $0.5 million of additions remained unpaid at the reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

14 NON-CURRENT ASSETS – DEFERRED TAX ASSETS

	2019 $'000	2018 $'000
The balance comprises temporary differences attributable to:		
Property, plant and equipment	**1,457**	527
UK Tax losses	**-**	1,202
Intangible assets	**1,041**	507
Accruals	**1,829**	1,129
Other	**155**	139
Retranslation of opening balances	**76**	-
Effect of tax rate changes	**(51)**	-
Total deferred tax assets	**4,507**	3,504
Movements:		
Opening balance at 1 July	**3,504**	2,153
Credited to profit or loss	**1,032**	1,351
Net amount charged to equity (including adoption of AASB 15 and exchange differences)	**(29)**	-
Closing balance at 30 June	**4,507**	3,504

15 NON-CURRENT ASSETS – INTANGIBLE ASSETS

	GOODWILL $'000	BUSINESS CONTRACTS AND RELATIONSHIPS $'000	INTELLECTUAL PROPERTY AND SOFTWARE DEVELOPMENT $'000	TOTAL $'000
Cost				
At 1 July 2017	128,697	53,239	94,506	276,442
Additions internally generated	-	-	6,328	6,328
At 30 June 2018	128,697	53,239	100,834	282,770
Additions internally generated	-	-	4,011	4,011
At 30 June 2019	128,697	53,239	104,845	286,781
Accumulated amortisation and impairment				
At 1 July 2017	(55,488)	(52,045)	(58,943)	(166,476)
Amortisation charge	-	(1,194)	(2,409)	(3,603)
At 30 June 2018	(55,488)	(53,239)	(61,352)	(170,079)
Amortisation charge	-	-	(3,156)	(3,156)
At 30 June 2019	(55,488)	(53,239)	(64,508)	(173,235)
Net book value				
At 30 June 2018	73,209	-	39,482	112,691
At 30 June 2019	73,209	-	40,337	113,546

(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 expense". 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 five to fifteen years. The amortisation has been recognised in the Consolidated Statement of Comprehensive Income in the line item "depreciation and amortisation expense". 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 intangible impairment charges were recognised in the reporting period.

(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:

- Wealth Management (WM); and
- Funds Administration (FA)

(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 and the terminal value for WM and FA.

(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 2019 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.

Discount rates are based on a weighted average cost of capital calculation for the relevant markets and in the same currency as the cash flows, and adjusted for a risk premium to reflect both the increase in risk of investing in equities and the risk specific to the CGU. The pre-tax, risk-adjusted discount rate applied to these cash flow projections for WM is 10% (2018: 14%).The pre-tax, risk-adjusted discount rate applied to these cash flow projections for FA is 10% (2018: 13%)

The terminal value of WM after the five year projection period has been calculated using a growth rate of 2.0% (2018: 2.5%) which is determined by Management based on their assessment of expected long term annual growth for the software industry.

The terminal value of FA after the five year projection period has been calculated using growth rate of 1.0% which is determined by Management based on their assessment of expected long term annual growth for the software industry. In the comparative year no terminal value was included.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

Cost of sales and expenses are based on detailed knowledge of the business, historic activity and detailed plans for the 2019 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.

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

June	WEALTH MANAGEMENT	FUNDS ADMINISTRATION	TOTAL
2019	$'000	$'000	$'000
Goodwill	**73,209**	-	**73,209**
Intellectual property and software development	**40,337**	-	**40,337**
Consolidated carrying amount	**113,546**	-	**113,546**
Amortisation on intellectual property and software development - full-year	**3,156**	-	**3,156**

June	WEALTH MANAGEMENT	FUNDS ADMINISTRATION	TOTAL
2018	$'000	$'000	$'000
Goodwill	73,209	-	73,209
IP, business contracts and relationships	39,482	-	39,482
Consolidated carrying amount	112,691	-	112,691
Amortisation on IP, business contracts and relationships - full-year	2,409	1,194	3,603

(d) Sensitivity to changes in assumptions

The key estimates and assumptions used to determine the value-in-use calculation are based on Management's current expectations after considering past experience, future investment plans and external information. They are considered to be reasonably achievable. To complete this assessment, Management has further applied a 100 bps sensitivity increase and decrease of the WM and FA discount rate. Management believe that no reasonable change in any of the above key assumptions would cause the carrying values to materially exceed their recoverable amounts.

16 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2019	2018
	$'000	$'000
Trade payables	**6,340**	4,961
Other payables	**5,268**	5,461
	11,608	10,422

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and normally settled on 30 to 45-day terms

Other payables consist of GST and payroll tax payable, are non-interest bearing and have an average term of 2 months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

17 CURRENT LIABILITIES – PROVISION FOR INCOME TAX

	2019	2018
	$'000	$'000
Income Tax	**4,730**	1,871

The increase in current tax liabilities primarily arises from Bravura Solution's UK operations which came out of tax losses during the comparative period.

18 CURRENT LIABILITIES – BORROWINGS

	2019	2018
	$'000	$'000
Bank loans - unsecured	**-**	12,183

Financing arrangements

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

	2019	2018
	$'000	$'000
Total facilities	**30,004**	24,712
Used at balance date	**1,541**	13,212
Unused at balance date	**28,463**	11,500

The facility agreement with CBA is an unsecured revolving credit facility which was extended a further two years expiring 15 November 2021, and increased by AUD 5 million now providing AUD 17.1 million, GBP 4.5 million and NZD 5.0 million borrowing. The interest rate is a variable rate determined each month (Refer to Note 3.3(iii)). The facilities for guarantees are drawn by an amount of $1,540,849 (30 June 2018: $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.

19 CURRENT LIABILITIES – PROVISIONS

	2019	2018
	$'000	$'000
Employee benefits	**10,116**	9,090
Onerous contracts	**-**	237
Make Good	**8**	-
Leases	**175**	53
	10,299	9,380

(a) Amounts not expected to be settled within the next 12 months

The entire provision for employee benefits comprises annual and long-service leave and 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 amount expected to be settled in greater than 12 months is estimated to be approximately $3 million (2018: $3 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

20 CURRENT LIABILITIES – OTHER CURRENT LIABILITIES

	2019	2018
	$'000	$'000
Accrued expenses	**17,022**	18,257

Accrued expenses include bonus and expense accruals.

21 NON-CURRENT LIABILITIES – DEFERRED TAX LIABILITIES

	2019	2018
	$'000	$'000
The balance comprises temporary differences attributable to:		
Undistributed reserves	**1,975**	2,641
Other	**1,470**	1,113
Retranslation of opening balances	**62**	-
Total deferred tax liabilities	**3,507**	3,754
Movements:		
Opening balance at 1 July	**3,754**	2,182
Charged/(credited) to profit or loss	**(490)**	1,572
Net amount charged to equity (including adoption of AASB 15 and exchange differences)	**243**	-
Closing balance at 30 June	**3,507**	3,754

22 NON-CURRENT LIABILITIES – PROVISIONS

	2019	2018
	$'000	$'000
Employee benefits - long-service leave	**1,629**	1,546
Leases	**2,964**	-
Make good provision	**2,084**	1,636
	6,677	3,182

(a) Movements in provisions

Movements in each class of provision during the financial year are set out below:

2019	ONEROUS CONTRACTS $'000	LEASES $'000	MAKE GOOD PROVISION $'000	EMPLOYEE BENEFITS $'000
Carrying amount at start of year	237	53	1,636	10,480
Charged/(credited) to profit or loss				
Arising during the year	-	3,152	1,495	4,602
Utilised/paid	(240)	(53)	(1,176)	(3,388)
Discount unwind	-	-	64	-
Exchange difference	3	(13)	73	51
Carrying amount at end of year	**-**	**3,139**	**2,092**	**11,745**
Current	-	175	8	10,116
Non-current	-	2,964	2,084	1,629
Closing balance at 30 June	**-**	**3,139**	**2,092**	**11,745**

Onerous contracts

Onerous contract provisions are recognised for losses on customer contracts where the forecast costs of fulfilling the contract throughout the contract period exceed the forecast income receivable. Assumptions used in forecasting costs and income under these contracts are based on budgeted results and contracted income and commitments under the terms of the contracts. The provision is calculated based on discounted cash flows to the end of the contracts which will be completed by 2019.

Make good provision

In accordance with its lease agreements, Bravura Solutions must restore leased premises to their original condition at the end of their respective lease terms (range from four to ten years).

Leases

Under the current lease accounting standard AASB 117, leases expense is recognised on a straight-line basis, resulting in the recognition of lease liabilities, which are on transition to AASB 16 credited to the right-of-use assets (Refer to Note 26).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

23 CONTRIBUTED EQUITY

	2019 SHARES	2018 SHARES	2019 $'000	2018 $'000
Share capital				
Total	**243,170,798**	214,246,090	**347,182**	184,989

(a) Movements in ordinary share capital

ORDINARY SHARES ISSUED AND FULLY PAID	SHARES	$'000
At 1 July 2017	214,246,090	184,989
At 30 June 2018	214,246,090	184,989
At 1 July 2018	214,246,090	184,989
Dividend reinvestment plan	229,055	1,237
Institutional placement	28,695,653	165,000
Transaction costs	-	(4,044)
At 30 June 2019	**243,170,798**	**347,182**

(b) Ordinary shares

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

The number of authorised ordinary shares is the same as the number of fully paid ordinary shares.

During the year, the Company issued 229,055 shares under the dividend reinvestment plan on 28 March 2019 and 28,695,653 shares to institutional investors on 8 May 2019.

(c) 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 financing arrangements impose certain covenants on the Consolidated Entity that, if breached, the financiers may at any time, unless remedied, declare that the loans become immediately due and payable. There were no covenants breached during the current period (Refer to Note 18).

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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

24 RESERVES AND ACCUMULATED LOSSES

	2019 $'000	2018 $'000
(a) Reserves		
Foreign currency translation reserve	**10,626**	9,845
Share-based payments	**2,315**	669
Balance at 30 June	**12,941**	10,514
Movements:		
Foreign currency translation reserve		
Balance 1 July	**9,845**	10,058
Currency translation differences arising during the year	**781**	(213)
Balance at 30 June	**10,626**	9,845
Share-based payments reserve		
Balance 1 July	**669**	-
Share-based payments	**1,646**	669
Balance at 30 June	**2,315**	669
(b) Accumulated losses		
Balance at 30 June	**(81,317)**	(89,065)
Adoption of AASB 15	**839**	-
Balance 1 July	**(80,478)**	(89,065)
Profit for the year	**32,808**	27,030
Dividends paid	**(20,996)**	(19,282)
Balance at 30 June	**(68,666)**	(81,317)

(c) Nature and purpose of reserves

Foreign currency translation reserve

The foreign currency reserve is used to record exchange differences arising from translation of the financial statements of foreign operations.

Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including KMP, as part of their remuneration (Refer to Note 25) and the Remuneration Report for further details of these long-term incentive plans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

25 SHARE-BASED PAYMENTS

Executive LTI (Long-term incentive) plan

Bravura Solutions operates an executive LTIP during the reporting and comparative period. Under the executive LTIP, awards are made to executives and other key talent who have an impact on the Group's performance. LTIP awards are delivered in the form of performance rights options over ordinary shares in Bravura Solutions which vest over a period of three years subject to meeting EPS (Earnings per share) or TSR (Total shareholder return) performance measures.

The fair values of EPS and TSR-hurdled share options granted are estimated at the date of grant using a Binomial pricing model and a Monte Carlo simulation model respectively, taking into account the terms and conditions upon which the share options were granted.

For the portion of the LTIP subject to the relative TSR performance measure, the model simulates the TSR and compares it against a comparator group. It takes into account historical and expected dividends, and the share price fluctuation covariance of the Group and its competitors to predict the distribution of relative share performance. For more information, refer to the Remuneration Report, performance rights.

The exercise price of the performance rights is nil. The contractual term of the performance rights is six years and there are no cash settlement alternatives for the employees.

No performance rights were vested or forfeited at 30 June 2019.

The expense recognised for employee services received during the year is shown in the following table:

	2019 $'000	2018 $'000
Expense arising from equity-settled share-based payment transactions	**1,646**	669
Total expense arising from share-based payment transactions	**1,646**	669

There were no cancellations or modifications to the awards in 2019.

The following table illustrates the number of, and movements in, share options:

DIRECTORS, OTHER KEY MANAGEMENT PERSONNEL AND OTHER EXECUTIVES	NO. OF SHARE OPTIONS
Outstanding at 1 July 2017	-
Granted during the year	2,119,692
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at 30 June 2018	**2,119,692**
Granted during the year	801,351
Forfeited during the year	-
Exercised during the year	-
Expired during the year	-
Outstanding at 30 June 2019	**2,921,043**
Exercisable at 30 June 2018	-
Exercisable at 30 June 2019	-

The weighted average remaining contractual life for the performance rights outstanding as at 30 June 2019 was 4.3 years (2018: 5.0 years).

The weighted average fair value of performance rights granted during the year was $1.99 (2018: $1.49).

Performance rights do not have exercise prices.

The following tables list the inputs to the models used for the LTIP for the year ended 30 June 2019:

	2019	2019	2018	2018
DIRECTORS	**TSR**	**EPS**	**TSR**	**EPS**
Weighted average fair values at the measurement date	$2.45	$3.80	$0.71	$1.47
Dividend yield (%)	2.54%	2.54%	5.42%	5.42%
Expected volatility (%)	33.00%	33.00%	31.00%	31.00%
Risk-free interest rate (%)	2.07%	2.07%	1.84%	1.84%
Expected life of options (years)	2.72	2.72	2.72	2.72
Weighted average share price ($)	$4.06	$4.06	$1.69	$1.69
Model used	Monte Carlo	Binomial	Monte Carlo	Binomial

	2019	2019	2018	2018
EXECUTIVES	**TSR**	**EPS**	**TSR**	**EPS**
Weighted average fair values at the measurement date	$2.45	$3.80	$1.43	$1.96
Dividend yield (%)	2.54%	2.54%	4.23%	4.23%
Expected volatility (%)	33.00%	33.00%	31.00%	31.00%
Risk-free interest rate (%)	2.07%	2.07%	2.00%	2.00%
Expected life of options (years)	2.72	2.72	2.45	2.45
Weighted average share price ($)	$4.06	$4.06	$2.17	$2.17
Model used	Monte Carlo	Binomial	Monte Carlo	Binomial

The expected life of the performance rights is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

26 AASB 16 - LEASES

AASB 16 Leases was issued in January 2016 and it replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation-115 Operating Lease Incentives and AASB 127 Evaluating the Substance of Transactions involving the Legal form of a Lease. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases accounting for operating leases under AASB 117. The standard includes two recognition exemptions for lessees - leases of 'low value' assets. (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use-asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain event (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

(a) Contract analysis

At inception, the Group assessed whether a contract is or contains a lease. This assessment involves the exercise of judgement about whether it depends on a specified asset, whether the Group obtains substantially all the economic benefits from the use of that asset, whether the Group obtains substantially all the economic benefits from the use of that asset, and whether the Group has the right to direct the use of the asset.

The Group will elect to separate lease and non-lease components for all leases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

The Group will recognise a right-of-use (ROU) asset and lease liability at the implementation date of the standard. The ROU is initially measured based on the present value of the minimum lease payments, plus initial direct costs and the cost of obligations to refurbish the asset, less any incentives received. The ROU is depreciated over the shorter term of the lease term or the useful life of the underlying asset. The ROU is subject to testing of impairment if there is an indicator of impairment.

Lease payments generally include fixed payments and variable payments that depend on an index (such as an inflation index). When the lease contains an extension or purchase option that the Group considers reasonably certain to be exercised, the cost of the option is included in the lease payments.

In the future if an extension option previously not assessed as reasonably certain, is exercised, the impact on the financial statements would be the recognition of a ROU asset equal to the lease liability for the exercise option period.

The Group will elect not to recognise ROU assets and liabilities for low value equipment. The payments for such leases will be recognised in the income statement on a straight-line basis over the lease term.

(b) The Group has concluded its preliminary assessment of the impact upon adoption of AASB 16 which is detailed as follows:

1. The Group has analysed the impact of first-time application of IFRS 16 in a Group-wide project including existing processes, systems, and contracts. The first-time adoption application is expected to result in recording right-of-use assets in the approximate amount of $42 million and lease liabilities in the approximate amount of $45 million in the Consolidated Statement of Financial Position as of 1 July 2019.
2. The transition adjustments that will be required will also relate to the incentive liability previously recognised. This incentive liability will be credited to ROU asset.
3. The valuation of lease liabilities includes the use of discount rates, which uses the incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment. The incremental interest rate was calculated to be in the range of 2.9% and 10.8% based on the sum of the government bond rate for a similar term of the lease and an appropriate investment margin.

(c) Impact on Cash Flows and Guidance

Lease payments that relate to contracts that have previously been classified as operating leases will no longer presented as operating cash flows in full. Only the part of the lease payments that reflects interest on the lease liability will be presented as an operating cash flow.

27 DIVIDENDS

Ordinary shares

A final FY19 dividend of 4.8c per share amounting to $11.7 million has been declared. The Dividend Reinvestment Plan has been activated. A final FY18 dividend of 4.5c per share was paid on 28 September 2018. An interim dividend of 5.3c per share was paid to shareholders on 28 March 2019.

28 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Directors

The following persons were the Directors of Bravura Solutions during the financial year:

Non-executive Directors	
Brian Mitchell	Independent Chairman
Peter Mann	Independent
Alexa Henderson	Independent
Neil Broekhuizen	Independent

Executive Directors	
Tony Klim	CEO and Managing Director
Martin Deda	CFO and Executive Director

(b) Other key management personnel

Andy Chesterton	Chief Operating Officer - Funds Administration
Nick Parsons	Chief Technology Officer

Mr Chesterton has announced his intention to retire during FY20 and will be replaced as a KMP at such time as the organisation finalises a replacement for Mr Chesterton.

(c) Key management personnel compensation

	2019	2018
	$	$
Short-term employee benefits	**3,900,757**	3,828,341
Post-employment benefits	**39,484**	32,949
Share-based payments	**812,423**	320,078
	4,752,664	4,181,368

Short-term incentives were paid during the year and prior year and are disclosed in the Remuneration Report.

29 CONTINGENCIES

(a) Contingent liabilities

The Consolidated Entity had contingent liabilities at 30 June 2019 in respect of:

Bank guarantees

Guarantees given in respect of office leases of subsidiaries amounting to $1,540,549 (30 June 2018: $856,758) are unsecured.

(b) Contingent assets

The Consolidated Entity had no contingent assets at 30 June 2019 (2018: $nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

30 COMMITMENTS

Operating leases	2019 $'000	2018 $'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**7,139**	6,569
Later than one year but not later than five years	**37,510**	30,297
Later than five years	**29,109**	-
	73,758	36,866

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

During the year, the Consolidated Entity moved to a new London office, with a lease term ending 30 September 2028, and to a new Melbourne office, with a lease term ending 30 March 2024. During the year, a new Gurgoan office lease was signed, with a lease term ending May 2029.

Capital commitments

Capital commitments as at 30 June 2019 amount to $7.8 million and relate to the new office lease in Gurgaon, India (30 June 2018: $nil).

31 RELATED PARTY TRANSACTIONS

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 28.

(b) Subsidiaries and ordinary shares

Interests in subsidiaries are set out in Note 32.

(c) Outstanding balances arising from transactions with related parties

There are no outstanding balances with related parties (2018: Nil).

(d) Transactions with related parties

Disclosures relating to guarantees to related parties provided are set out in Note 34(b).

(e) Terms and conditions of transactions with related parties other than KMP or entities related to them

All transactions were made on normal commercial terms and conditions and at market rates.

32 SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries of Bravura Solutions Limited in accordance with the accounting policy described in Note 1(c,d):

Name of entity	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING 2019 %	EQUITY HOLDING 2018 %
Bravura Solutions Investments Pty Ltd	Australia	Ordinary	100	100
Bravura Solutions Operations Pty Ltd	Australia	Ordinary	100	100
Bravura eCommerce Solutions Pty Ltd	Australia	Ordinary	100	100
Bravura Facility Pty Ltd	Australia	Ordinary	100	100
Bravura Portfolio Solutions Pty Ltd	Australia	Ordinary	100	100
Bravura Solutions (Australia) Pty Ltd	Australia	Ordinary	100	100
Bravura Solutions (HK) Ltd	Hong Kong	Ordinary	100	100
Bravura Solutions Luxembourg Holdings S.a.r.L.	Luxembourg	Ordinary	100	100
Bravura Solutions (NZ) Ltd	New Zealand	Ordinary	100	100
Bravura Solutions (UK) Holdings Ltd	United Kingdom	Ordinary	100	100
Bravura Solutions (UK) Investments Ltd	United Kingdom	Ordinary	100	100
Bravura Solutions (UK) Ltd	United Kingdom	Ordinary	100	100
Garradin Pty Ltd	Australia	Ordinary	100	100
Real Solutions Pty Ltd	Australia	Ordinary	100	100
Bravura Software Solutions (SA) (Proprietary) Ltd	South Africa	Ordinary	100	100
Bravura Solutions (Polska) Holdings S.P. ZOO	Poland	Ordinary	100	100
Bravura Solutions Polska S.P. ZOO	Poland	Ordinary	100	100
Mutual Fund Technologies Ltd	Bermuda	Ordinary	100	100
Bravura Solutions Services (UK) Ltd	United Kingdom	Ordinary	100	100
Bravura Solutions (Thailand) Company Ltd[1]	Thailand	Ordinary	-	100
Bravura Solutions India LLP	India	-	100	100

1. Subsidiary liquidated during the period

33 RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Notes	2019	2018
		$'000	$'000
Profit for the year		**32,808**	27,030
Depreciation and amortisation	7	**8,974**	8,724
Financing costs	7	**189**	580
Share-based payments	7	**1,646**	669
Net unrealised exchange differences		**(598)**	166
Change in operating assets and liabilities			
(Increase)/decrease in trade and other debtors, contract assets		**2,295**	(2,944)
(Increase)/decrease in other current assets		**(795)**	(1,056)
(Increase)/decrease in deferred tax assets		**(1,003)**	(1,351)
Increase/(decrease) in trade and other payables		**1,186**	(2,401)
Increase/(decrease) in provision for income tax		**2,859**	818
Increase/(decrease) in contract liabilities		**(4,217)**	11,718
Increase/(decrease) in deferred tax liabilities		**(247)**	1,572
Increase/(decrease) in provisions and other liabilities		**3,376**	2,693
Net cash inflow from operating activities		**46,473**	46,218

34 PARENT ENTITY FINANCIAL INFORMATION

(a) Summary financial information

The parent of the Group is Bravura Solutions Limited an ASX listed company limited by shares, incorporated in the State of Victoria, Australia.

The financial statements for the Parent Entity show the following aggregate amounts:

	2019 $'000	2018 $'000
Balance sheet		
Current assets	**179,612**	36,769
Non-current assets	**1,002,198**	641,991
Total assets	**1,181,810**	678,760
Current liabilities	**-**	-
Non-current liabilities	**-**	-
Total liabilities	**-**	-
Net assets	**1,181,810**	678,760
Shareholders' equity		
Contributed equity	**347,182**	184,990
Reserves	**869,726**	507,872
Accumulated loss	**(35,098)**	(14,102)
Total equity	**1,181,810**	678,760
Profit for the year	**1**	1
Total comprehensive profit	**1**	1

(b) Guarantees entered into by the Parent Entity

The Parent Entity has provided no financial guarantees in respect of bank overdrafts and loans of subsidiaries but is an obligor under the unsecured revolving credit facility with CBA (2018: $nil).

(c) Contingent liabilities of the Parent Entity

The Parent Entity has provided letters of support to certain subsidiaries to assist in meeting liabilities as and when they fall due and allow them to continue operating on a going concern basis for the next 12 months from the date of a subsidiary's financial report.

(d) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2019, the Parent Entity had no contractual commitments for the acquisition of property, plant or equipment (2018: $nil).

(e) Non-current assets

The Parent Entity accounts for investments in subsidiaries at fair value, as allowed under AASB 9 (Refer to Note 1(aa)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019 (CONTINUED)

35 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:

	2019	2018
	$	$
Amounts received or due and receivable by Ernst & Young Australia for:		
An audit or review of the financial report of the Entity and any other entity in the consolidated group	**884,691**	618,553
Other services in relation to the entity and any other entity in the consolidated group:		
Advisory services	**96,715**	48,370
Tax compliance services	**65,000**	90,200
Taxation advice	**144,153**	43,000
	305,868	181,570
Amounts received or due and receivable by related practices of Ernst & Young for:		
Transaction advisory services	**214,890**	-
Tax compliance services	**15,965**	19,501
Taxation advice	**112,669**	-
An audit of any other entity in the consolidated group	**189,805**	136,229
	533,329	155,730
Amounts received or due and receivable by non-Ernst & Young audit firms for:		
Audit	**15,684**	42,170
Tax compliance services	**5,120**	10,341
	20,804	52,511

36 EVENTS OCCURRING AFTER THE REPORTING PERIOD

A full-year dividend of 4.8c per share has been declared and will be paid on 27 September 2019. The Dividend Reinvestment Plan has been activated.

On 23 August 2019, the Consolidated Entity entered into an agreement to acquire 100% of the equity in Midwinter Financial Services for a consideration of $50 million, funded by existing cash reserves. The purchase price allocation process has not yet been completed.

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.

DIRECTORS' DECLARATION

In the Directors' opinion:

The financial statements and notes of Bravura Solutions Limited for the year ended 30 June 2019 are in accordance with the *Corporations Act 2001*, including:

(i) Complying with Accounting Standards, the *Corporations Regulations 2001;*

(ii) Complying with International Financial Reporting Standards as disclosed in Note 1(a); and

(iii) Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of its performance and cash flows for the year ended on that date.

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 has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2019, in accordance with a resolution of the Directors.

BRIAN MITCHELL
CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Sydney
23 August 2019

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS

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Independent Auditor's Report to the Shareholders of Bravura Solutions Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Bravura Solutions Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated financial position of the Group as at 30 June 2019 and of its consolidated financial performance for the year ended on that date; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS (CONTINUED)

EY
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1. Revenue recognition for multiple-element arrangements

Why significant	How our audit addressed the key audit matter
The majority of the Group's sales contracts involve multiple-element arrangements, for example a single software sales transaction that combines the delivery of a software license and rendering of maintenance and other professional services. In determining how revenue is to be recognised, the sales consideration received from customers is allocated to the various products and services that comprise the arrangement, based upon their relative fair values. This process requires significant judgement by the Group to determine: - The value of the license and when to recognise the revenue; - The relative fair value of the individual elements of the contract, specifically concerning the cost to deliver, and the margin used to determine the stand-alone selling price of each element; and - The achievement of certain milestones. Revenue recognition on multiple-element arrangements is considered to be a key audit matter due to the complexity of the contracts and the judgment required in determining the relative fair value elements. Revenue disclosures and the associated judgement disclosures are included in Notes 1(e), 1(aa), 2(a) and 6.	Our audit procedures included the following: ► We assessed the appropriateness of the Group's revenue recognition accounting policies relating to multi-element arrangements in compliance with Australian Accounting Standards; ► For a sample of contracts, we tested how the fair values had been allocated to separately identifiable revenue components of multiple-element arrangements by assessing the forecast costs of each element against management's budget and evaluating the margin applied against historical results; ► For a sample of contracts, we assessed whether the revenue recognition criteria of each element in the multiple-element arrangements had been met which included the determination of whether the risks and rewards associated with the relevant licensed software passed to the customer in the correct reporting period; and ► For a sample of fixed price contracts, we assessed whether the accounting treatment adopted by the Group was appropriate. We agreed variations to the contracts to supporting documentation and assessed the Group's stage of completion calculation. ► We considered the associated financial statement disclosures.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS (CONTINUED)

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2. Capitalised software development costs

Why significant	How our audit addressed the key audit matter
Capitalised software development costs in relation to the development of the Sonata software represent 11% of the total assets. These costs are capitalised as they meet the criteria set out in Australian Accounting Standards and are amortised over a period of 5 to 15 years. Judgement is exercised by the Group in determining the nature and amount of costs to be capitalised and in determining the useful lives over which costs are amortised. Capitalised software costs were considered to be a key audit matter given the value of these balances, the significant level of amounts capitalised during the year, and the judgements required to be made. Disclosure of capitalised development costs and the associated judgements are included in Notes 1(p), 2(b) and 15.	Our audit procedures included the following: ► We assessed the Group's accounting policy for capitalisation of software development costs for compliance with Australian Accounting Standards; ► We tested the operating effectiveness of controls in respect of the processes to identify the eligibility of the development costs to be capitalised; ► For a sample of capitalised software development costs, we assessed whether the hours incurred were authorised and the costs incurred met the criteria for capitalisation set out in Australian Accounting Standards. We also recalculated the capitalisation rate used by the company. ► We assessed the appropriateness of the useful life attributed to these costs by taking into consideration the economic life of the software and the terms of customer contracts; ► For a sample of capitalised software development costs, determined whether amortisation expenses were correctly calculated; and ► Evaluated the Group's assessment for the indicators of impairment of capitalised software development costs.

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3. Taxation

Why significant	How our audit addressed the key audit matter
The Group operates in a number of different tax jurisdictions, all of which have specific risks and regulations that need to be considered in determining income taxes payable. Tax is considered to be a key audit matter given the number of jurisdictions, the specific regulations that exist in each jurisdiction and the inter-dependency of companies within the group. In particular, transfer pricing arrangements within the Group are significant with a large number of cross-border charges between Group entities in different tax jurisdictions. The Group's disclosures with respect to tax and the associated judgements are included in Note 1(f), 2(a), 8, 14, 17 and 21 of the financial report.	Our audit procedures included the following: ► An assessment of the Group's various tax exposures to assess whether adequate provisions have been recorded for exposures with higher risks. ► Involving our taxation specialists in relevant countries in which the Group operates, our audit procedures included the following: ► We considered any third-party taxation advice received by the Group ► We assessed the Group's determination of current and deferred income tax expense, with particular focus on transfer pricing; ► We considered the Group's transfer pricing policy and documentation with regard to the requirements of local tax legislation.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS (CONTINUED)

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Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2019 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS (CONTINUED)

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 28 to 47 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Bravura Solutions Limited for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Ernst & Young

Ernst & Young

Gamini Martinus

Gamini Martinus
Partner
Sydney
23 August 2019

SHAREHOLDER INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 19 August 2019.

Distribution of equity securities

243,170,798 fully paid ordinary shares are held by 5,072 individual shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

The number of shareholders, by size of holding, are:

FULLY PAID ORDINARY SHARES	NUMBER OF SHAREHOLDERS
1 to 1,000	2,232
1,001 to 5,000	2,003
5,001 to 10,000	433
10,001 to 100,000	357
100,001 and Over	47
Total	**5,072**
Holding less than a marketable parcel	200

Substantial shareholders

FULLY PAID ORDINARY SHARES	PERCENTAGE %	HOLDING
Wellington Management Group LLP	12.32%	29,964,141
The Capital Group Companies, Inc	7.99%	17,125,000
VINVA Investment Management	5.06%	12,300,002
Blackrock Group	5.00%	10,731,433

SHAREHOLDER INFORMATION (CONTINUED)

Twenty largest holders of quoted equity securities

FULLY PAID ORDINARY SHARES	Number	PERCENTAGE
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	100,315,484	41.25
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	46,885,209	19.28
CITICORP NOMINEES PTY LIMITED	21,665,637	8.91
NATIONAL NOMINEES LIMITED	17,546,330	7.22
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	10,192,525	4.19
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	4,519,924	1.86
BNP PARIBAS NOMINEES PTY LTD	3,597,045	1.48
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,045,087	0.84
CATCH 88 PTY LTD	2,019,629	0.83
ANTHONY BRIAN KLIM	1,200,000	0.49
BUTTONWOOD NOMINEES PTY LTD	1,105,377	0.45
BNP PARIBAS NOMS PTY LTD	1,100,314	0.45
CS THIRD NOMINEES PTY LIMITED	957,306	0.39
BNP PARIBAS NOMINEES PTY LTD	846,000	0.35
AMP LIFE LIMITED	840,078	0.35
WOODROSS NOMINEES PTY LTD	803,507	0.33
UBS NOMINEES PTY LTD	759,307	0.31
SANDHURST TRUSTEES LTD	736,615	0.30
BNP PARIBAS NOMINEES PTY LTD	692,392	0.28
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED	658,633	0.27
Total	**218,486,399**	**89.83**

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CORPORATE DIRECTORY

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

Independent Chairman

Peter Mann

Independent

Alexa Henderson

Independent

Neil Broekhuizen

Independent

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

SHARE REGISTRY

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

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