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Appendix 4E

Full year Report

Name of entity	Bravura Solutions Limited
ABN	54 164 391 128
Financial period ended	30 June 2017
Previous corresponding reporting period	30 June 2016

Results for announcement to the market

Financial results	**30 June 2017 $000**	30 June 2016 $000	Percentage increase/(decrease) over previous corresponding period %
Revenue from ordinary activities	191,878	184,677	3.90%
Profit from ordinary activities after tax attributable to members	14,428	(6,463)	323.24%
Net profit for the period attributable to members	14,428	(6,463)	323.24%
Dividends (distributions)	Amount per security		Franked amount per security
Final dividend	-	-	-
Interim dividend	-	-	-
Previous corresponding period	-	-	-
Record date for determining entitlements to the dividends	30 August 2017	-	-

Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Dividends

Date the dividend is payable	28 September 2017
Record date to determine entitlement to the dividend	30 August 2017
Amount per security (cent)	4.5cents
Total dividend ($'000)	$9,742
Amount per security of foreign sourced dividend or distribution	Not applicable
Details of any dividend reinvestment plans in operation	Not applicable
The last date for receipt of an election notice for participation in any dividend reinvestment plans	Not applicable

NTA backing

	Current period 30 June 2017 $	Previous corresponding period 30 June 2016 $
Net tangible asset backing per ordinary security	(0.03)	(0.56)
Net assets per ordinary security	0.49	(0.06)

Control gained over entities having material effect

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

Loss of control over entities having material effect

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

Details of associates and join venture entities

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

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bravura solutions

ANNUAL REPORT 2017

BRAVURA SOLUTIONS LIMITED
ABN 54 164 391 128



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ABOUT BRAVURA SOLUTIONS LIMITED

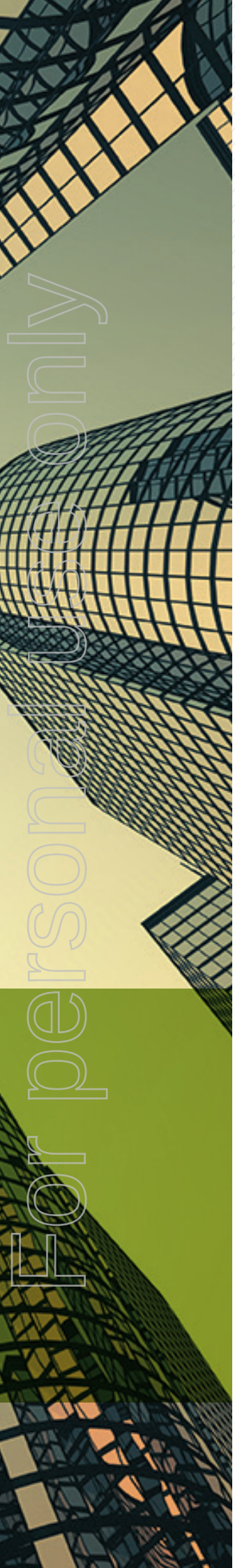
Bravura Solutions Limited is a leading provider of software solutions for the wealth management, life insurance and Funds Administration industries, underpinned by functionally rich technology that enables modernisation, consolidation and simplification.

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$2.5 trillion / £1.5 trillion in assets are entrusted to our systems.

We support our clients with a team of more than 1000 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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World leading financial solutions

GROUP PRO FORMA EBITDA

$32.6m

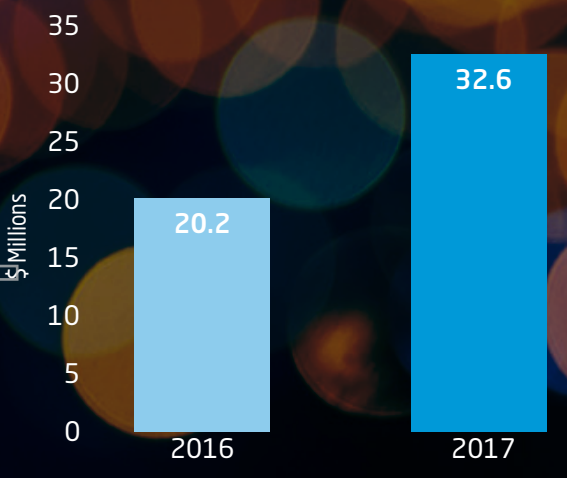
61.4% growth in FY2017

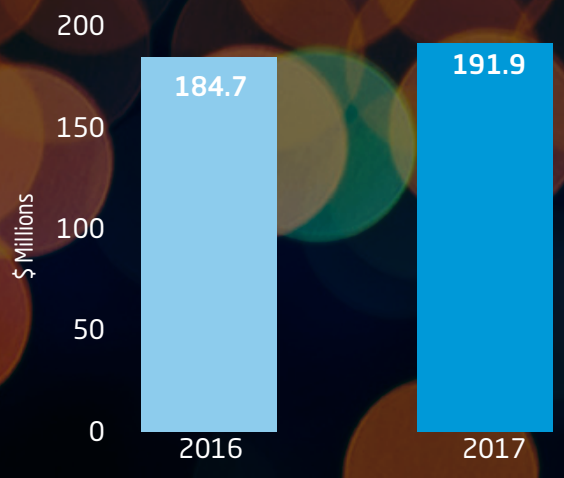
GROUP REVENUE

$191.9m

3.9% growth in FY2017

Financial Highlights





Excellent financial results were achieved during the year with the business exceeding FY2016 results for revenue, EBITDA and NPAT

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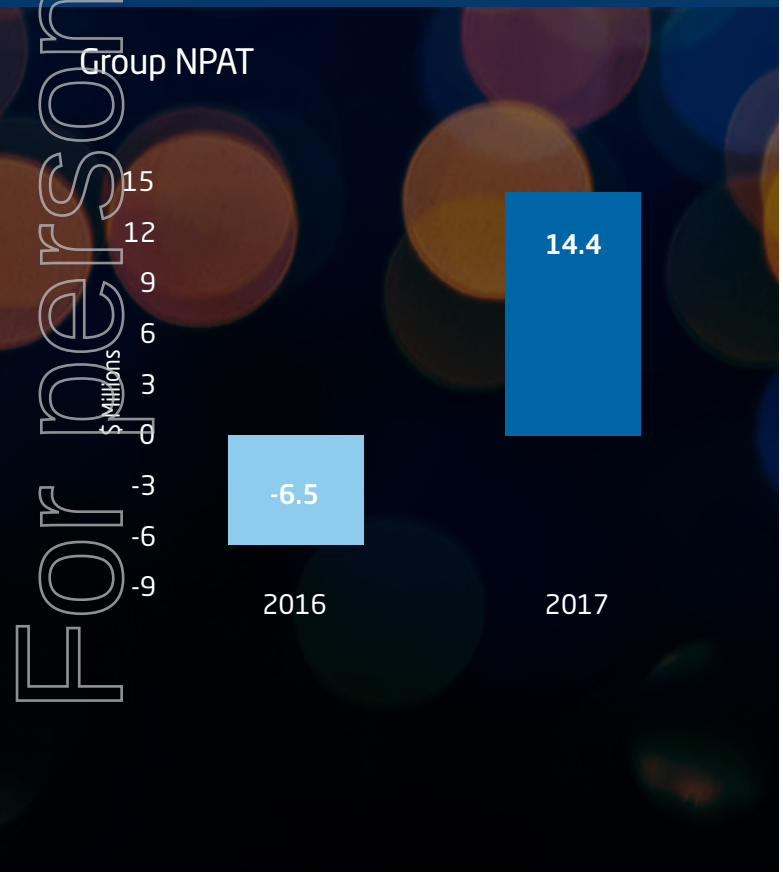
GROUP NPAT

$14.4m

323.2% growth in FY2017



WEALTH MANAGEMENT SEGMENT

Segment operating EBITDA

FY2016	FY2017
$13.5m	$30.3m

Segment Revenue

FY2016	FY2017
$99.6m	$122.7m

FUNDS ADMINISTRATION SEGMENT[1]

Segment operating EBITDA

FY2016	FY2017
$40.1m	$31.7m

Segment Revenue

FY2016	FY2017
$85.1m	$69.2m

1 Impacted by the depreciation of GBP in 2017.

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Bravura solutions at a

PEOPLE



Operating across
12 offices in
8 countries

1000+
employees

6 years
average length of service

OUR BUSINESS

350
direct and indirect Blue Chip clients including Fidelity International, Prudential, Scottish Friendly, Mercer, Westpac NZ, TAL, Fidelity Life (NZ), 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 including 20 Sonata clients

13 Funds Administration clients

R&D

5
development centres in Australia, NZ, India, Poland and the UK

>$100m
invested in Sonata over 11 years

85%
of staff are developers and consultants

$24m
spent on Sonata R&D in FY2017 of which $13.5m was client funded



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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
- 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 within eight of these offices in the United Kingdom, Poland, India, Australia, New Zealand and South Africa.

Our Products & Services

Bravura Solutions 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.

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GLOBAL TECHNOLOGY SOLUTIONS FOR THE WORLD'S LEADING FINANCIAL SERVICES COMPANIES

Financial highlights

	2017 $'000	2016 $'000
Wealth Management	**122,658**	99,615
Funds Administration[1]	**69,220**	85,062
Total segment revenue[2]	**191,878**	184,677
Wealth Management	**30,340**	13,474
Funds Administration[1]	**31,683**	40,095
Total segment operating EBITDA	**62,023**	53,569
Corporate costs	**(29,420)**	(33,384)
Finance income[2]	**28**	25
Total pro forma operating EBITDA	**32,631**	20,210
Depreciation and amortisation expense	**(8,254)**	(8,315)
Finance expense	**(4,194)**	(11,685)
Foreign exchange loss	**(784)**	(3,235)
Profit/(loss) before income tax and IPO transaction costs	**19,399**	(3,025)
IPO transaction costs	**(2,755)**	(1,800)
Net profit/(loss) before tax	**16,644**	(4,825)
Income tax expense	**(2,216)**	(1,638)
Net profit/(loss) after tax	**14,428**	(6,463)

1 Impacted by the depreciation of GBP in 2017.

2 Segment revenue excludes finance income in this segment disclosure.

"WE ARE REALLY PLEASED TO BE WORKING WITH BRAVURA ...TO LAUNCH A NEXT GENERATION ADMINISTRATION SYSTEM, DEVELOPED WITH A CORE PRINCIPLE THAT STRONG RELATIONSHIPS UNDERPIN LONG-TERM, SUSTAINABLE BUSINESS SUCCESS."

MICKEY GAMBALE, STANLIB

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BRAVURA'S MARKET LEADING POSITION IN AUSTRALIA, NEW ZEALAND AND THE UNITED KINGDOM HAS CONTINUED TO EXPAND DURING FY2017.



Chairman's letter to shareholders

It is with great pleasure that, on behalf of the Bravura Solutions (Bravura) Board, I present our first annual report to shareholders since our successful initial public offering (IPO) on the Australian Securities Exchange in November 2016.

The company offered approximately 78.9 million ordinary shares at a price of $1.45 per share, which resulted in a market capitalisation at the offer price of approximately $310 million. On completion of the IPO, 47.7% of Bravura shares were held by new shareholders, with existing shareholders including management and Ironbridge funds holding the remaining 52.3%. Existing shareholders entered into escrow arrangements, details of which are outlined in the IPO prospectus.

Excellent financial results were achieved during the year with the business exceeding FY2016 results for revenue $184.7m, pro forma EBITDA $20.2m and NPAT $-6.5m in FY2017 to achieve revenue of $191.9m, pro forma EBITDA of $32.6m and NPAT of $14.4m.

The key purposes of the IPO, which were to provide Bravura with access to capital markets, the opportunity to repay debt and redeemable preference shares, create a liquid market for its shares, and to give existing shareholders the opportunity to realise part of their investment in Bravura, have been successfully met.

Good progress has been made this year supporting clients across the Wealth Management and Funds Administration segments with the complex and evolving operating challenges they face. Increasing regulation, customer demand for mobile and self-directed technologies, the need for rapid product innovation, cost and margin pressures impacting business models, and the need for technology that scales as business grows, are all key customer requirements that are effectively addressed by Bravura's products and services.

Bravura's market leading position in Australia, New Zealand and the United Kingdom has continued to expand during FY2017. With an enlarged global client base, Bravura's clients now have in excess of A$2.5 trillion of assets under administration on Bravura technology on behalf of their customers.

Bravura's growth in Wealth Management has been driven by the continued rollout of our flagship offering Sonata with new clients this year across all of Bravura's operating geographies. In Funds Administration, our newest SaaS offering in the UK market is helping to extend our already leading position in that segment.

In early 2017, Bravura established an office in Johannesburg, South Africa. Bravura has had a long established client in ABSA Bank Limited in South

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Africa, but recent changes to South African regulations that align with the UK Retail Redistribution Review, where Bravura has significant expertise, have led to new opportunities in the market. This has culminated in an additional new sale of Sonata to STANLIB Wealth. A strong pipeline in South Africa linked with an increasing local support requirement, has led to the establishment of a local office to support current and further implementations and deliver further growth.



Our progress in the UK Life and Pensions market continues with our largest ever sale of Sonata to a major UK mutual life and pensions company, that contracted with Bravura to use Sonata to replace their existing in-house built pensions administration system. Also pleasing was the go-live of Scottish Friendly on Sonata, another important player in the Life and Pensions market in the UK.

Continued growth in business is expected to be driven, as this year, by the ongoing rollout of Sonata. Sales to new and existing clients across Bravura's existing geographies together with the opportunity for expansion in Europe and South Africa support the continued market leadership of Sonata. Growth will be enhanced through the expansion of our distribution network leveraging ongoing and new partnerships with Third Party Administrators, increasing the functionality of Sonata through R&D and client funded investment, and evaluating businesses or products that could add value to Bravura on an ongoing basis.

The company will pay a final unfranked dividend for FY2017 on 28th September 2017 in respect of the period from completion of our 2016 listing to 30 June 2017 of 4.5 cents per ordinary share.

The Board is committed to strong corporate governance practices and understand that the management of risk is critical to delivering business success and continued profitability. The Board is focused on identifying and managing risk in order to protect shareholders, Bravura's assets and reputation.

On behalf of the Board, I would like to thank our new and existing clients, and welcome our new shareholders. We appreciate the confidence you have placed in us to deliver on our strategic business goals.

Next year will bring with it new opportunities and challenges which we are looking forward to with great optimism supported by our outstanding executives and staff. Our global team and market leading financial markets solutions should support our growth ambitions into the future.



BRIAN MITCHELL
CHAIRMAN

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TECHNOLOGY IS A KEY ENABLER FOR WEALTH MANAGEMENT AND LIFE INSURANCE BUSINESSES TO INCREASE THE QUALITY OF THEIR OFFERING BY SHIFTING TO A SINGLE PLATFORM SOLUTION THAT IS COST EFFICIENT AND FLEXIBLE.



CEO report

I am very happy to report our first full year results since listing in November 2016. The results show increasing growth in the business which has exceeded all key financial metrics relative to FY2016.

A$m	2017	2016
Revenue	191.9	184.7
Pro Forma EBITDA	32.6	20.2
NPAT	14.4	-6.5

These results have been achieved with growth in all categories of revenue including licence fees up 16.4% to $15.0m, maintenance/hosting/support fees up 0.2% to $91.9m and professional services fees up 5.0% to $83.6m with continued progress towards increasing long-term recurring revenue streams. Bravura has maintained a strong cash position since listing in 2016 with net cash of $11.4m at the end of the reporting period.

The rapid adoption of our market leading Sonata administration software for the Wealth Management and Funds Administration markets has increased to 48% ($92.8 million) of group revenue in FY2017 compared to 36% ($66.8 million) in FY2016. Contract terms, typically in the 5-10 year range, mean revenue is sticky with ongoing revenue top-ups from existing clients driven by software upgrades and product functionality extensions in addition to recurring licence and maintenance income.

Four new sales of Sonata were achieved in the Wealth Management segment during the year, two in the UK, one in Australia and one in South Africa. This takes the total number of Sonata sales to 20 globally. These sales lifted Wealth Management segment revenue to $122.7 million for the year, an increase of 23.1% on FY2016 revenue of $99.6m. And pleasingly, segment EBITDA for Wealth Management increased 125.2% to $30.3 million in FY2017 from $13.5 million in FY2016.

Significantly, the UK Sonata sale to a large mutual life and pension company, contributed substantially to FY2017 new sales revenue. The sale in Australia, to LGIA Super, extends Bravura's already strong position for Sonata in the Australian Superannuation market. In South Africa, STANLIB Wealth became Bravura's second major customer in that market and positions Bravura and Sonata well for further growth in South Africa.



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We continued to strengthen our strategic partnerships with Third Party Administrators using Sonata to service their clients with additional revenue being generated through Genpact in the UK, Mercer and Tech Mahindra in Australia, and Trustees Executors in New Zealand.

Ongoing innovation in the Funds Administration business has delivered good results during the year with two new sales of the newly released RUFUS SaaS offering to Smith and Williamson and Castle Trust in the UK. Additionally, we signed a significant deal with Lloyds Bank to extend their use of RUFUS for a further 5-year term. Revenue for Funds Administration was $69.2 million in FY2017 and segment EBITDA was $31.7 million compared to revenue of $85.1 million in FY2016 and $40.1 million of segment EBITDA, impacted by the depreciation of the GBP over FY2017. The RUFUS SaaS offering creates new opportunities for growth in the UK market giving smaller and mid-sized fund managers the ability to access a fully managed solution with standardised functionality at an attractive price point for this market.

Bravura continues to generate a large amount of revenue from long-term contracts with existing clients and has strong forward visibility of contracted revenue. The second half of the year saw a strengthening of my executive team. Rama Velpuri joined the Bravura executive as Global Head of Engineering to lead global software engineering for the business. Rama is focused on the enhancement of the company's development capabilities globally with an emphasis on Sonata.

Looking ahead, Sonata has a strong and growing pipeline of opportunities in Wealth Management, driven by the favourable structural tailwinds of regulatory change, the move to digital services and increasing IT spend across our target markets. Furthermore, we see new opportunities to extend our distribution reach in existing and new geographies through working with Third Party Administration partners and global systems integrators as well as through organic growth. Our Funds Administration operation continues to provide strong supporting revenues as a result of our long term contracts with major global players and our new RUFUS SaaS proposition is seeing good traction as an engine for growth in this important market. We continue to invest in our people and I am confident that I have a talented and driven management team in place to achieve our objectives.



TONY KLIM
CHIEF EXECUTIVE OFFICER AND
MANAGING DIRECTOR



REVIEW OF FULL YEAR RESULTS

Highlights of our full year results include:

- NPAT up 323.2%, to $14.4m
- Pro Forma EBITDA up 61.5%, to $32.6m
- Revenue up 3.9%, to $191.9m
- Net cash of $11.4m (as at 30 June 2017)

Results by Segment:

- Wealth Management
  - Revenue up 23.1%, to $122.7m
  - EBITDA up 125.2% to $30.3m
- Funds Administration (impacted by 2017 GBP depreciation)
  - Revenue down -18.6%, to $69.2m
  - EBITDA down -21.0%, to $31.7m

We continue to invest in our products and markets:

- Sonata research & development spend was $24m, of which $13.5m was client funded
- Market expansion in South Africa
- Development and launch of the Funds Administration product RUFUS SaaS

Commentary

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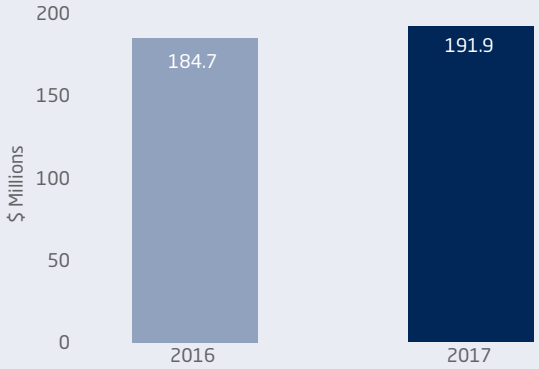
BRAVURA SOLUTIONS GROUP

Revenue

- Group revenue of $191.9 million was +3.9% up on FY2016 revenue of $184.7 million.
- Group revenue was driven by Sonata sales with a total number of 20 Sonata clients at 30 June 2017, following 4 client wins in FY2017.
- Sales pipeline remained strong with no visible impact from BREXIT other than FX.

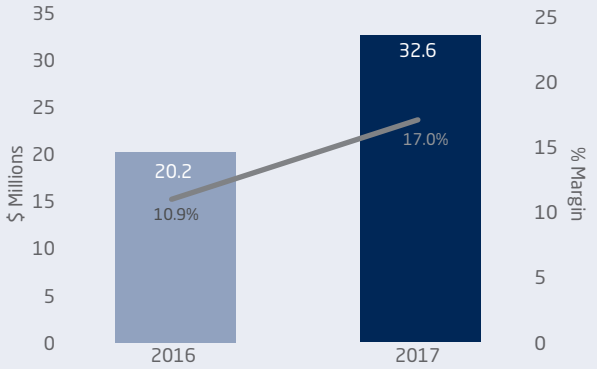
Group Revenue



Pro Forma Operating EBITDA & EBITDA Margin

- Group FY2017 pro forma operating EBITDA of $32.6 million exceeds FY2016 EBITDA of $20.2 million by 61.5%
- Strong improvement in pro forma operating EBITDA margin to 17.0% from 10.9% in FY2016.

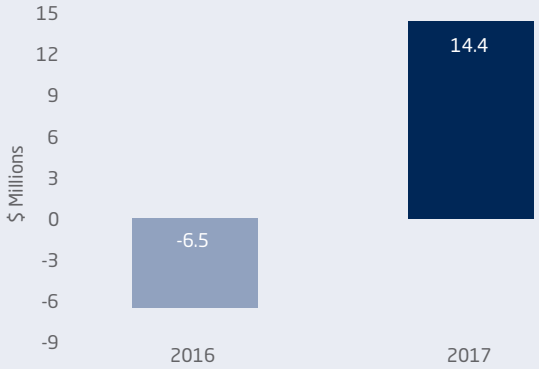
Pro Forma Operating EBITDA & EBITDA Margin

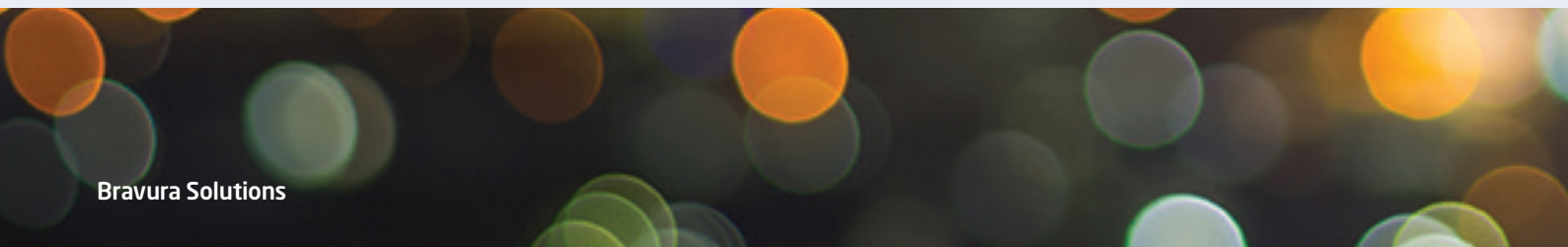


NPAT

- Group NPAT FY2017 was $14.4 million exceeding FY 2016 NPAT of $-6.5 million representing growth of 227.5%.

Group NPAT





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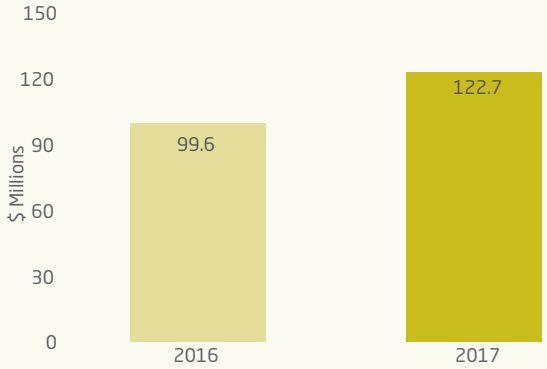
WEALTH MANAGEMENT SEGMENT

Segment Revenue

- Wealth Management Segment revenue increased to $122.7 million versus $99.6 million in FY2016, a +23.1% increase.
- Wealth Management Segment revenue growth driven by significant new client wins in FY2017, and revenue from existing clients.

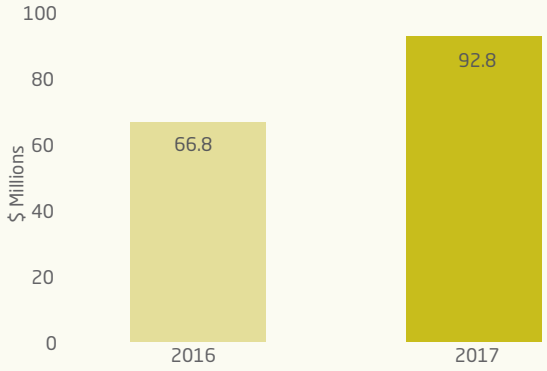
Wealth Management Segment Revenue



Sonata Revenue

- Sonata revenue increased by +38.9% to $92.8 million in FY2017 versus FY2016 revenue of $66.8 million.
- Sonata revenue growth was driven by new sales and an increase in professional services revenue from existing clients.

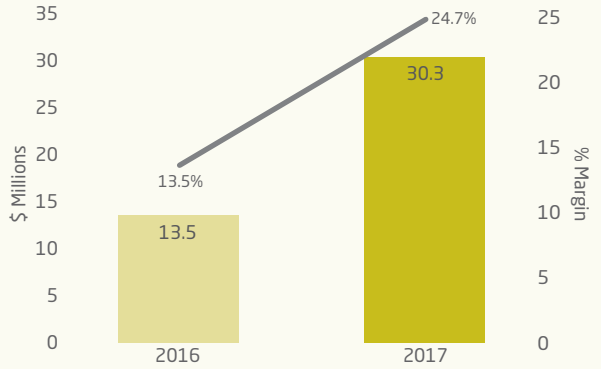
Sonata Revenue



Segment operating EBITDA & EBITDA Margin

- Segment operating EBITDA increased +125.2% to $30.3 million versus FY2016 EBITDA of $13.5 million.
- Operating EBITDA margin increased through higher operating leverage driven by major new Sonata contracts signed in the UK, Australia and South Africa in FY2017 and increased development and maintenance productivity.

Segment operating EBITDA & EBITDA Margin





Commentary (continued)

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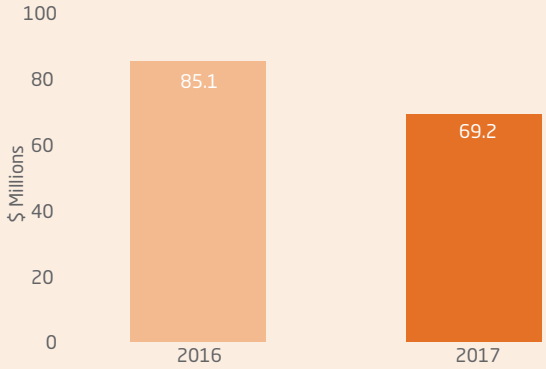
FUNDS ADMINISTRATION SEGMENT

Segment Revenue

- Funds Administration Segment revenue declined -18.6% to $69.2 million versus $85.1 million in FY2016, impacted by the depreciation of the GBP over FY2017, with 85% of Funds Administration revenues denominated in GBP.
- FY2017 Funds Administration Segment revenue was supported by two new RUFUS SaaS sales and a Babel licence sale.

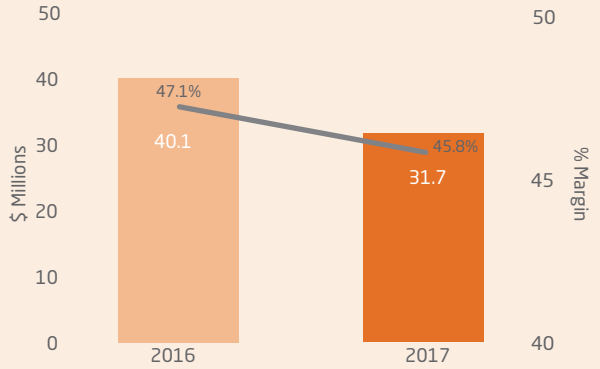
Funds Administration Segment Revenue



Segment operating EBITDA & EBITDA Margin

- Funds Administration Segment operating EBITDA decreased by -21.0% to $31.7 million versus $40.1 million in FY2016 due to the depreciation of the GBP over the period.

Segment operating EBITDA & EBITDA Margin



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Research & 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 Sonata development will enhance the core platform, maintaining its leading position and creating new market opportunities.

The chart below shows the cumulative investment in Sonata from FY2011 to FY2015 as Bravura continues to directly invest in the development of Sonata. This acceleration is reflected in the growth in Sonata's client base to 20 in the six years since FY2011. Going forward, the further development of Sonata is expected to be funded increasingly by new and existing Sonata clients requesting specific enhancements and functionality, as has occurred in FY2017 totaling $13.5m. This client-funded Sonata development is expected to increase and non-client funded devlopment to reduce.

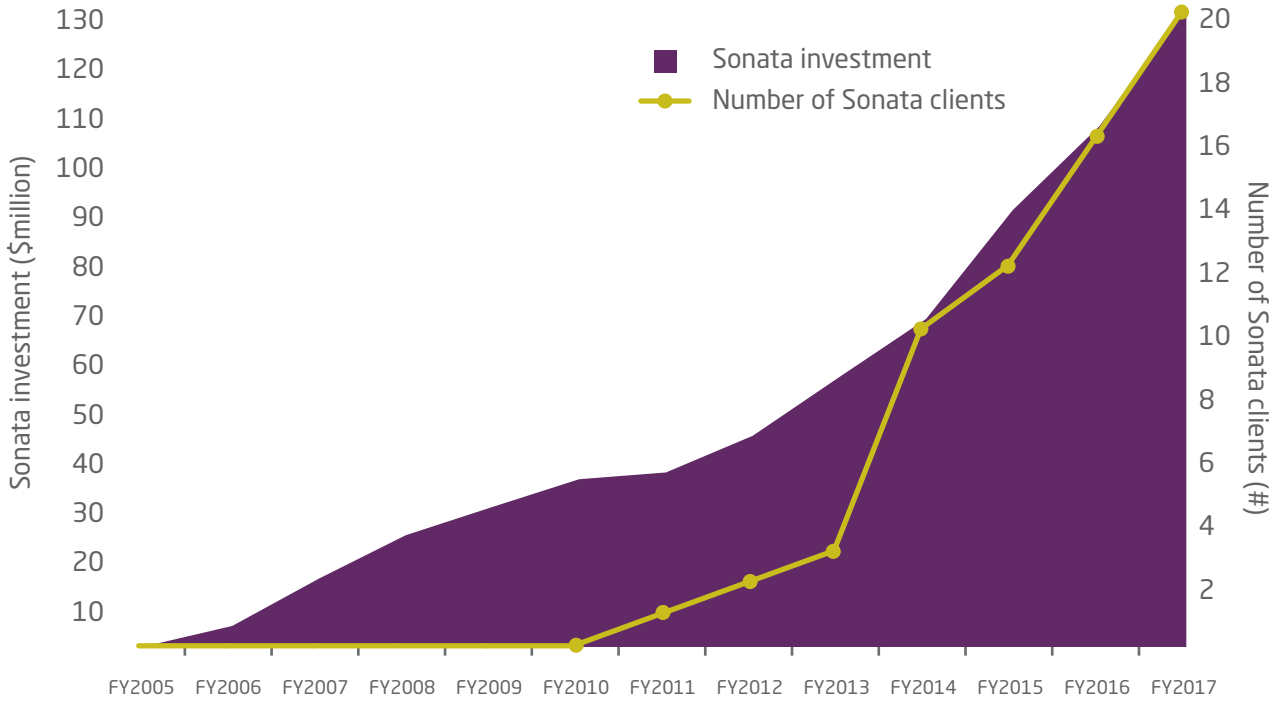
The main Sonata development expenditure in FY2017 related to:

- Defined benefits
- Group life
- Multi-currency
- South African regulatory requirements

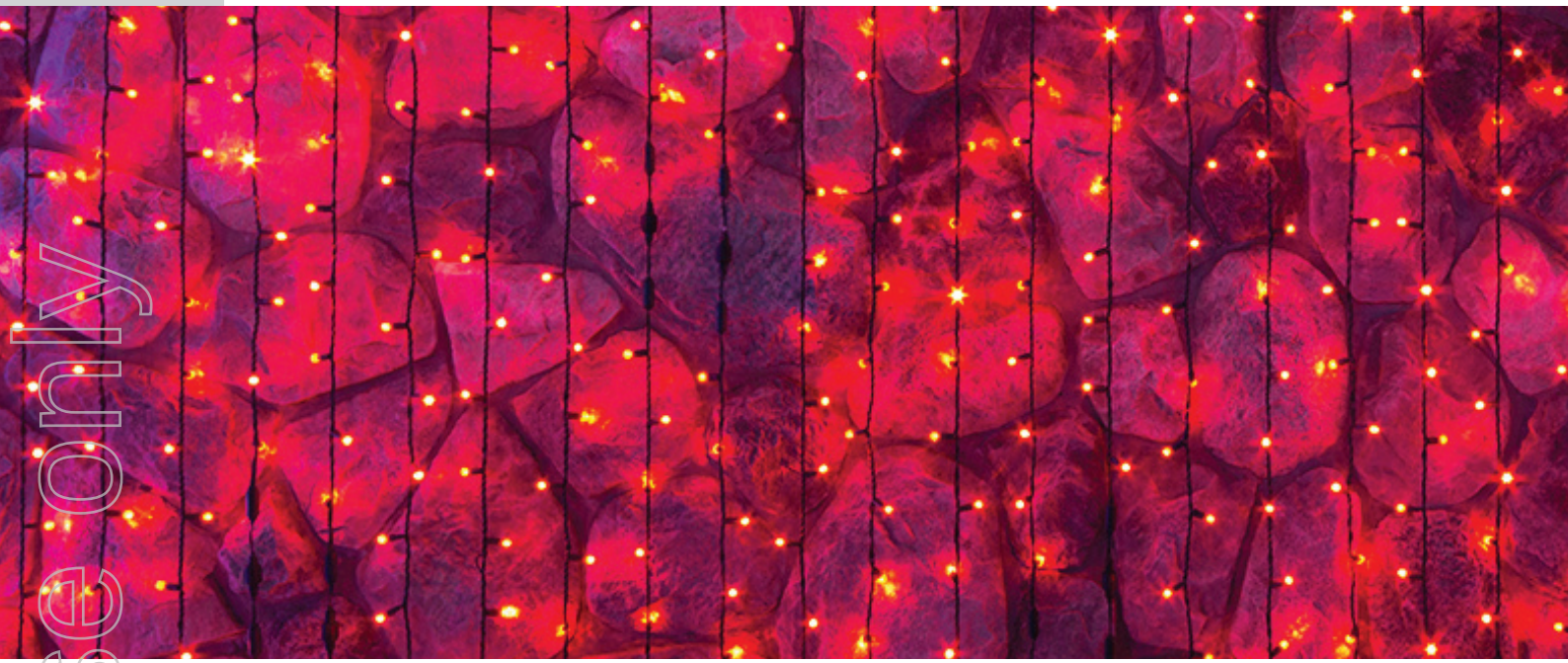
Sonata development revenue increased over FY2017 as a result of the new client wins in both halves of 2017. Client-funded development is charged to clients as professional services revenue.

We continue to invest in our Funds Administration solutions to support regulatory change, client needs and new market opportunities, which included the recent launch and implementation of a SaaS version of this offering.

Chart: Bravura's cumulative investment in Sonata ($ million) and number of Sonata clients over time







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Market segments

Wealth Management segment

Bravura's Wealth Management client base has expanded to over 60 clients in the Wealth Management segment. The expansion includes four new Sonata clients during the year taking the current number of Sonata clients to 20 who have implemented or are in the process of implementing the system.

Bravura's clients in the Wealth Management industry include blue-chip financial institutions such as Fidelity International, Prudential, Scottish Friendly, Mercer, Westpac NZ, TAL, Fidelity Life (NZ), Partners Life and Suncorp. New clients for this year include STANLIB Wealth and LGIASuper.

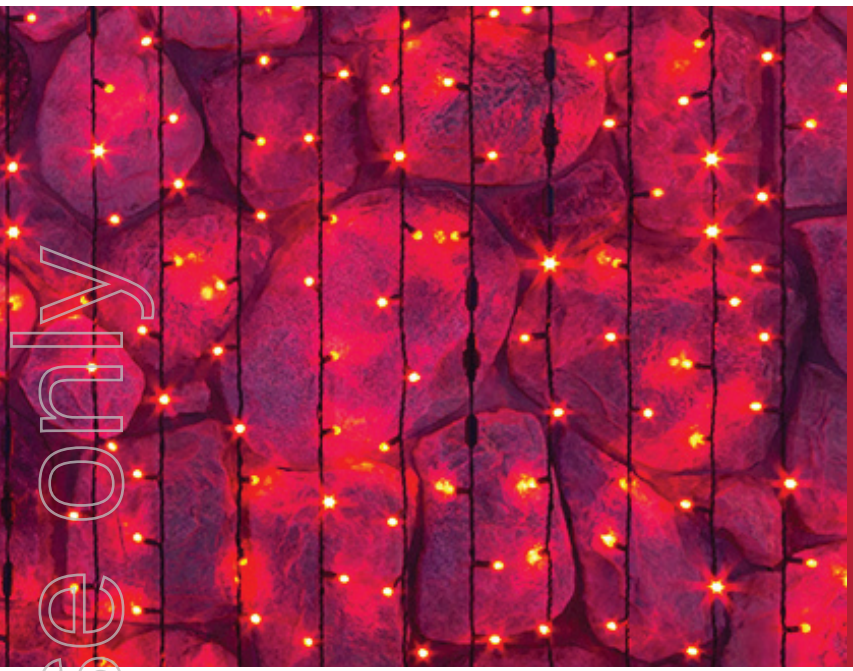
IT spending in the APAC and European Wealth Management industries was approximately $1.2 billion and $2.7 billion respectively in 2014 and is expected to grow at a CAGR of 7.1% and 7.0% to $1.9 billion and $4.0 billion respectively by 2020. Spend on external software within these industries is expected to increase at a CAGR of 9.4% and 9.7% respectively between 2014 and 2020.

Funds Administration segment

Bravura has 13 clients in the Funds Administration industry with combined assets under administration of GBP1.5 trillion / AUD2.5 trillion. Client numbers grew by two in FY2017 driven by the launch of RUFUS SaaS to support small and mid-sized Funds Administration clients.

Bravura's clients in the Funds Administration industry include blue-chip financial institutions such as Bank of New York Mellon, Legal & General, Schroders and Citi. New clients for this year are Smith and Williamson and Castle Trust. Within these organisations, Bravura's Funds Administration software supports in excess of 285 investment management companies.

The European Funds Administration industry grew at a CAGR of 5.9% between 2011 and 2016 to a total size of $11.7 trillion, measured by total investment fund assets. Bravura operates predominantly in the European Funds Administration industry with a particular focus on the United Kingdom, Luxembourg and Ireland. These are the three largest countries within the European Funds Administration industry by total investment fund assets, with an aggregate market share of approximately 66% as at March 2016. Total investment fund assets in each of the United Kingdom, Luxembourg and Ireland grew at a CAGR of 8.4%, 8.8% and 13.0% respectively between 2011 and 2016 to a total size of $1.5 trillion, $4.2 trillion and $2.0 trillion respectively.



> MARKET SEGMENTS ARE DELIVERING STRONG NEW SALES PIPELINES, DRIVEN BY FAVOURABLE STRUCTURAL TAILWINDS AND INCREASING IT SPEND.

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Factors contributing to segment growth

Common global factors are impacting financial market participants in the Wealth Management and Funds Administration markets and contributing to financial software market growth.

Evolving and complex regulatory environment

Regulatory compliance is critical for Bravura's clients. The constantly evolving nature of the financial services regulatory environment, coupled with the increasing financial impact of non-compliance, has increased operating complexity.

Increased customer demand for mobile and "self-directed" technology

Software product development within the Wealth Management and Funds Administration industries is being driven by the rapid advance of digitisation.

- Customers increasingly want access to their information in real time and through multiple digital platforms (e.g. smartphones, tablets and personal computers).
- Demand from customers and their advisers to administer financial products and portfolios themselves without the need for assistance from customer service staff.

Rapid product innovation

Industry participants need to be able to develop and release new financial products rapidly to ensure their products continue to meet customer demands and that they remain competitive. Modern software products can assist industry participants to reduce costs and increase speed to market.

Cost and margin pressures that are impacting business models

Many industry participants are unifying multiple legacy platforms into a single software solution and encouraging customer self-service to reduce costs and improve efficiency. Industry participants are selecting software solutions provided by specialist software vendors to achieve these outcomes and deliver higher quality customer service, improve customer retention and offer more competitive financial products.

Technology that scales as businesses expand

Industry participants are continuing to experience growth in customer base and transaction volumes. To accommodate this growth, software solutions that can handle a large number of transactions and be accessed by a large number of customers are required.

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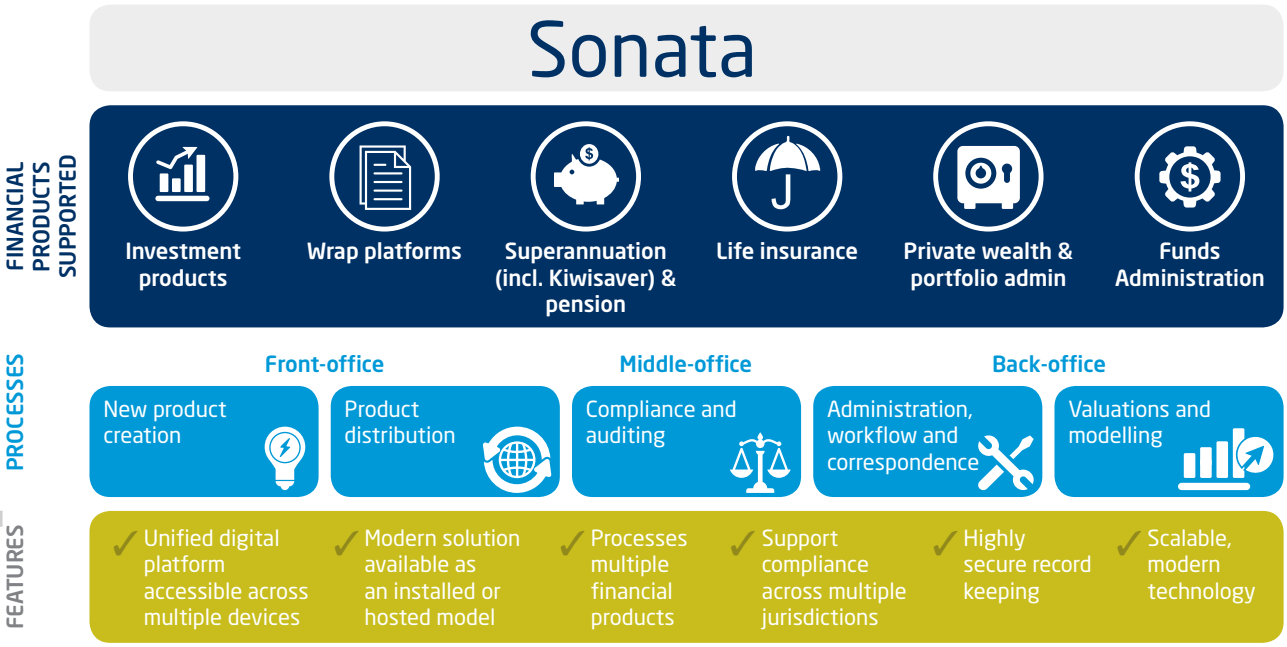
Sonata

What is Sonata?

Sonata is Bravura's flagship software product 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.

"NEW SALES OF SONATA ARE DRIVING WEALTH MANAGEMENT SEGMENT AND GROUP REVENUE GROWTH."

Sonata's features





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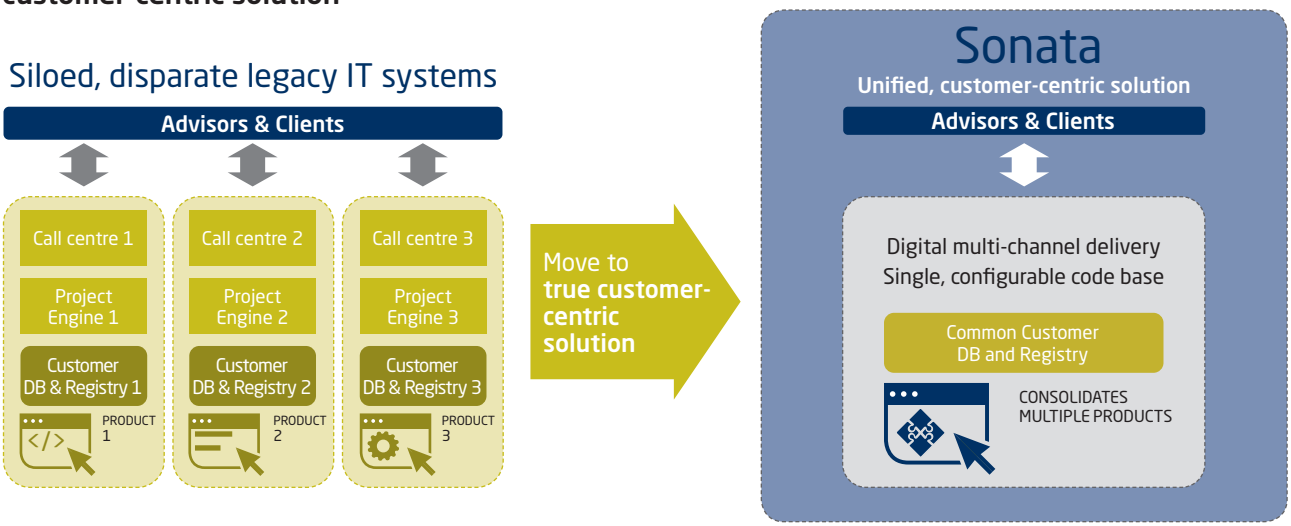
What does Sonata do?

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.

Sonata enables clients to consolidate multiple legacy IT platforms into a unified, customer-centric solution



Who is Sonata for?

Typical clients of Sonata 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 of Sonata are driven by the need to support regulatory changes, drive costs from operations and to deliver digital and mobile experience to customers.

Sonata Growth

Sonata has grown from a revenue of $5.0m in FY2013 to $92.8 million in FY2017

	FY2013	FY2014	FY2015	FY2016	FY2017
Sonata revenue (A$m)	**$5.0**	**$22.1**	**$41.4**	**$66.8**	**$92.8**
Number of clients	3	10	12	16	20
Average revenue per client (A$m)	$1.7	$2.2	$3.4	$4.2	$4.6





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Growth opportunities

Sonata has a large and growing pipeline of sales opportunities in new and existing markets and across wealth, investment, life and pensions representing significant opportunity for Bravura driven by:

UK Life & Pensions regulatory changes and moves to digital driving system upgrades

Bravura is focused on continuing to win Sonata clients in its core countries of Australia, New Zealand and the United Kingdom, attracted by the increasing software capabilities and growing base of international users. Driven by regulatory changes and the need to support digital capabilities, system upgrades in the UK Life & Pensions market present a significant opportunity.

Next generation Australian & New Zealand wrap and investment platforms driving the need for new technology

Australian and New Zealand wrap and platform providers have historically led the world in the provision of class leading technology and services. The global evolution of the technology underpinning these wraps and platforms, of which Bravura has been a part, especially in the UK market, is providing opportunities for Bravura to reintroduce these next generation technologies and expertise back into the Australian and New Zealand markets.

Significant South African regulatory change driving new solutions for life, pensions and investments

In South Africa, which is undergoing a period of regulatory reform and has similarities with the United Kingdom, Bravura has identified a new market where innovations in financial products are driving the need for new software products. Bravura sales activity here has yielded the recent sale to STANLIB Wealth.

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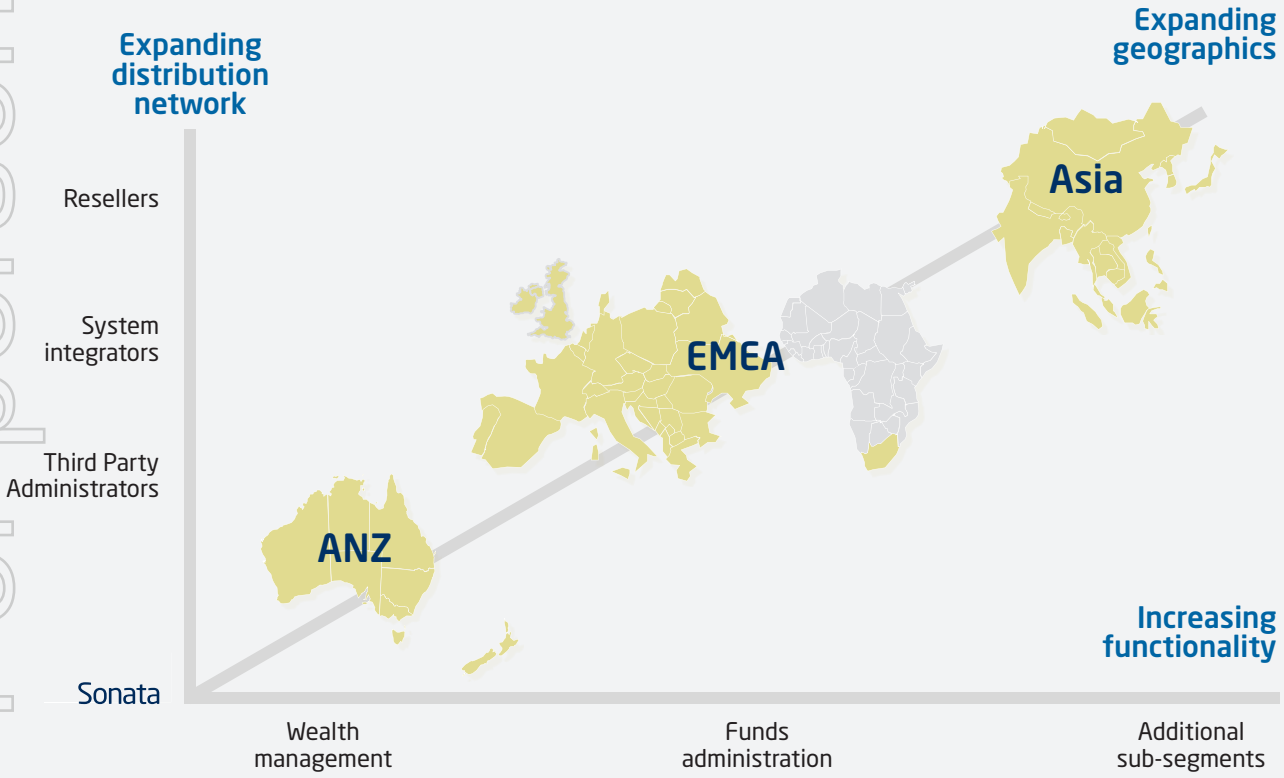
Expanding Bravura's distribution network through ongoing partnerships with Third Party Administrators, systems integrators and resellers

Bravura's clients typically consider two approaches to their technology and administration needs. Clients may either continue to administer financial products in-house, which may require them to deploy new technology solutions such as Sonata, or outsource their administration functions to a third party. Bravura currently works with a number of Third Party Administrators including BNY Mellon, Genpact, Mercer and Citi that use Bravura technology to deliver their services. Furthermore, Bravura is developing relationships with major global systems integrators and potential resellers who wish to take Sonata forward as a key component of their own market propositions.

EXECUTION OF GROWTH DRIVERS IS ALONG THREE KEY DIMENSIONS





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Key management



TONY KLIM

CEO AND
MANAGING DIRECTOR

Based in London, Tony Klim has over 29 years of experience in international financial services and has held a number of executive and board positions with private and listed companies focused on technology and outsourcing in support of the international financial services market. He has extensive experience in mergers and acquisitions, and in a previous role he sponsored the acquisition of a leading United Kingdom financial intermediary portal, the Exchange. Over the years, Tony has been involved in the development of new products and services targeted at the independent financial adviser community.

Prior to joining Bravura in February 2008 as the CEO for EMEA, Tony was a strategic consultant in the financial services sector. He has specialised in growth businesses, and 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.



MARTIN DEDA

CFO AND
EXECUTIVE DIRECTOR

Based in Sydney, Martin Deda has over 28 years of experience in senior finance and operations roles, predominately within the IT and professional services industry sectors.

Throughout his career, Martin has worked for private and public companies across Australia, Asia, the United Kingdom, Europe and the United States.

He has extensive experience in financial and management accounting and reporting, tax, treasury, commercial, mergers and acquisitions and bid and contract management, investor relations, company secretarial, facilities management, IT infrastructure, applications and support, and shared services.

Prior to joining Bravura in September 2014, Martin was the Chief Operating Officer/ CFO for top tier law firm Minter Ellison. He previously held senior positions at ASX 200 listed global healthcare IT provider, iSOFT and Computer Sciences Corporation for central and eastern Europe. He has also held senior finance and operations roles at TNT and StorageTek in EMEA.

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NICK PARSONS

GLOBAL CHIEF TECHNOLOGY OFFICER

Based in London, Nick Parsons has over 29 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, with responsibilities that include defining the Company's evolving IT vision and strategy across the product range. Nick also leads the propositions teams in the United Kingdom, tasked with identifying and developing new opportunities in EMEA. He has been with Bravura since July 2007.

Prior to joining Bravura, 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 27 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 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.



RAMA VELPURI

HEAD OF GLOBAL ENGINEERING, WEALTH MANAGEMENT

Rama Velpuri has over 29 years of experience in the IT industry. He has held a number of managerial and technical positions leading global development teams. Rama is responsible for leading the global software engineering for the business, focused on the enhancement of the company's development capabilities globally with an emphasis on Sonata – Bravura's next-generation wealth management software platform for superannuation, investments, life insurance and wraps.

Prior to joining Bravura, Rama was Vice President at Capsilon Corporation. He has also held senior executive roles at CA Technologies and notably Oracle, where he ran global product development and authored nine books on Oracle technology. In collaboration with the International Institute of Information Technology he also established the University Innovation Centre in Hyderabad.



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Material Business Risks

The material business risks that have the potential to impact the Group 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	The Group 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 Limited
Annual Financial Report

(Formerly Bravura Solutions Holdings Pty Ltd) 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 2017 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 together with the financial report of the Consolidated Entity, comprising the Company Bravura Solutions Limited ("Bravura Solutions") and its controlled entities (together "the Consolidated Entity" or "the Group") for the year ended 30 June 2017 and the Auditor's report thereon.

Directors

The Directors of the Company 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 (appointed 19 September 2016)
Neil Broekhuizen	

Executive Directors

Tony Klim	CEO
Martin Deda	CFO

Principal activities

The principal activities of the Consolidated Entity during the course of the current and prior periods consisted of the 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

Sales revenue for the year was $191.9 million which included $122.7 million from Wealth Management and $69.2 million from Funds Administration. The financial period saw increasing activity which will continue to drive revenue for the business.

The Board maintained a steady focus on operating costs as a percentage of revenue with effort on expanding resources in low cost countries to assist in overall cost management and further improve client focus.

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 spend during FY2017, focused on progressing the road map for Sonata was $10.3 million (2016: $6.2 million), of which $7.7 million (2016: $4.0 million) was capitalised as intangible assets.

Although the Group has a net current liability position of $12.2 million, $27.4 million of current liabilities relate to deferred revenue, which does not result in future cash outflows. The Board notes that the Consolidated Entity has a strong cash balance of $17.1 million and positive cash flows from operating activities of $15.9 million. The Group has undrawn credit lines totalling $12.9 million. Cash flow forecasts based on projected activity and business volumes indicate that the Group will be able to pay its creditors as and when they fall due for at least 12 months from the date of approval of the financial statements, and that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at 30 June 2017. Accordingly, these financial statements have been prepared on a going concern basis.

The profit for the Consolidated Entity after providing for income tax for the year ended 30 June 2017 amounted to $14.4 million (2016: loss of $6.5 million).

As at 30 June 2017 Bravura employed 1,130 people (2016: 975 people) staffing 12 offices across Australia, New Zealand, Hong Kong, India, Poland, United Kingdom, and South Africa.

Significant changes in the state of affairs - Completion of IPO

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

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

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

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The following table shows the results in the same format as the IPO Prospectus. Proforma EBITDA and net earnings for the year adjusted for pro forma non-recurring items were as follows:

	Notes	30 June $'000 2017	30 June $'000 2016
Wealth Management		**122,658**	99,615
Funds Administration		**69,220**	85,062
Other revenue		**28**	25
Total revenue	6	**191,906**	184,702
Employee benefits expense	7	**(119,335)**	(118,686)
Third party cost of sales		**(14,904)**	(15,786)
Travel and accommodation costs		**(5,122)**	(4,906)
Occupancy costs		**(6,565)**	(7,145)
Telecommunication costs		**(7,133)**	(7,021)
Development operating expense		**(2,531)**	(2,146)
Onerous Contracts		**-**	(3,382)
Other expenses (excluding IPO transaction costs)		**(3,685)**	(5,420)
Pro forma EBITDA		**32,631**	20,210
Depreciation and amortisation expense		**(8,254)**	(8,315)
Pro forma EBIT		**24,377**	11,895
Finance costs		**(4,194)**	(11,685)
Foreign exchange loss		**(784)**	(3,235)
Profit/(loss) before income tax		**19,399**	(3,025)
IPO transaction costs		**(2,755)**	(1,800)
Income tax expense	8	**(2,216)**	(1,638)
Net profit/(loss) from continuing operations		**14,428**	(6,463)

Dividends

During the reporting period, the Company did not pay any dividend (2016: nil). A dividend reflecting 70% of pro-rata pro forma NPAT has been declared of 4.5c per share to be paid on 28 September 2017, in accordance with the IPO Prospectus.

Events subsequent to reporting date

No other matter or circumstance has arisen since 30 June 2017 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. Subsequent to the reporting date, the Consolidated Entity amended the CBA facility to include further NZD5 million borrowings expiring 15 November 2019.

Likely developments and expected results

Bravura 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.

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.

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Bravura Solutions Directors Biographies

Director and position	Experience
 **Brian Mitchell CPM FAICD FAMI AFAIM** **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 a former Director of UXC Limited (24 October 2012 to 28 February 2016) and OntheHouse Holdings Limited (25 November 2014 to 27 February 2015). He is currently Chairman of OtherLevels Holdings Limited (since 31 March 2015). Brian is a Certified Practising Marketer, a Fellow of the Australian Institute of Company Directors, a Fellow of the Australian Marketing Institute, and an Associate Fellow of the Australian Institute of Management. 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 the 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 also Chairman of Harwood Wealth Management Group PLC (since 30 November 2015). Peter is a member of the Audit and Risk Management Committee and the Remuneration and Nomination Committee.
 **Neil Broekhuizen CA, B.Sc. (Eng) Hons** **Non-executive Director**	Neil Broekhuizen has over 20 years' experience in the finance industry including the last 15 years in private equity with Investcorp and Bridgepoint in Europe and with Gresham Private Equity and Ironbridge in Australia. Since co-founding Ironbridge in 2003, Neil has helped grow the business into a leading Australasian Private Equity manager. In addition to being a Non-Executive Director at Bravura Solutions, Neil is also a Non-Executive Director of Monash IVF Group Limited (since 4 June 2014). 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.

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Director and position	Experience
 **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 in his previous role he sponsored the acquisition of the UK's leading financial intermediary portal, the Exchange. Over the years, he has been instrumental in the development of new products and services targeted at the independent financial advisor community. Prior to joining Bravura in February 2008 as the CEO for Europe, Middle East and Africa (EMEA), Tony was a strategic consultant in the financial services sector. He has specialised in high growth businesses, and is a pioneer in internet banking and payment systems. His track record includes a number of strategic advisory and management roles for major international banks, life companies and technology businesses. 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 20 years' 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 financial and management accounting and reporting, tax, treasury, commercial, M&A and bid & contract management, investor relations, company secretarial, facilities management, IT infrastructure, applications and support and shared services. 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. Martin holds a MBA from the University of Sydney, BCom. (Accounting, Economics, Statistics) from the Australian National University, and a BSc. (Mathematics, Nuclear & Radiation Chemistry, Physics) from the University of New South Wales.
 **Alexa Henderson** **BSc CA** **Independent Non-executive Director**	Alexa Henderson has over 30 years' 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 four financial services companies in the United Kingdom being Adam and Company Private Bank (private wealth subsidiary of RBS) (since 24 August 2012), Dunedin Smaller Companies Investment Trust PLC (since 6 December 2014), F&C UK Real Estate Investments Limited (since 21 December 2015) and JP Morgan Japan Smaller Companies Trust PLC (since 11 April 2016). She has chaired the audit committee of each of these companies. In addition, Alexa sits on the board of James Walker (Leith) Limited, a diversified construction company (since 11 December 2013). Previous directorships include Scottish Building Society (which she chaired for 4 years) from 28 March 2001 to 30 November 2016. 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.

Bravura Company Secretary Biography

Position	Experience
 **Nigel Liddell** **General Counsel and Joint Company Secretary**	Based in London, Nigel qualified as a Solicitor in 1993 and has nearly 24 years of in house legal experience, mainly in the IT and services industries. He is responsible for managing the legal affairs of the Group. Nigel joined Bravura in March 2008 as the Head of Legal EMEA and took over the global role in July 2011. Prior to joining Bravura, 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.

Share Options

The Consolidated Entity has not issued any shares under long-term incentive plans.

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 during FY2017[1] are:

	Board Meetings		Audit and Risk Management Committee[2]		Remuneration and Nomination Committee[3]	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
B Mitchell	13	13	-	-	2	2
P Mann	13	13	3	3	2	2
T Klim	13	13	-	-	-	-
N Broekhuizen	13	13	3	3	2	2
M Deda	13	13	-	-	-	-
A Henderson[4]	11	11	3	3	-	-

1 The period covered in the above table is 1 July 2016 to 30 June 2017. Bravura became a public company on 13 October 2016 and was admitted to the official list of the Australian Stock Exchange on 16 November 2016.

2 The Audit and Risk Management Committee was established on 27 October 2016.

3 The Remuneration and Nomination Committee was established on 27 October 2016.

4 Appointed 19 September 2016.

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Insurance of Directors and Officers

During the financial year, Bravura paid a premium in respect of a contract to insure the Directors of Bravura 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

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

Non-audit services

Details of amounts paid or payable to the Auditors for non-audit services provided during the year by Ernst & Young are outlined in Note 38 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 38 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 58 and forms part of the Director's Report for the year ended 30 June 2017.

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 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 32 to 49 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 2017

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Remuneration Report (audited)

Contents

1. Letter from the Chair of the Remuneration and Nomination Committee
2. Persons Addressed and Scope of the Remuneration Report
3. Context of and Changes to KMP Remuneration for FY17 and Into FY18
4. Overview of Bravura's Remuneration Governance Framework & Strategy
5. Planned Executive Remuneration for FY17 (non-statutory disclosure)
6. Vested/Awarded Incentives and Remuneration Outcomes in Respect of the Completed FY17 Period (non-statutory disclosure)
7. Performance Outcomes for FY17 Including STI And LTI Assessment
8. Changes in KMP Held Equity
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1 Letter from the Chair of the Remuneration and Nomination Committee

Dear Shareholder,

On behalf of the Board, I am pleased to present the Remuneration Report for the financial year ended 30 June 2017, outlining the nature and amount of remuneration for Bravura's Non-executive Directors and other Key Management Personnel ("KMP"). This is the first Remuneration Report of the Company since re-listing on the 16th of November 2016.

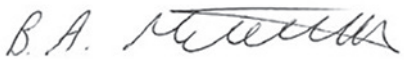
In developing this Remuneration Report the Board intended to exceed the statutory requirements of the Remuneration Report, to provide shareholders with genuine insights into the remuneration governance, policies, procedures and practices being applied, so that fully informed judgements can be formed in relation to the resolution on the adoption of the Remuneration Report at the upcoming annual general meeting (AGM). It is also intended to assist shareholders to engage with the Board regarding refinements and improvements that might be seen as desirable, as the Company implements the necessary continuous improvement process to remuneration governance as the circumstances of the Company evolve.

Having received the support of shareholders for the approaches that were in place in the lead-up to and successful relisting of the Company, the Board will continue to consider what improvements to remuneration governance, policies, procedures and practices need to be made, implement them, and provide updates and respond to feedback in future Remuneration Reports. Given this is the first Remuneration Report since relisting, the Board approved and engaged an independent external remuneration consultant (ERC) to ensure the information presented was appropriate in regard to current reporting practices.

During the reporting period the Company not only sustained shareholder value by delivering the expectations set by the prospectus, but also grew shareholder value by exceeding those expectations and demonstrating the capability to do so into the future. Given this positive result, the Board is satisfied that the outcomes for remuneration in relation to FY17 demonstrate an appropriate link between performance and reward, in respect of the executive KMP of the Company. The Remuneration and Nomination Committee has also engaged independent remuneration experts to provide further advice to ensure alignment between best-practices evident in the market, the Company's current remuneration practices and possible changes tailored to the Company's circumstances. For example, introducing a long term incentive plan (LTIP) that incentivises executives to create sustainable shareholder value over the long term, while encouraging executives to attain an "ownership" position as shareholders, is currently under consideration.

The Board will be pleased to receive feedback in relation to this report, and commits to engaging with shareholders and their representatives on these matters. We look forward to your comments, and support for remuneration related resolutions, at the upcoming AGM.

Yours sincerely,



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

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2 Persons Addressed and Scope of the Remuneration Report

The Remuneration 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 key management personnel;
- the various components or framework of that remuneration,
- the prescribed details relating to the amount or value paid to key management personnel, 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 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, non-executive director since 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,
- Mr Rama Velpuri, Global Head of Engineering – Wealth Management since 13 March 2017,
- Mr Andy Chesterton, Chief Operating Officer – Funds Administration since March 2014, having joined in December 2006.

3 Context of and Changes to KMP Remuneration for FY17 and Into FY18

3.1 Matters Identified as Relevant Context for Remuneration Governance in FY17 and into FY18

The KMP remuneration structures that appear in this report are largely those that prevailed over FY17, as is required by regulation. These structures and the outcomes resulting from them were the result of decision making processes that were undertaken in previous years.

The Board has undertaken to make continuous improvements to remuneration governance, policies and practices applied to KMP of the Company, as well as other employees, to ensure appropriateness to the circumstance of the Company as it evolves over time. The following outlines important context for the decisions that were made in relation to FY17, the outcomes of which are presented in this report, as well as relevant context that emerged since the prospectus was developed. Those changes already made in respect of FY18 or anticipated to be implemented during the remainder of FY18 will be commented on to the extent relevant to an evaluation of remuneration for FY17, with full details given as part of the FY18 Annual Report of the Company as is required.

- During FY17 the Board and executive KMP were focussed on delivering the expectations set by the prospectus in the lead-up to the Company listing on the 16th November 2016,
- Market capitalisation is one of the main factors that influences external assessments of the appropriateness of remuneration; and it is understood that external groups tend to see it 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 been sustained, and increased, since listing,
- Bravura operates internationally, with several executive KMP recruited/located overseas, 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,

- The Company has continued to recruit executive talent during FY17, suitable to its evolving circumstances, and is confident that these new appointments strengthen the Company's ability to deliver the strategy and build significant value for shareholders,
- The Company continues to grow through the rapid adoption of our market leading Sonata administration software and is going through a significant period of transition, in line with its current strategy;
- The Company had a number of significant achievement during the year, including:
  - Four new sales of Sonata in the Wealth Management segment including a strong sales pipeline in South Africa,
  - Ongoing innovation in the Funds Administration business delivering continued sales on our RUFUS platform,
- Financial performance for the year fulfilled the forecasts/expectations set out in the prospectus, which involved meeting challenging growth targets,
- The Board determined that in order for the Company to be an attractive investment for institutional investors, market best-practice governance needed to be examined and adopted where appropriate, including in relation to remuneration governance matters

3.2 Key Remuneration Matters Identified and Adjustments Made or Planned in Response, Since the Previous Report

During FY17 the following KMP remuneration related matters were identified for consideration and/or action during the reporting period and into FY18:

- In light of good progress towards delivering the prospectus outcomes, the Board determined that it would be appropriate to examine the alignment between current executive remuneration practices and best-practices evident in the market in relation to KMP remuneration, as well as receive advice regarding how to implement, manage and update KMP remuneration in the Company's specific circumstances. As a result the Board approved and engaged an independent external remuneration consultant (ERC) to provide advice in regard to the following matters:
  - Benchmarking of executive KMP remuneration across Australian and international markets: the consultant provided benchmarking data, market modelling, and recommendations in relation to the remuneration of executive KMP, including consideration of local Australian benchmark data in conjunction with benchmark data specific to the location from which the incumbent is based or was recruited.
    - This showed that Base Packages were generally aligned to their relevant international benchmarks, however may appear high relative to Australian benchmarks.
    - Total remuneration packages (TRPs) which include target levels of incentives, appeared to be low relative to relevant international benchmarks in most cases, and at or below the target of P75 relative to Australian benchmarks, in most cases. This is largely driven by the lack of a long term incentive (LTI) in the remuneration mix,
    - The MD and CEO's package appeared competitive relative to all benchmarking sources, however the mix of remuneration elements and weighting on fixed remuneration appears to require adjustment over time in order to meet market standards. This largely relates to the current absence of an LTI in the remuneration mix.
  - The need to develop an appropriate, performance-linked and equity-based long term incentive plan, was identified. The Board will be considering advice in regards to developing such a plan, in accordance with Australian standards, though designed to be sufficiently flexible to be offered in each location in which a senior executive operates, without unintended legal or tax consequences,
  - Consideration being given to deferring part of the short term incentive (STI) into equity, to align with Australian practice and expose the rewards from short-term decisions to market fluctuation over the medium term, and
  - Consideration being given to developing a formal policy in relation to setting senior executive remuneration across international locations,
- In addition, the formalisation of the company's approach to remuneration setting, outlined in a Remuneration Governance Framework, was discussed, and progress towards this outcome is reflected in the summary given below,
- The Board has resolved to increase non-executive director fees by 3% for FY18, in line with market trends evident in data provided by independent expert consultants (EMEA and APAC).

4 Overview of Bravura's 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.

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The following outlines a summary of Bravura's 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/investors/corporate-governance/.

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;
- 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.

4.3 Senior Executive Remuneration Policy

The Senior Executive Remuneration policy 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 key management personnel (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 policy 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 policy 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 policy in relation to Senior Executives:

- Remuneration should be composed of:
  - Base Package (inclusive of superannuation, allowances, benefits and any applicable fringe benefits tax (FBT),
  - STI 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
  - LTI which provides an equity-based reward for performance against indicators of shareholder benefit or value creation, over a three year period, and 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 taken into account 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 so as 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,
- 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.

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The Board is currently considering its approach to determining a formal policy 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. Broadly there are three approaches evident in the market:

- Remunerate according to the Australia 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 has largely applied the second approach, as was necessary to build the business, 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.

4.4 Non-executive Director Remuneration Policy

The Non-executive Director (NED) remuneration policy 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,
- 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 no 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.

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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 Policy

The Short Term Incentive policy 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,
- 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),
- Any clawback policy as may be developed by the Company from time to time will apply to the STIP.

4.7 Long Term Incentive Policy

The Long Term Incentive policy 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 LTI.

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.

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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 Policy

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

The Board will seek advice regarding the development of a clawback policy, however as at the time of writing of listing on the ASX, it was the view of the Board that a clawback policy was unnecessary, since 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, which is 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":

- 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 to operate to limit the economic risk of unvested Bravura securities.

4.11 Equity Holding Policy

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 is currently under 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 with 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, 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).

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4.13 Variable Executive Remuneration – The Short Term Incentive Plan (STIP)

Short Term Incentive Plan (STIP)	
Aspect	**Plan, Offers and Comments**
Purpose	The STI Plan's purpose is to give effect to an element of remuneration. This element of remuneration constitutes part of a market competitive total remuneration package and 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 STI'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	**FY17 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 Base Package. Other Senior Executives who are KMP were offered a target-based STIP equivalent to 35% of their Base Package for Target performance, with a maximum/stretch opportunity of up to 120% of the Target award, i.e. 42% of Base Package. **FY18 Invitations** As at the date of writing of this report, FY18 invitations had not been determined, and may be subject to adjustment following the receipt of expert advice. **Comments** Shareholders should refer to the definitions of Threshold, Target and Stretch presented elsewhere in this document when assessing incentive practices.
Key Performance Indicators (KPIs), Weighting and Performance Goals	**FY17 Invitations** FY17 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 80% weighting) with more minor weightings given to strategic 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. **FY18 Invitations** As at the date of writing of this report, FY18 invitations had not been determined, and may be subject to adjustment following the receipt of expert advice. **Comments** The Board selected these measures as being those that are critical to the delivery of the expectations set by the prospectus, or are expected to drive economic profitability and ultimately shareholder value creation over the long term, within a financial year period.

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Short Term Incentive Plan (STIP)	
Aspect	**Plan, Offers and Comments**
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. **FY17 Invitations** 100% of awards are made in cash with PAYG tax deducted. **FY18 Invitations** As at the date of writing of this report, FY18 invitations had not been determined, and may be subject to adjustment following the receipt of expert advice.
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.
Change of Control	The treatment of STI 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 not inappropriate. When such discretion is applied, it will be disclosed and explained. A specified gate condition may apply to offers of STI such that no award will be payable in relation to any KPI if the gate condition is not met or exceeded. **FY17 Invitations** A gate applied of Threshold Group EBITDA as per the table below, and no award for any measure would be payable if this gate was not exceeded. **FY18 Invitations** As at the date of writing of this report, FY18 invitations had not been determined, and may be subject to adjustment following the receipt of expert advice.
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.

4.14 Variable Executive Remuneration – Long Term Incentive Plan (LTIP) – Performance Rights Plan

The Board is developing and looking to implement a carefully designed LTIP suitable to the Company's circumstances and current market best-practices, noting that any LTIP will need to be able to be provided to executives in different locations around the world, which may require some variation for compliance and/or tax reasons. The Board was receiving independent expert advice in this regard at the time of writing of this report, and any decisions made will be disclosed as part of the next Remuneration Report, and subject to shareholder approval where applicable. It may be possible to develop the plan in time for the upcoming AGM, however this is presently uncertain. In order to ensure that the implementation of the LTI is not delayed by shareholder approvals, initial invitations may be designed so as to not require shareholder approval, despite the fact that it is the Board's intention to always do so when appropriate in accordance with good-governance. It is trusted that shareholders will understand the need to proceed with the implementation in a timely manner during FY18, and shareholders will have an opportunity to cast their vote in relation to the plan in due course.

5 Planned Executive Remuneration for FY17 (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. Therefore additional information is provided. The following table is intended to ensure that shareholders have an accurate understanding of the Board's intention regarding the remuneration offered to executives during FY17, as at target performance, to facilitate an assessment of the alignment between performance and reward. In this regard, the definition of Target needs to be considered, as outlined in this report. Generally 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 STI, the maximum incentive is currently 120% of Target. The development of an LTI framework is currently being considered, and updates will be provided as and when appropriate, and addressed in the FY18 Remuneration Report. With regards to Mr Rama Velpuri, due to international relocation considerations, the employment contract was not executed before 30 June 2017 and as such, Mr Velpuri was not eligible for consideration of an STI opportunity under the plan guidelines. Mr Velpuri joined 13 March 2017.

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Position	Incumbent	Base Package Excluding Super (AUD)	STI Opportunity		% of STI Subject to Deferral	Superannuation	Other benefits	Total Remuneration Package at Target Performance
			Target % of Base Package	Target STI Amount				
CEO and Managing Director	Mr Tony Klim	$657,690	50%	$330,530	0%	$0	$114,490	$1,102,710
CFO and Executive Director	Mr Martin Deda	$441,448	35%	$154,760	0%	$25,000	$12,887	$634,095
Global Chief Technology Officer	Mr Nick Parsons	$399,556	35%	$140,074	0%	$4,905	$44,337	$588,872
Head of Global Engineering, Wealth Management	Mr Rama Velpuri	$126,400	35%	$0	0%	$0	$0	$126,400
Chief Operating Officer, Funds Administration	Mr Andy Chesterton	$426,499	35%	$149,519	0%	$42,552	$24,029	$642,599

No deferral currently applies to STI awards.

6 Vested/Awarded Incentives and Remuneration Outcomes in Respect of the Completed FY17 Period (non-statutory disclosure)

The statutory disclosure requirements and accounting standards 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. It should be noted that typically STI for a reporting period is paid after the end of the financial year/reporting period, following audit, and that LTI vesting is similarly delayed. The following table brings these outcomes back to the year of performance to which the outcome relates, and which is the reporting period i.e. STI is presented as being part of the remuneration for the year in which performance was tested, and LTI would be presented as being part of the remuneration for the year during which performance testing was completed (currently no LTI). However, equity did vest in relation to the IPO completion, during the reporting period and relates to outcomes in the reporting period. The value of this component of remuneration is presented here, valued as at the date it vested.

Position	Incumbent	Year	Base Package Excluding Super (AUD)	Total STI Awarded Following completion of the Financial Year (cash only)		IPO Transaction Bonus	Superannuation	Other benefits	Total Remuneration Package
				Amount	% of TRP				
CEO and Managing Director	Mr Tony Klim	2017	$657,690	$332,513	30.2%	$107,444	$0	$114,490	$1,212,137
CFO and Executive Director	Mr Martin Deda	2017	$441,448	$144,081	22.7%	$38,373	$25,000	$12,887	$661,789
Global Chief Technology Officer	Mr Nick Parsons	2017	$399,556	$129,988	22.1%	$65,234	$4,905	$44,337	$644,020
Head of Global Engineering, Wealth Management	Mr Rama Velpuri	2017	$126,400	$0	0%	0	$0	$0	$126,400
Chief Operating Officer, Funds Administration	Mr Andy Chesterton	2017	$426,499	$151,164	23.5%	$26,094	$42,552	$24,029	$670,338

Details regarding the assessments of performance that gave rise to the incentive outcomes for FY17 are given below.

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7 Performance Outcomes for FY17 Including STI and LTI Assessment

7.1 Company Performance

The market appears to have responded strongly and positively to Bravura's listing, and its performance since 16th November 2016. While there was volatility during the reporting year, the share price ended the year on a high note, producing excellent returns for those shareholders that participated in the IPO, and the vast majority of those shareholders that have joined the register since. The following highlights the major achievements, milestones and areas where value was created during FY17:

- The successful re-listing of the company through the Initial Public Offering of Ordinary Shares on the Australia Stock Exchange
- The acquisition of new and high profile clients in the UK, Australia and South Africa,
- Successful progress towards integrating legacy products into a single platform,
- Sales of Sonata in the wealth management segment including a strong sales pipeline in South Africa, and
- Ongoing innovation in the Funds Administration business delivering continued sales on our RUFUS platform,

The following outlines the performance of the Company over the FY17 period but excludes the previous 4 financial years. Since the Company only listed in November of 2016, it is not possible to provide data in relation to much of this information, however data presented reflects the period between listing and the end of FY17, this table will become more meaningful in future reports:

						Short Term Change in Shareholder Value Over 1 Year (SP Increase + Dividends)		Long Term (Cumulative) 3 years Change in Shareholder Value		3 Yr Total Return (dividends assumed to be reinvested)
FY End Date	Revenue ($m)	Profit After Tax ($m)	Share Price	Change in Share Price	Dividends	Amount	%	Amount	%	
30-Jun-17	191.9	14.4	$1.60	$0.15	$0	$0.15	10.34%	n/a	n/a	n/a

7.2 Links Between Performance and Reward Including STI and LTI 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),
- STI which is intended to vary with indicators of annual Company and individual/role performance, and
- LTI which is also intended to deliver a variable reward based on long-term measures of Company performance and value creation for shareholders (not yet developed).

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The STI **achieved in relation to the FY17** period being completed will be paid after the end of the period (i.e. in September 2017). The awards outlined below were considered appropriate under the STI 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 FY17** period the payment of STI was calculated as follows:

		FY 17 KPI Summary								Award Outcomes FY17 Paid FY18
Name	Position	KPI Summary	Weighting	Threshold	Target	Stretch	Target Award	Achievement	$ Awarded	Total STI Award
Mr Tony Klim	CEO and Managing Director	FY17 Group EBITDA[1]	40%	$30.7m AUD	$32.3m AUD	$35.5m AUD	$330,530	101%	$332,513	$332,513
		FY17 Group NPAT[1]	40%	$20.0m AUD	$21.0m AUD	$23.1m AUD				
		Role specific	20%							
Mr Martin Deda	CFO and Executive Director	FY17 Group EBITDA[1]	40%	$30.7m AUD	$32.3m AUD	$35.5m AUD	$154,760	93%	$144,081	$144,081
		FY17 Group NPAT[1]	40%	$20.0m AUD	$21.0m AUD	$23.1m AUD				
		Role specific	20%							
Mr Nick Parsons	Global Chief Technology Officer	Group EBITDA[1]	80%	$30.7m AUD	$32.3m AUD	$35.5m AUD	$140,074	93%	$129,988	$129,988
		Role specific	20%							
Mr Rama Velpuri	Head of Global Engineering Wealth Management									
Mr Andy Chesterton	Chief Operating Officer, Funds Administration	Group EBITDA[1]	80%	$30.7m AUD	$32.3m AUD	$35.5m AUD	$149,519	101%	$151,164	$151,164
		Role specific	20%							

1. Pro forma

These KPIs outlined were selected because they were the most significant matters expected to contribute to the success of the Company during FY17 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 and segment EBITDA, delivery of the expectations outlined in the prospectus, and successful strategy implementation, are the key short term drivers of long term value creation for shareholders at this time.

During the reporting period, no grants of equity were made in relation to remuneration for FY17, as the LTI program is currently being developed.

At no time during or in relation to FY17 did the Board exercise its discretion to increase the awarding of any STI or LTI that was subject to such discretion. In relation to the completion of the reporting period, there were no previous grants vested or unvested.

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.

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8 KMP Held Equity

Members of key management personnel hold the following fully paid ordinary shares in the company at 30 June 2017 and at signing date:

2017 Directors of Bravura Solutions Limited	Balance at the start of the year	Share split	Sold at IPO	Purchased during the year	Other sales during the year	Balance at the end of the year
B Mitchell	700,000	2,450,000	(1,260,000)	-	-	1,890,000
P Mann	-	-	-	25,172	-	25,172
T Klim	700,000	2,450,000	(1,260,000)	-	-	1,890,000
N Broekhuizen[1]	-	-	-	100,000	-	100,000
M Deda	250,000	875,000	(337,500)	-	-	787,500
A Henderson	-	-	-	10,000	-	10,000

Senior Executives of the Group	Balance at the start of the year	Share split	Sold at IPO	Purchased during the year	Other sales during the year	Balance at the end of the year
Nick Parsons	425,000	1,487,500	(765,000)	-	-	1,147,500
Rama Velpuri	-	-	-	-	-	-
Andy Chesterton	170,000	595,000	(306,000)	-	-	459,000

2016 Directors of Bravura Solutions Limited	Balance at the start of the year	Purchased during the year	Sales during the year	Balance at the end of the year
B Mitchell	700,000	-	-	700,000
P Mann	-	-	-	-
T Klim	700,000	-	-	700,000
N Broekhuizen	-	-	-	-
M Deda	250,000	-	-	250,000

Senior Executives of the Group	Balance at the start of the year	Purchased during the year	Sales during the year	Balance at the end of the year
Nick Parsons	425,000	-	-	425,000
Andy Chesterton	170,000	-	-	170,000

1. The above shareholdings are those in which Mr Broekhuizen has a direct interest. As a Director of Ironbridge, Mr Broekhuizen controls 47% of the ordinary shares issued, amounting to 101,127,033. At the start of the year Ironbridge held 26,059,999 ordinary shares which decreased by 2,000,000 shares on cancellation, increased by 91,209,996 as of the sharesplit. Ironbridge sold 16,142,962 shares at IPO.

Shares held by Brian Mitchell, Tony Klim, Martin Deda, Nick Parsons and Andy Chesterton are subject to escrow arrangements detailed in note 34b.

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9 NED Fee Policy Rates for FY17 and FY18, and Fee Limit

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

The following table outlines the NED fee policy rates that were applicable as at the end of FY17:

Function	Role	Fee Including Super
Main Board	Chair	$185,000
	Lead Independent	$85,000
	Member	$72,000
Audit and Risk Management Committee	Chair	$15,000
	Member	$10,000
Remuneration and Nomination Committee	Chair	$15,000
	Member	$10,000

The following table outlines the NED fee policy rates that will apply during FY18. The Board resolution to increase director fees by 3% has been made in line with market trends evident in data provided by independent expert consultants (UK and Australia).

Function	Role	Fee Including Super
Main Board	Chair	$190,550
	Lead Independent	$87,550
	Member	$74,160
Audit and Risk Management Committee	Chair	$15,450
	Member	$10,300
Remuneration and Nomination Committee	Chair	$15,450
	Member	$10,300

The fee policy is designed to ensure that remuneration is reasonable, appropriate, and produces outcomes that fall within the fee limit.

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10 Remuneration Records for FY17 – Statutory Disclosures

10.1 Senior Executive Remuneration

The following table outlines the remuneration received by Senior Executives of the Company, prepared according to statutory disclosure requirements and applicable accounting standards:

	Short-term employee benefits							
Name	Fixed remuneration $	Short-term Incentive $	IPO transaction bonus Incentive $	Super-annuation $	Other benefits $	Total $	% growth on prior year excl LTI & termination benefits %	% growth on prior year incl LTI & termination benefits %
T Klim (CEO and Managing Director)								
2017	657,690	332,513	107,444	-	114,490	1,212,136	32%	32%
2016	784,011	-	-	65,983	66,116	916,109		-
Martin Deda (CFO and Executive Director)								
2017	441,448	144,081	38,373	25,000	12,887	661,788	41%	41%
2016	432,792	-	-	25,000	12,009	469,801		-
Nick Parsons (Director Business Development)								
2017	399,556	129,988	65,234	4,905	44,337	644,020	17%	17%
2016	474,645	-	-	71,197	3,808	549,650		-
Rama Velpuri (Global Head of Engineering - Wealth Management)								
2017	126,400	-	-	-	-	126,400	N/A	N/A
2016	-	-	-	-	-	-		-
Andy Chesterton (COO - Funds Administration)								
2017	426,499	151,164	26,094	42,552	24,029	670,338	12%	12%
2016	510,692	-	-	67,293	19,108	597,094		-
Total								
2017	**2,051,592**	**757,746**	**237,145**	**72,457**	**195,743**	**3,314,682**		
2016	2,202,140	-	-	229,473	101,041	2,532,653		

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.

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10.2 NED Remuneration

Remuneration received by non-executive directors, prepared in accordance with the statutory disclosure requirements, is presented below:

Name	Short-term employee benefits				Total $
	Fixed remuneration $	Directors' fees $	IPO Transaction Bonus	Other benefits $	
B Mitchell (Non-Executive Director and Chairman)					
2017	-	200,000	107,444	12,887	320,331
2016	-	200,000	-	12,009	212,009
P Mann (Non-Executive Director)					
2017	-	85,864	-	-	85,864
2016	-	22,094	-	-	22,094
N Broekhuizen (Non-Executive Director)					
2017	-	84,375	-	-	84,375
2016	-	50,000	-	-	50,000
A Henderson (Non-Executive Director - appointed 19 September 2016)					
2017	-	84,904	-	-	84,904
2016	-	-	-	-	-
Total Non-Executive Directors					
2017	**-**	**455,142**	**107,444**	**12,887**	**575,473**
2016	-	272,094	-	12,009	284,103

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11 Employment Terms for Key Management Personnel

11.1 Service Agreements

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

Name	Position Held at Close of FY17	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 Rama Velpuri	Head of Global Engineering, Wealth Management	Bravura Solutions Operations Pty Limited	Open ended	3 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

With regards to Mr Rama Velpuri, it should be noted that as at the time of writing of this report the above treatment applies. Due to international relocation considerations ,the employment contract was not executed before 30 June 2017.

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

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.

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A summary of the appointment terms in relation to non-executive KMP is presented below:

Name	Position Held at Close of FY17	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	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

12 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:

- In accordance with the prospectus, a transaction bonus was paid to management including executive directors, following the Completion of the IPO. This was appropriate to incentivising and rewarding executives for ensuring that the IPO was completed in a way that maximised sustainable value for shareholders. The cost of this bonus was expensed prior to the reporting period. The details of the bonus are disclosed in Section 10.1.
- 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.

13 External Remuneration Consultant Advice

During the reporting period, the Board approved and engaged an external remuneration consultant (ERC) to provide KMP remuneration recommendations and advice. However, the advice was not received until after the end of the reporting period, and fees are yet to be paid.

These will be reported on in accordance with the regulations as part of the next Remuneration Report. The advice being sought relates to benchmarking both locally and internationally, and advice regarding incentive design, particularly LTI. The consultant is Godfrey Remuneration Group Pty Ltd. The Board is satisfied that the KMP remuneration recommendations will be free from undue influence from KMP to whom the recommendations relate. The reasons the Board is so satisfied include that the Board has been closely involved in all dealings with the external remuneration consultants and each KMP remuneration recommendation received during the year is to be 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*.

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Corporate Governance Statement

Corporate governance statement for the financial year ended 30 June 2017

Bravura Solutions Limited's ("**Bravura Solutions**") corporate governance framework is based on the Corporate Governance Principles and Recommendations 3rd Edition with 2014 amendments issued by the ASX Corporate Governance Council ("**ASX Principles**") and has regard to the circumstances of Bravura Solutions.

This statement has been approved by the Board on 23 August 2017 and describes the key corporate governance practices in place as that date. This statement also describes the extent to which Bravura Solutions has followed the Recommendations in the ASX Principles for the period 16 November 2016 to 30 June 2017 ("**Reporting Period**").

Bravura Solutions' website also has a dedicated Corporate Governance section in the Investor section which provides shareholders with access to Bravura Solutions' corporate governance framework of policies and procedures: https://bravurasolutions.com/investors/corporate-governance.

1 The Board

(ASX Corporate Governance Principles and Recommendations: 1)

The Board is responsible for providing guidance to and effective oversight of management on behalf of Bravura Solutions and its shareholders. The roles and responsibilities of the Board are set out in the Board Charter. This Board Charter and the Bravura Solutions Constitution sets out the Board's role and responsibilities and describes those matters expressly reserved for the Board's determination and those matters delegated to management. Copies of these documents are available in the Investor section on Bravura Solutions' website (in compliance with Recommendation 1.1 of the ASX Principles): https://bravurasolutions.com/investors/corporate-governance.

The Board is responsible for the overall operation and stewardship of Bravura Solutions and, in particular, for the long-term growth and profitability of Bravura Solutions, the strategies, policies and financial objectives of Bravura Solutions, and for monitoring the implementation of those policies, strategies and financial objectives.

In performing the responsibilities set out in the Board Charter, the Board seeks to act at all times in a manner designed to create and continue to build sustainable value for shareholders and in accordance with the duties and obligations imposed on it by the Bravura Solutions Constitution and by law. The Board will review the Board Charter periodically and is scheduled to review the Board Charter in the next Reporting Period.

1.1 Delegation to management

The Bravura Solutions Managing Director is responsible for running the day to day affairs of Bravura Solutions under delegated authority from the Board and to implement the policies and strategy set by the Board supported by Bravura Solutions' executives. Details of the members of Bravura Solutions' executives are set out in Bravura Solutions' Annual Report at pages 22 and 23.

2 Board structure and composition

(ASX Corporate Governance Principles and Recommendations: 1, 2)

2.1 Board structure

The Board is structured so that its membership provides the mix of qualifications, skills and experience to enable it to discharge its responsibilities, and so that its size facilitates effective discussion and efficient decision making.

As at the date of this statement, the Board comprises six Directors, with three independent Non-Executive Directors (Mr Brian Mitchell (Chairman), Mr Peter Mann and Ms Alexa Henderson), one Non-Executive Director (Mr Neil Broekhuizen) and two Executive Directors (Mr Tony Klim, the CEO and Mr Martin Deda, the CFO). For a profile of the Directors, including their length of service, skills, qualifications, experience, relevant expertise and year of appointment, please refer to Bravura Solutions' Annual Report at pages 28, 29 and 33.

2.2 Director independence

Directors are expected to brings views and judgement to Board deliberations that are independent of management and free of any business or other relationship or circumstance that could materially interfere with the exercise of objective, unfettered or independent judgment, having regard to the best interests of the company as a whole.

The Board Charter requires that the Board should be comprised of a majority of people who are independent Directors (in compliance with Recommendation 2.4 of the ASX Principles). The Board Charter also requires that the Chair of the Board is independent and should not hold the role of CEO or Managing Director (in compliance with Recommendation 2.5 of the ASX Principles). Mr Brian Mitchell is the current Chairman, who assumed the role in 2009. Further information on Mr Mitchell is set out at page 28 of Bravura Solutions' Annual Report.

Whilst 50% of the Board are considered independent, the Board has reviewed the skills and competencies required of the Board and believe that the current Board is appropriately constituted and able to make decisions in the best interest of all shareholders.

The Board assesses the independence of new Directors upon appointment and regularly reviews the independence of all Directors in light of interests disclosed. The Board will also review the independence of any director who has served in that position for more than 10 years to confirm that their independent status can be maintained.

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2.3 Tenure, retirement and election/re-election

Each Director's term of appointment is subject to the provisions of the Corporations Act, the ASX Listing Rules and the Bravura Solutions Constitution. Each Director has a written agreement with Bravura Solutions which sets out the terms of their appointment (in compliance with Recommendation 1.3 of the ASX Principles).

No Director (other than the Managing Director) may hold office without re-election past the third AGM following their appointment or three years, whichever is longer.

Bravura Solutions will provide shareholders with all material information in our possession relevant to a decision on whether or not to elect or re-elect a Director in the relevant notice of meeting (in compliance with Recommendation 1.2(b) of the ASX Principles). Board support for Directors retiring and seeking re-election is not automatic.

2.4 Nomination and appointment of new Directors and Board diversity

The Board and the Remuneration and Nomination Committee are responsible for the nomination, selection and appointment of new Directors. The Remuneration and Nomination Committee is responsible for identifying individuals who may be qualified to become Directors. The Remuneration and Nomination Committee has regard to such factors it considers appropriate, including judgement, skill, diversity, experience with business and other organisations of a comparable size, the interplay of the candidate's experience with the experience of other Board members, the extent to which the candidate would be a desirable addition to the Board and any Board Committee, and the ASX Principles.

On appointment, all Directors receive a formal letter of appointment or service agreement which clearly sets out what is expected of them in terms of time commitment, committee membership and involvement outside Board meetings.

Bravura Solutions 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 Bravura Solutions' culture and management systems with this commitment.

Bravura Solutions believes that such a commitment to diversity creates competitive advantage and enhances employee participation, and is crucial to the organisation's growth and continuing success. Bravura Solutions' Diversity Policy can be found on Bravura Solutions' website in the Investor section: https://bravurasolutions.com/wp/wp-content/uploads/2012/12/Bravura-Solutions-Limited-Diversity-Policy-1.pdf (in compliance with Recommendation 1.5(a) and (b) of the ASX Principles).

As Bravura Solutions only recently became a listed company, the Board has not set any measurable objectives for achieving gender diversity in the Reporting Period. Bravura Solutions' executives will develop for approval by the Board measurable objectives to achieve gender diversity (pursuant to Recommendation 1.5(a) of the ASX Principles) in the next reporting period. Once set and implemented, Bravura Solutions' executives will monitor, review and report to the Board (including via the Remuneration and Nomination Committee) on the achievement of these objectives, gender diversity and Bravura Solutions' progress under Bravura Solutions' Diversity Policy more broadly, including any appropriate benchmarking against other comparable businesses. The progress in achieving the measurable objectives will be included in Bravura Solutions' next annual report (pursuant to Recommendation 1.5(c) of the ASX Principles).

The Board has 6 Board members with 1 member being female.

2.5 Induction of new Directors and ongoing development

The Remuneration and Nomination Committee is responsible for establishing an effective orientation program for new Directors during the next Reporting Period. Once in place, the Remuneration and Nomination Committee will regularly review the orientation program's effectiveness, in compliance with Recommendation 2.6 of the ASX Principles.

In respect of ongoing development, Directors may request and undertake relevant training and professional development at Bravura Solutions' expense, where appropriate.

2.6 Knowledge, skills and experience

In the lead up to listing on ASX in November 2016, Bravura Solutions undertook an extensive process to ensure that the skills, experience and diversity on the Board reflected the various areas relevant to Bravura Solutions' core capabilities and strategic objectives. The Board members were provided with background industry information, previous financial and business results and information on Bravura Solutions' strategic initiatives. The composition of the Board has not changed since listing on the ASX.

Given the extensive work undertaken by the Board in preparation for listing on the ASX, Bravura Solutions has not yet established a formal matrix of Board skills (as per Recommendation 2.2 of the ASX Principles). Such a matrix is currently being developed.

Directors are expected to maintain the knowledge and skills required to discharge their duties and obligations. The Board is provided with papers, presentations and briefings on matters that may affect Bravura Solutions' business or operations, and is briefed on relevant changes in the legislative, regulatory or industry framework.

2.7 Board Access to Independent Professional Advice

Directors have unrestricted access to management. Management is expected to provide regular detailed financial and operational reports in a form and timeframe and of a quality that enables the Board to discharge its duties effectively. Directors may request additional information where necessary to make informed decisions.

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The Board Charter sets out the circumstances and procedures pursuant to which a Director may seek independent professional advice at Bravura Solutions' expense. The Board Charter is available at: https://bravurasolutions.com/wp/wp-content/uploads/2012/12/Bravura-Solutions-Limited-Board-Charter-1.pdf.

2.8 Conflicts of Interest

Directors are required to take all reasonable steps to avoid actual, potential or perceived conflicts of interests. Under the Corporations Act, the Bravura Solutions Constitution and the Board Charter, Directors are required to disclose any conflicts and, unless an exception applies, abstain from participating in any discussions or voting on matters in which they have a material personal interest. A Director who discloses that they may have a conflict must follow the procedures developed by the Board to deal with such circumstances.

2.9 Company secretary

The Company Secretary (jointly and severally in the case of joint company secretaries) will be appointed and removed by the Board and be accountable directly to the Board, through the Chair of the Board, on all matters to do with the proper functioning of the Board and Board Committees (in compliance with Recommendation 1.4 of the ASX Principles).

3 Operation of the Board

(ASX Corporate Governance Principles and Recommendations: 2.4, 7 and 8)

3.1 Board Committees

The Board has established the Audit and Risk Management Committee and the Remuneration and Nomination Committee as standing Committees. Each standing Committee operates under a charter approved by the Board. These charters set out the authority, membership and responsibilities of the Committees together with any relevant administrative arrangements and any other matters considered appropriate by the Board. The charters will be reviewed during the next reporting period.

The role of the Committees is to advise and make recommendations to the Board. The Committees do not have decision making authority except as expressly stated in the relevant charter or as authorised by the Board.

In accordance with the ASX Principles, the Audit and Risk Management Committee comprises of at least three Non-Executive Directors (a majority of whom are independent). The composition of each Committee is as follows:

Committee	Members	Composition	Key responsibilities
Audit and Risk Management Committee	Alexa Henderson (Chair) Peter Mann Neil Broekhuizen	– only Non-Executive Directors, a majority of whom are independent and all of whom are financially literate – at least three members, with at least one member who has accounting and/or financial management expertise – an independent Chair	– integrity of financial reporting – effectiveness of risk management framework and of systems of financial risk management and internal control – internal and external audit scope and effectiveness – oversight of systems and procedures for compliance with legal regulatory requirements
Remuneration and Nomination Committee	Brian Mitchell (Chair) Peter Mann Neil Broekhuizen	– only Non-Executive Directors, a majority of whom are independent – at least three members, with at least one member having expertise in remuneration – an independent Chair	– remuneration of Directors, performance and remuneration of, and incentives for, the CEO and other executives – remuneration strategies, practices and disclosures generally – size and composition of the Board and new Board appointments – Board, Committee and Director performance – Board and executive succession planning

The composition of each Committee complies with Recommendations 2.1(a)(1) – (2) and 8.1(a)(1) – (2) in relation to the Remuneration and Nomination Committee and 4.1(a)(1) – (2) and 7.1(a)(1) – (2) in relation to the Audit and Risk Management Committee. The number of meetings held by each Committee during the Reporting Period and each member's attendance at those meetings are set out in the Directors' Report in Bravura Solutions' Annual Report at page 30.

The Board Charter allows the Board to establish such other committees as may be appropriate.

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3.2 Performance of the Board, Committees and individual Directors

According to the Board Charter, the performance of the Board, its Committees and individual Directors is reviewed formally on an annual basis comparing their performance with the requirements of the Board Charter, relevant Board Committee Charters and the reasonable expectations of individual Directors.

The Committee Charters themselves require the Committees to perform an evaluation of its performance at least annually to determine whether it is functioning effectively by reference to current best practice.

Such performance evaluations will be conducted during the next reporting period.

3.3 Performance of executives

Each executive has a written service agreement that clearly sets out their role and responsibilities and Bravura Solutions' expectations in terms of their performance (in compliance with Recommendation 1.3 of the ASX Principles).

The CEO and all executives undergo a formal performance review each year. This review process took place during the Reporting Period. On or around the commencement of each financial year, the Board sets individual key performance indicators (KPIs) for the CEO and approves individual KPIs for other executives. At the end of the financial year, the performance of the CEO is reviewed by the Board and the CEO will review the performance of each executive. The CEO and the executives will be provided with feedback on their performance.

3.4 Remuneration of Directors and the executives

The remuneration of Non-Executive Directors consists entirely of Directors' fees and Committee fees. Non-Executive Directors do not receive any variable remuneration or other performance related incentives. Further details of the remuneration paid to each Non-Executive Director during the Reporting Period are set out in the Remuneration Report at page 47 of Bravura Solutions' Annual Report.

The remuneration of the CEO and the executives comprised fixed remuneration and short-term incentives (cash bonuses). Bravura Solutions' remuneration strategy and framework, and the remuneration package and outcomes for the CEO and executives are also detailed in the Remuneration Report.

4 Ethical conduct and responsible decision-making

(ASX Corporate Governance Principles and Recommendations: 1, 3)

Bravura Solutions promotes ethical and responsible behaviour and is supported by relevant governance policies such as the Code of Conduct, Diversity Policy, Risk Management Policy, Securities Trading Policy and Whistleblowers Policy. The Board aims to lead by example when it comes to acting ethically and responsibly and has placed responsibility on management for creating a culture within Bravura Solutions that promotes ethical and responsible behaviour.

4.1 Conduct and ethics

Bravura Solutions has a Code of Conduct that clearly states the standards of responsibility and ethical conduct that applies to all Directors, employees, consultants, secondees and contractors of Bravura Solutions. Bravura Solutions expects its employees and, where relevant and to the extent possible, consultants, secondees and contractors, to be familiar with and have a personal commitment to meeting the standards set out in the Code of Conduct. The Code of Conduct encourages employees and, where relevant and to the extent possible, consultants, secondees and contractors, who suspect that fraudulent or unethical behaviour has occurred or have related concerns to contact the Chair of the Audit and Risk Management Committee, the Company Secretary or the auditors of Bravura Solutions or in accordance with Bravura Solutions' Whistleblowers Policy.

The Code of Conduct is located on the Bravura Solutions website at: https://bravurasolutions.com/wp/wp-content/uploads/2012/12/Bravura-Solutions-Limited-Code-of-Conduct-1.pdf.

4.2 Whistleblower protection

In line with the Code of Conduct, Bravura Solutions has a Whistleblowers Policy to encourage Directors, employees, contractors and suppliers who have witnessed or know about any misconduct to report it without fear of reprisal. The policy sets out how Bravura Solutions will respond to and investigate reports of misconduct and outlines the protection available to those who make a whistleblowing report in good faith.

During the Reporting Period, Bravura Solutions has put in place an external independent hotline for employees who feel unable to raise any concerns with a member of Bravura Solutions.

4.3 Securities Trading

Bravura Solutions has a Securities Trading Policy that applies to Directors, executives and certain other employees (including those persons having the authority and responsibility for planning, directing and controlling the activities of Bravura Solutions, whether directly or indirectly).

The Securities Trading Policy explains the types of conduct in dealings and securities that are prohibited under the Corporations Act and establishes procedures in relation to Directors, executives and employees dealing in securities.

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Subject to certain exceptions, including exceptional financial circumstances, the Securities Trading Policy defines certain "prohibited periods" during which trading in securities by Directors, officers, executives and certain other employees is prohibited.

Outside these periods, Directors, officers, executives, and certain other employees must receive clearance for any proposed dealing in securities and, in all instances, buying or selling securities is not permitted at any time by any person who possesses price-sensitive information.

4.4 Diversity

Bravura Solutions' workforce is made up of many individuals with diverse skills, values, experiences, backgrounds and attributes including those gained on account of their gender, age, disability, ethnicity, marital or family status, religious or cultural background, sexual orientation and gender identity.

Bravura Solutions has a Diversity Policy that sets out Bravura Solutions' commitment to diversity and inclusion in the workplace at all levels.

Bravura Solutions is committed to providing and promoting a corporate culture which embraces diversity and aims to do so via:

(a) promoting the principles of merit and fairness when making decisions about recruitment, development, promotion, remuneration and flexible work arrangements;

(b) having an overall transparent process for the review and appointment of executive positions and Board members;

(c) recruiting from a diverse pool of qualified candidates, where appropriate engaging a professional search / recruitment firm, advertising vacancies widely, making efforts to identify prospective employees who have diversity attributes and ensuring diversity of members on the selection/interview panel when selecting and appointing new employees (including executives) and new Board members;

(d) embedding the importance of diversity within Bravura Solutions' culture by encouraging and fostering a commitment to diversity by leaders at all levels whilst recognising that diversity is the responsibility of all employees;

(e) recognising that employees may have family responsibilities;

(f) reinforcing with our people that in order to have a properly functioning and diverse workplace, discrimination, harassment, vilification and victimisation will not be tolerated within Bravura Solutions; and

(g) continuing to review and develop policies and procedures to ensure diversity within the organisation, including the adoption of specific key performance indicators for executives from time to time to measure the achievement of diversity objectives under Bravura Solutions' Diversity Policy.

Key initiatives and programs

Bravura Solutions also aims to introduce and/or maintain programs and initiatives to assist with improving diversity within the organisation in all our operating regions including:

(a) mentoring programs;

(b) career opportunity and targeted professional development programs including those aimed at helping employees develop skills and experience in preparation for executive and board positions;

(c) work life balance policies including flexible work options, return to work programs and the like; and

(d) networking opportunities.

Measurable objectives

Bravura Solutions' Diversity Policy includes requirements for the Board (or relevant Committee of the Board) to set measurable objectives for achieving gender diversity and to assess annually both the objectives and Bravura Solutions' progress in achieving them (in compliance with Recommendation 1.5(a) of the ASX Principles). Bravura Solutions will set these measurable objectives and report on the progress in achieving them in the next reporting period.

Across all Bravura Solutions jurisdictions, the current gender split is as follows (Bravura Solutions had 1,130 full time equivalent roles as at 30 June 2017):

	Female	Male
All employees	28%	72%
Executives	10%	90%
Managers	24%	76%

As a "relevant employer" under the Workplace Gender and Equality Act, Bravura Solutions publishes "Gender Equality Indicators", which can be found at https://www.wgea.gov.au/report/public-reports

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4.5 Sustainability and Social Responsibility

Bravura Solutions believes that being a good corporate citizen is an essential part of business and evidences this belief through the implementation of sustainability initiatives in territories in which it conducts business. Given the core business of Bravura Solutions, Bravura Solutions has a relatively low environmental impact other than travel, energy and consumables. Bravura Solutions seeks to improve its environmental impact through office-based initiatives such as use of communications technology to facilitate meetings and providing recycling facilities at Bravura Solutions offices.

In respect of social responsibility, the Board reviews periodically reports and recommendations by management in respect of community sponsorship and charity donations.

5 Integrity in financial reporting

(ASX Corporate Governance Principles and Recommendations: 4)

5.1 Role of the Audit and Risk Management Committee

The Audit and Risk Management Committee has been established by the Board to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to Bravura Solutions' financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the external audit process.

The Audit and Risk Management Committee may invite the CEO, CFO and external auditors to its meetings along with other members of management and advisers. The Audit and Risk Management Committee is authorised to seek any information it requires from an employee or external parties and can obtain outside accounting, legal, insurance, compliance, risk management and other professional advice as it determines necessary to carry out its duties.

The number of Audit and Risk Management Committee meetings held during the Reporting Period and the attendance by each Audit Committee member is set out in the Directors' Report at page 30.

5.2 Independence/remuneration of the external auditor

Ernst & Young is the external auditor of Bravura Solutions. The Audit and Risk Management Committee reviews and assesses the independence and performance of the external auditor. The Audit and Risk Management Committee makes recommendations to the Board on the appointment, re-appointment or replacement, remuneration, monitoring of the effectiveness and independence of the external auditors.

The Corporations Act requires the external auditor to make an annual independence declaration, addressed to the Board, declaring that the auditor has maintained its independence in accordance with the Corporations Act and the rules of professional accounting bodies. Ernst & Young has provided an independence declaration to the Board for the Reporting Period. The declaration forms part of the Directors' Report in Bravura Solutions' Annual Report.

Details of the fees paid to Ernst & Young during the Reporting Period, including a breakdown of fees paid for non-audit services, are set out in Ernst & Young's financial notes in the Annual Report at page 101. The Board has considered the nature of the non-audit services provided by Ernst & Young during the Reporting Period and has determined that the services provided, and the amount paid for those services, are compatible with the general standard of independence for auditors imposed by the Corporations Act and the auditor's independence has not been compromised.

5.3 Attendance of the external auditor at AGM

Bravura Solutions' external auditor, Ernst & Young, will attend the AGM and will be available to answer shareholder questions relevant to the audit and the preparation and content of the auditor's report as required by the Corporations Act and consistent with Recommendation 4.3 of the ASX Principles.

5.4 Financial reporting – CEO and CFO certifications

The Board has received certifications from the CEO and the CFO prior to approving the financial statements for Bravura Solutions for the 2017 financial year in accordance with section 295A of the Corporations Act and Recommendation 4.2 of the ASX Principles. In these certifications, the CEO and CFO state that, in their opinion, the financial records of the entity have been properly maintained, that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity. The CEO and CFO have also declared that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively (as per Recommendation 4.2 of the ASX Principles).

6 Continuous Disclosure

(ASX Corporate Governance Principles and Recommendations: 5)

Bravura Solutions' Continuous Disclosure Policy seeks to ensure compliance with continuous disclosure obligations by setting out related legal requirements and best practice guidelines, providing guidance on the identification of material information and requiring the reporting of such information to the Company Secretary or other key personnel for review.

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The Continuous Disclosure Policy sets out the procedures that apply to external announcements to provide shareholders and the market with timely, balanced, direct and equal access to information issued by Bravura Solutions and promote investor confidence in the integrity of Bravura Solutions and its securities through external announcements that are factual, complete, relevant, balanced and expressed in an objective and clear manner.

The Company Secretary is responsible for the overall administration of the Continuous Disclosure Policy, including communications with the ASX in relation to continuous disclosure issues.

Certain information disclosed to the ASX, such as presentations to investors and analysts and the Company's results released to the ASX immediately prior to the making of those presentations, are promptly posted on Bravura Solutions' website.

7 Communications with stakeholders (including shareholders)

(ASX Corporate Governance Principles and Recommendations: 6)

Bravura Solutions is committed to effective communication with its customers, shareholders, market participants, employees, suppliers, financiers, creditors, other stakeholders and the wider community. Bravura Solutions will ensure that all stakeholders, market participants and the wider community are informed of its activities and performance.

7.1 Website

Bravura Solutions' website is an important communication tool for Bravura Solutions' employees and external stakeholders, such as customers, suppliers and investors.

Bravura Solutions' website contains a range of information of relevance to stakeholders including relevant corporate governance policies, media and market announcements and presentations to shareholders and institutional investors. Stakeholders are encouraged to view the website on a regular basis so that they can keep up to date with information concerning Bravura Solutions.

7.2 Investor engagement

In compliance with Recommendation 6.2 of the ASX Principles, Bravura Solutions has a comprehensive investor engagement program which includes briefings, presentations and events.

7.3 Meetings of shareholders

The meetings of shareholders of Bravura Solutions represent an excellent opportunity for Bravura Solutions to provide information to its shareholders. Bravura Solutions encourages attendance at, and participation in, general meetings.

Bravura Solutions intends to hold its annual general meeting in November in Sydney.

A notice of a meeting will be sent to shareholders prior to the meeting, including details of the time and place of the meeting, the resolutions to be considered and proxy voting procedures.

Bravura Solutions recognises that some shareholders will not be able to attend its meetings of shareholders. To allow for the participation of any such shareholders, Bravura Solutions encourages shareholders to forward their questions to the Company Secretary prior to the meeting. Where appropriate, these questions will be read out and answered at the meeting, or, if this is not practicable, the question and answer will be recorded in the transcript of the meeting.

8 Risk management

(ASX Corporate Governance Principles and Recommendations: 7)

Bravura Solutions views risk recognition and management as essential to its objectives of creating and maintaining shareholder value and to the successful execution of Bravura Solutions' strategies. The Board has established the Audit and Risk Management Committee to assist the Board in overseeing the implementation of an effective system of risk management for which the Board is ultimately responsible. The Board also requires management to be involved in the design, implementation and maintenance of a sound system of risk management. Further details of the roles and responsibilities of the Board, the Audit and Risk Management Committee and management can be found in the Audit and Risk Management Committee Charter and Risk Management Policy available at: https://bravurasolutions.com/wp/wp-content/uploads/2012/12/Bravura-Solutions-Limited-Audit-Risk-Management-Committee-Charter-1.pdf; and https://bravurasolutions.com/wp/wp-content/uploads/2012/12/Bravura-Solutions-Limited-Risk-Management-Policy-1.pdf.

8.1 Risk management framework

In order to properly identify and develop strategies and actions to manage business risks, Bravura Solutions has put in place a business risk management framework to identify and assess specific risks. Once a business risk is identified, the risk management processes and systems implemented by Bravura Solutions are aimed at providing the necessary framework to enable the business risk to be managed.

The Audit and Risk Management Committee oversees the risk management framework which will be reviewed at least annually as per Recommendation 7.2(a) of the ASX Principles. The risk management framework is also actively managed by executives.

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8.2 Internal audit function

The Audit and Risk Management Committee has identified and implemented processes to evaluate and continually improve the effectiveness of its risk management and internal control processes despite not having an internal audit function (in compliance with Recommendation 7.3(b) of the ASX Principles). The Audit and Risk Management Committee has charged executives to identify, assess and address risks related to finance, operations and corporate governance. The Audit and Risk Management Committee requires its executives to prepare, monitor and maintain a risk register of those risks identified and how those risks will be addressed.

8.3 Material risk disclosure

There are a number of risks which are inherent to the business activities which Bravura Solutions undertakes.

Bravura Solutions core risks and the ways in which these are managed are set out at page 24 of Bravura Solutions' Annual Report.

Bravura Solutions does not believe that it has a material exposure to the risks identified in Recommendation 7.4 of the ASX Principles.

9 Remuneration

(ASX Corporate Governance Principles and Recommendations: 8)

Bravura Solutions is committed to attracting and retaining the best people to work in the organisation, including Directors and management. A key element in achieving that objective is to ensure that Bravura Solutions is able to appropriately remunerate its key people.

9.1 Remuneration and Nomination Committee

The Board has established a Remuneration and Nomination Committee to review and make recommendations to the Board in relation to Bravura Solutions' Remuneration Policy including as it applies to Directors and the process by which any pool of Directors' fees approved by shareholders is allocated to Directors along with remuneration packages of executives.

9.2 Remuneration Policy

Bravura Solutions' Remuneration Policy establishes a framework for remuneration that is designed to fairly and responsibly reward Directors and executives having regard to Bravura Solutions' performance, the performance of executives and the general pay environment subject to legal and regulatory requirements. A copy of Bravura Solutions' Remuneration Policy is available at: https://bravurasolutions.com/wp/wp-content/uploads/2012/12/Bravura-Solutions-Limited-Remuneration-Policy-1.pdf.

9.3 Equity-based remuneration scheme

During the Reporting Period, Bravura Solutions did not have an equity-based remuneration scheme.

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Auditor's Independence Declaration

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Building a better working world

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 2017, 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

Gamini Martinus
Partner
23 August 2017

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Consolidated Statement of profit and loss and other comprehensive Income

	Notes	2017	2016
		$'000	$'000
Revenue from continuing operations	6	**191,906**	184,702
Employee benefits expense	7	**(119,335)**	(119,384)
Depreciation, amortisation and impairment expense	7	**(8,254)**	(8,315)
Third party cost of sales		**(14,904)**	(15,786)
Travel and accomodation costs		**(5,122)**	(4,906)
Occupancy costs		**(6,565)**	(7,145)
Telecommunication costs		**(7,133)**	(7,021)
Development operating expense		**(2,531)**	(2,146)
Onerous contract		**-**	(3,382)
Other expenses		**(3,685)**	(5,420)
Foreign exchange loss		**(784)**	(3,235)
Finance costs		**(4,194)**	(11,685)
IPO transaction costs		**(2,755)**	(1,102)
Profit/(loss) before income tax		**16,644**	(4,825)
Income tax expense	8	**(2,216)**	(1,638)
Profit/(loss) for the year after income tax expense attributable to shareholders of Bravura		**14,428**	(6,463)
Other comprehensive income will be reclassified subsequently to profit or loss when specific conditions are met			
Exchange differences on translation of foreign operations	29a	**3,178**	6,532
Total comprehensive income for the year attributable to shareholders of Bravura		**17,606**	69
Profit/(loss) attributable to owners	**29b**	**14,428**	(6,463)

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

		$	$
Basic and diluted earnings/(loss) per share	9	**$0.08**	($0.05)

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

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Consolidated Statement of Financial Position

	Notes	2017	2016
		$'000	$'000
ASSETS			
Current assets			
Cash and cash equivalents	10	**17,071**	29,113
Trade and other receivables	11	**37,209**	18,852
Current tax asset	12	**-**	101
Other current assets	13	**4,111**	4,976
Total current assets		**58,391**	53,042
Non-current assets			
Receivables	14	**2,280**	2,778
Other financial assets		**-**	7
Property, plant and equipment	15	**9,225**	10,877
Deferred tax assets	16	**2,153**	1,462
Intangible assets	17	**109,966**	105,652
Total non-current assets		**123,624**	120,776
Total Assets		**182,015**	173,818
LIABILITIES			
Current liabilities			
Trade and other payables	18	**11,607**	7,608
Borrowings	20	**5,737**	11,968
Provisions	21	**9,952**	8,963
Provision for income Tax	19	**1,054**	-
Deferred revenue	22	**27,372**	26,081
Other financial liability		**-**	181
Other current liabilities	23	**14,894**	14,429
Total current liabilities		**70,616**	69,230
Non-current liabilities			
Borrowings	24	**-**	49,884
Redeemable preference shares		**-**	59,680
Deferred tax liabilities	25	**2,182**	2,604
Provisions	26	**3,012**	4,473
Other non-current liabilities	27	**223**	-
Total non-current liabilities		**5,417**	116,641
Total liabilities		**76,033**	185,871
Net assets		**105,982**	(12,053)
EQUITY			
Contributed equity	28	**184,989**	84,560
Reserves	29a	**10,058**	6,880
Accumulated losses	29b	**(89,065)**	(103,493)
Total equity		**105,982**	(12,053)

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

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Consolidated Statement of Changes in Equity

2016	Notes	Contributed equity	Foreign currency translation reserve	Accumulated losses	Total equity
		$'000	$'000	$'000	$'000
Balance at 1 July		84,560	348	(97,030)	(12,122)
Loss for the year	29 (b)	-	-	(6,463)	(6,463)
Other comprehensive loss	29 (a)	-	6,532	-	6,532
Total comprehensive income/(loss) for the period		-	6,532	(6,463)	69
Balance at 30 June		84,560	6,880	(103,493)	(12,053)
2017					
Balance at 1 July		**84,560**	**6,880**	**(103,493)**	**(12,053)**
Profit for the year	**29 (b)**	**-**	**-**	**14,428**	**14,428**
Other comprehensive income	**29 (a)**	**-**	**3,178**	**-**	**3,178**
Total comprehensive income for the period		**-**	**3,178**	**14,428**	**17,606**
IPO Transaction costs	**28 (b)**	**(14,021)**	**-**	**-**	**(14,021)**
Issue of share capital	**28 (b)**	**114,450**	**-**	**-**	**114,450**
Balance at 30 June		**184,989**	**10,058**	**(89,065)**	**105,982**

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

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Consolidated Statement of Cash Flows

	Notes	2017 $'000	2016 $'000
Operating activities			
Receipts from customers (inclusive of goods and services tax)		**208,804**	220,094
Payments to suppliers and employees (inclusive of goods and services tax)		**(187,398)**	(190,093)
Payments of IPO transaction costs		**(3,994)**	-
		17,412	30,001
Interest received	6	**24**	25
Income taxes paid		**(1,560)**	(1,742)
Net cash inflows from operating activities	36	**15,876**	28,284
Investing activities			
Purchase for property, plant and equipment	15	**(3,572)**	(3,125)
Payments for capitalised software development	17	**(7,733)**	(4,039)
Net cash outflows from investing activities		**(11,305)**	(7,164)
Financing activities			
Proceeds from share issue	28	**114,580**	-
Proceeds from borrowings		**13,607**	8,087
Interest paid		**(1,298)**	(3,748)
Payments of IPO transaction costs		**(13,254)**	-
Redemption of redeemable preference shares		**(62,711)**	-
Repayment of borrowings		**(66,224)**	(13,959)
Finance lease payment		**-**	(1,092)
Net cash outflows from financing activities		**(15,300)**	(10,712)
Net increase/(decrease) in cash and cash equivalents		**(10,729)**	10,408
Cash and cash equivalents at the beginning of the financial year		**29,113**	18,882
Effects of exchange rate changes on cash and cash equivalents		**(1,313)**	(177)
Cash and cash equivalents at end of year	10	**17,071**	29,113

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

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1 Summary of significant accounting policies

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

The Financial Report was authorised for issue on 23 August 2017 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).

(ii) *Historical cost convention*

These financial statements have been prepared under the historical cost convention as modified by financial assets and liabilities at fair value through profit or loss.

(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. In particular, in the Consolidated statement of profit and loss and other comprehensive income the Consolidated Entity has reclassified IPO's transaction costs to achieve a separate expense disclosure.

(b) Going Concern

The Consolidated Entity has net current liabilities of $12.2 million, $27.4 million of current liabilities relate to deferred revenue, which does not result in future cash outflows. The Board notes that the Consolidated Entity had a strong cash balance of $17.1 million and positive cash flows from operating activities of $15.9 million. The Consolidated Entity has undrawn credit lines totalling $12.9 million. Cash flow forecasts based on projected activity and business volumes indicate that the Consolidated Entity will be able to pay its creditors as and when they fall due for at least 12 months from the date of approval of the financial statements, and that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements as at 30 June 2017. Accordingly, these financial statements have been prepared on a going concern basis and no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of the liabilities.

(c) Basis of consolidation

The Consolidated financial statements comprise the financial statements of Bravura Solutions Limited ("Company" or "parent entity") and its subsidiaries ("the Group") as at 30 June 2017. 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;
- 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's functional and presentation currency.

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

(ii) *Transactions and balances*

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

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

The functional currencies of the overseas subsidiaries are as follows:

(a) Bravura Solutions (NZ) Ltd – New Zealand dollars (NZ$)
(b) Bravura Solutions (UK) Holdings Ltd – Australian dollars (AU$)
(c) Bravura Solutions (UK) Investments Ltd – British pounds (UK£)
(d) Bravura Solutions (UK) Ltd – British pounds (UK£)
(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 (UK£)
(k) Bravura Solutions Services (UK) Ltd – British pounds (UK£)
(l) Bravura Solutions (Thailand) Company Ltd – Thai Baht (THB)
(m) Bravura Solutions India Private Ltd – Indian Rupee (INR)

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

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

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

Revenue is recognised for the major business activities as follows:

(i) *Licence fees*

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

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

Licence fees recognised upfront are recognised at the present value of the related future contractual revenue streams, discounted at the discount rate applicable to the debtor which is approximate to Bravura's incremental borrowing rate, with the discount being unwound through profit and loss over the period of the agreements and presented as interest income. Term licences are ratably recognised over the term of the arrangement, unless the full licence fee has been paid upfront.

(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 services fees*

Revenue is recognised over the period when services is 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. Refer to note 2(a) for basis of calculation.

(v) *Deferred revenue*

Fees for services received in advance are recorded as a liability within deferred revenue on the Consolidated statement of financial position and these amounts are amortised to profit or loss over the relevant period of the contract which is in line with the provision of the services.

(vi) *Interest income*

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

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income. Interest income on impaired loans is recognised using the original effective interest rate.

(vii) *Dividends*

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

(viii) *Other revenue*

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

(f) Income tax

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

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

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

Deferred tax liabilities are recognised for all taxable temporary differences:

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

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

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

The carrying amount of deferred tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

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

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.

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

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

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

(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

Trade receivables are carried at the original invoice amount, less provision for impairment. Trade receivables are generally due for settlement within 30 to 90 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial re-organisation, and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired.

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

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

(l) Investments and other financial assets

Classification

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

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

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

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included

in trade and other receivables (note 11) and receivables in the Consolidated Statement of Financial Position.

(iii) *Held-to-maturity investments*

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

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Financial assets – re-classification

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

Recognition and de-recognition

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

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

Subsequent measurement

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

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

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

Details on how the fair value of financial instruments is determined are disclosed in note 4.

Impairment

The Consolidated Entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available for sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is re-classified from equity and recognised in the profit or loss as a re-classification adjustment. Impairment losses recognised in profit or loss on equity instruments classified as available for sale are not reversed through profit or loss.

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

(m) Derivatives

The Group uses 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);

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- 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) Redeemable Preference Shares

Redeemable preference shares are separated into liability and equity components based on the terms of the contract. On issuance of the redeemable preference shares, the fair value of the liability component (where there is a contractual obligation to transfer cash to the holder of the share) is determined using a market rate for an equivalent non-redeemable instrument. The amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on redemption.

The remainder of the proceeds is recognised in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the equity component is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the redeemable preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

(o) Financial guarantee contracts

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

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

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

(p) Property, plant and equipment

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

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

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the lease term or as follows:

Plant and equipment	20% to 33%
Furniture and fittings	20%
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. Please 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.

(q) Intangible assets

(i) *Goodwill*

Goodwill represents the excess of the cost of an acquisition over the fair value of the Consolidated Entity's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

(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 is

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established are capitalised. Research costs are expensed when incurred.

(r) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year that are unpaid and arise when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services.

(s) Borrowings

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

(t) Borrowing costs

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

(u) Provisions

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

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.

(v) Employee benefits

(i) *Short-term obligations*

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

(ii) *Other long-term employee benefit obligations*

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

(w) 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.

(x) 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.

(y) Fair value measurement

AASB13 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 AASB7 *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.

(z) 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.

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(aa) 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.

(ab) New and amended standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods 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.

AASB 9 Financial Instruments

This standard, effective FY2019, includes requirements to simplify the approach for the classification and measurement of financial instruments. This is not expected to materially impact the Group's financial statements.

AASB 15 Revenue from Contracts with Customers

This new standard, effective FY2019, establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers.

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 Consolidated Entity generates a majority of its revenue from professional services based on time and material and maintenance and support services. Based on an initial impact assessment, the new standard is not expected to significantly impact revenue recognition for these revenue streams. Given the long-term nature of its contracts the Consolidated Entity is continuing to complete its assessment of all revenue streams. The Consolidated Entity is expected to elect the modified retrospective approach, applying the standard retrospectively to only the most current period presented in the financial statements (i.e., the initial period of application). The Consolidated Entity has to recognise the cumulative effect of initially applying AASB15 as an adjustment to the opening balance of retained earnings. The Consolidated Entity is undertaking a comprehensive review of the implementation impacts of AASB 15, which it expects to finalise in FY18.

AASB 16 Leases

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

(ac) Parent Entity financial information

The financial information for the parent entity of *Bravura* is disclosed in note 37 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 historical cost in the financial statements of Bravura. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) *Tax consolidation legislation*

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*

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 judgment 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 consolidate entity until they reach the entitlement period. The probability factors applied to pro-rated entitlements are based on company and industry specific data. Adjustments are made to these probabilities when considered necessary.

(iii) *Revenue recognition for multiple element arrangements*

The Consolidated Entity has arrangements that 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. This estimation is based on management's assessment of fair value.

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

(iv) *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

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.

Litigation and claims

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

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

3 Financial assets and financial liabilities

3.1 Financial assets

	2017	2016
	$'000	$'000
Cash and cash equivalents	**17,071**	29,113
Trade and other receivables	**37,209**	18,852
Receivables	**2,280**	2,778
Derivative asset	**-**	7
	56,560	**50,750**

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

Derivative asset

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

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3.2 Financial liabilities

	2017	2016
	$'000	$'000
Borrowings	**5,737**	61,852
Redeemable preference shares	**-**	59,680
Interest rate swap	**-**	181
	5,737	121,713
Other financial liabilities (non-interest bearing)		
Trade and other payables	**11,607**	7,608
	17,344	129,321

Secured bank borrowings

The bank loans with CBA were secured by a deed of charge and mortgage over Bravura and certain wholly owned subsidiaries. On 15 November 2016, this CBA facility was repaid and all security released. Refer Note 24. Subsequent to the reporting date, the Consolidated Entity amended the CBA facility to include further NZD5 million borrowings expiring 15 November 2019.

Un-secured bank borrowings

The Group has entered into a new facility agreement with the Commonwealth Bank of Australia (CBA), which expires on 19 November 2019. Refer Note 20.

Interest rate swap

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

Redeemable preference shares

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

3.3 Financial instruments risk management objectives and policies

The Consolidated Entity's activities expose it to a 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 uses 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.

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(ii) *Credit risk*

Credit risk is managed on a Consolidated Entity basis. Credit risk refers to the risk that 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 current receivables at the reporting date, based on the nature and payment history of the Consolidated Entity's customers.

Credit risk exists for non-current receivables at the reporting date. The Consolidated Entity manages this risk through regularly assessing the credit quality of customers. There has not been any impairment of non-current receivables during the year ended 30 June 2017 (2016: $nil).

The Consolidated Entity's maximum exposure to credit risk at balance date for the recognised financial assets is the carrying amount.

At 30 June 2017, the ageing of current and non-current trade receivables that were not impaired was as follows:

	2017	2016
	$'000	$'000
Neither past due nor impaired	**34,822**	19,460
Past due 1-30 days	**950**	505
Past due 31-90 days	**1,665**	52
Past due 91+ days	**812**	435
	38,249	20,452

(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 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 Group's 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 $
2017 - $'000			
Financial assets	12,656	31,756	1,350
Financial liabilities	7,587	5,023	475
	Australian $	Pound Sterling	New Zealand $
2016 - $'000			
Financial assets	2,122	11,780	10
Financial liabilities	-	7,967	9,481

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The significant exchange rates during the year are as followings:

$	Average rate		Year-end spot rate	
	2017	2016	2017	2016
New Zealand Dollar	**0.945**	0.918	**0.953**	0.956
Pound Sterling	**1.684**	2.040	**1.691**	1.806
US Dollar	**1.327**	1.374	**1.301**	1.348
Euro	**1.446**	1.525	**1.486**	1.494
South African Rand	**0.098**	0.095	**0.100**	0.090
Polish Zloty	**0.336**	0.355	**0.351**	0.337
Hong Kong Dollar	**0.171**	0.174	**0.167**	0.177
Indian Rupee	**0.020**	0.021	**0.020**	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 and Indian Rupee exchange rates, with all other variables held constant. A positive number below indicates an increase in profit and other equity, a negative number indicates a reduction in profit and other equity. The Group's exposure to foreign currency changes for all other currencies is not material.

	Profit or loss		Equity, net of tax	
Effect in $'000 (before tax)	Strengthening	Weakening	Strengthening	Weakening
2017				
New Zealand Dollar (5% movement)	**24**	**(24)**	**(122)**	**122**
GB Pound Sterling (5% movement)	**(2,440)**	**2,441**	**(827)**	**828**
US Dollar (5% movement)	**(416)**	**416**	**(8)**	**8**
Polish Zloty (5% movement)	**145**	**(145)**	**(501)**	**501**
Indian Rupee (5% movement)	**654**	**(654)**	**(80)**	**80**
Other currencies (5% movement)	**(68)**	**69**	**1**	**(1)**
2016				
New Zealand Dollar (5% movement)	280	(280)	(71)	71
GB Pound Sterling (5% movement)	(899)	899	722	(722)
US Dollar (5% movement)	(888)	888	(1)	1
Polish Zloty (5% movement)	466	(466)	(198)	198
Indian Rupee (5% movement)	523	(507)	(149)	144
Other currencies (5% movement)	62	(62)	(9)	9

(b) *Price Risk*

The Consolidated Entity is not exposed to price risk.

(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.

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The Consolidated Entity's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Consolidated Entity to interest rate risk. Borrowings issued at fixed rates expose the Consolidated Entity to fair value interest rate risk. 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.

	2017		2016	
	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Bank loans	**3.705**	**5,737**	4.79	61,852
Interest rate cap (notional principal amount)[1]	**-**	**-**	1	(37,441)
Interest rate swaps (notional principal amount)[1]	**-**	**-**	2.01	(8,762)
Net exposure to cash flow interest rate risk		**5,737**		15,649

1 Interest rates caps and swaps are recorded at fair value through profit and loss. The fair value of these instruments is exposed to changes in interest rates despite requiring payment at a fixed rate of interest.

An increase in the interest rates by one percentage point would have a negative effect on profit of $60,000 (2016: $156,000) per annum. A decrease in the interest rates by one percentage point would have a positive effect on profit of $60,000 (2016: $156,000).

(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 23(b).

Floating rate	Consolidated	
	2017 $'000	2016 $'000
Expiring within one year	**-**	857
Revolving facilities	**5,737**	7,688
Term facilities	**-**	4,424
	5,737	12,969
Expiring beyond one year		
Term facilities	-	50,171
	5,737	63,140

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.

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

At 30 June 2017	1 year or less	Between 1 to 2 years	Between 2 and 5 years	Over than 5 years	Total Contractual	Carrying amount
$'000						
Financial assets						
Cash	**17,071**	**-**	**-**	**-**	**17,071**	**17,071**
Trade Receivables	**32,300**	**-**	**-**	**-**	**32,300**	**32,300**
Receivables	**3,669**	**650**	**1,950**	**-**	**6,269**	**5,949**
Financial liabilities						
Trade and other payables	**(6,455)**	**-**	**-**	**-**	**(6,455)**	**(6,455)**
Borrowings – includes interest	**(6,000)**	**-**	**-**	**-**	**(6,000)**	**(5,737)**
	40,585	**650**	**1,950**	**-**	**43,185**	**43,128**

At 30 June 2016	1 year or less	Between 1 to 2 years	Between 2 and 5 years	Over than 5 years	Total Contractual	Carrying amount
$'000						
Financial assets						
Cash	29,113	-	-	-	29,113	29,113
Trade Receivables	14,023	-	-	-	14,023	14,023
Receivables	3,651	1,300	1,950	-	6,901	6,429
Interest rate cap	179	45	-	-	224	7
Financial liabilities						
Trade and other payables	(2,968)	-	-	-	(2,968)	(2,968)
Borrowings – includes interest	(14,994)	(50,494)	-	-	(65,488)	(61,852)
Redeemable preference shares	-	-	(74,237)	-	(74,237)	(59,680)
Interest rate swap	(104)	(30)	-	-	(134)	(181)
	28,900	(49,179)	(72,287)	-	(92,566)	(75,109)

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4 Fair value measurements

$'000	Carrying value		Fair value	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
Financial liabilities				
Borrowings	**5,737**	61,852	**6,000**	62,282
Redeemable preference shares	**-**	59,680	**-**	59,680
	5,737	121,532	**6,000**	121,962

The fair values of cash, receivables and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair values quoted in the above table in relation to non-current liabilities are all categorised within the fair value hierarchy as Level 2 inputs.

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.

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

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Consolidated Entity's financial instruments including redeemable preference shares, borrowings and derivative financial instruments are valued using the Level 2 valuation techniques, being observable inputs.

No financial assets or liabilities were transferred from level 1 and 2 during the year ended 30 June 2017 (2016: nil). There are no financial assets or liabilities classified as level 3 financial instruments.

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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.
- 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. Pro forma operating EBITDA is earnings before finance cost, interest and foreign exchange gains and losses, tax, depreciation, amortisation as well as non-recurring expenses. Operating EBITDA is reconciled with profit or loss in the consolidated financial statements below.

	2017	2016
	$'000	$'000
Wealth Management	**122,658**	99,615
Funds Administration	**69,220**	85,062
Total segment revenue[1]	**191,878**	184,677
Wealth Management	**30,340**	13,474
Funds Administration	**31,683**	40,095
Total segment Operating EBITDA	**62,023**	53,569
Corporate costs	**(29,420)**	(33,384)
Finance income (Note 6)[1]	**28**	25
Total pro forma operating EBITDA	**32,631**	20,210
Depreciation and amortisation expense	**(8,254)**	(8,315)
Finance expense	**(4,194)**	(11,685)
Foreign exchange loss	**(784)**	(3,235)
Profit/(loss) before income tax and IPO transaction costs	**19,399**	(3,025)
IPO transaction costs	**(2,755)**	(1,800)
Net profit/(loss) before tax	**16,644**	(4,825)
Income tax expense	**(2,216)**	(1,638)
Net profit/(loss) after tax	**14,428**	(6,463)

	2017	2016
Segment Assets	$'000	$'000
Wealth Management	**164,497**	148,471
Funds Administration	**17,518**	25,347
	182,015	173,818

Segment Liabilities		
Wealth Management	**48,925**	130,205
Funds Administration	**27,108**	55,666
	76,033	185,871

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Segment Revenue by geography[1]	2017 $'000	2016 $'000
Australia	**62,240**	69,489
UK	**103,176**	94,169
New Zealand	**15,771**	12,829
Others	**10,692**	8,190
	191,878	184,677

Segment Non-current operating assets by geography[2]	2017 $'000	2016 $'000
Australia	**113,585**	109,573
UK	**5,813**	7,711
New Zealand	**1,793**	1,754
Others	**280**	277
	121,471	119,314

1. Segment revenue excludes finance income in this segment disclosure (note 6) and is based on Management's view.
2. Non-current assets for this purpose consist of property, plant and equipment and intangible assets.

6 Revenue and Other Income

	2017 $'000	2016 $'000
Sales revenue		
Maintenance and hosting services	**91,909**	91,696
Professional services income	**83,563**	79,574
Licence fees	**14,974**	12,860
Other sales revenue	**1,432**	547
	191,878	184,677
Other revenue		
Interest received	**28**	25
	28	25
	191,906	184,702

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7 Expenses

	2017	2016
	$'000	$'000
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
Salary and wages	**106,684**	104,911
Defined contribution superannuation and pension expense	**11,412**	12,165
Other	**1,239**	2,253
Total employee benefits expense	**119,335**	119,329
Depreciation		
Plant and equipment	**2,066**	1,842
Leasehold improvements	**690**	1,157
Hosting plant and equipment	**1,866**	2,187
Furniture, fittings and equipment	**213**	214
Total depreciation	**4,835**	5,400
Amortisation		
Business contracts and relationships	**986**	987
Intellectual property and software development	**2,433**	1,928
Total amortisation	**3,419**	2,915
Total depreciation, amortisation and impairment	**8,254**	8,315
Finance costs		
Interest and finance charges paid/payable	**699**	3,324
Interest Redeemable preference shares (note 3.2)	**3,031**	7,349
Borrowing costs and other	**464**	810
Net (profit)/loss on derivative financial instruments	**-**	202
Total finance costs expensed	**4,194**	11,685
Lease of premises and equipment	**4,249**	4,098

8 Income tax expense

	2017 $'000	2016 $'000
Income tax expense		
Current tax	**3,489**	2,261
Deferred tax	**(1,113)**	(263)
Under/(over) provision in prior years	**(160)**	(360)
Total income tax expense	**2,216**	1,638
Deferred income tax expense/(benefit) included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets (note 16)	**(691)**	(338)
(Decrease)/increase in deferred tax liabilities (note 25)	**(422)**	109
	(1,113)	(229)
Amount credited directly to equity	**-**	-
	(1,113)	(229)
Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable		
Profit/(Loss) from continuing operations before income tax expense	**16,644**	(4,825)
Tax at the Australian tax rate of 30% (2016: 30%)	**4,993**	(1,448)
Difference in overseas tax rates	**(5,681)**	(3,011)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Current year unrecognised tax losses	**1,861**	5,295
Non deductible expenses	**962**	582
Attributable CFC income	**910**	713
Withholding tax written off	**229**	246
Thin capitalisation restriction	**-**	50
Loss relief utilised	**1,029**	(56)
Tax losses UK recognised	**(1,638)**	-
Undistributed reserves	**-**	94
Other	**(289)**	(467)
Under provision in prior years	**(160)**	(360)
Total income tax expense / (credit)	**2,216**	1,638
Tax losses		
Australia		
Unused tax losses for which no deferred tax asset has been recognised	**37,524**	31,748
Unused non-refundable tax offset for which no deferred tax asset has been recognised	**5,590**	5,590
Potential tax benefit of unused Australian tax losses @30% (2016:30%)	**16,848**	15,114
United Kingdom		
Unused tax losses for which no deferred tax asset has been recognised	**34,736**	35,465
Potential tax benefit of unused UK tax losses @19% (2016: 20%)	**6,600**	7,093

Bravura's Australian and United Kingdom 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 IPO of Bravura, Bravura 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 IPO costs is $984,711 in relation to IPO costs expensed and $3,296,644 in relation to IPO costs charged to equity.

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d) 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)

	2017	2016
	$'000	$'000
Profit/(loss) attributable to ordinary equity holders of the parent:	14,428	(6,463)
Profit/(loss) attributable to ordinary equity holders of the parent for basic earnings	14,428	(6,463)

	2017	2016
	Thousands	Thousands
Weighted average number of ordinary shares for basic EPS	185,160	137,315

The Company had an average of 32,070 thousand shares outstanding during 2016, which has been adjusted for the share split. Basic and diluted EPS are identical.

10 Current assets – cash and cash equivalents

	2017	2016
	$'000	$'000
Cash at bank	**17,070**	29,112
Cash on hand	**1**	1
	17,071	29,113

(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, and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalent is $17.1 million (2016:$29.1 million).

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11 Current assets – Trade and other receivables

	2017	2016
	$'000	$'000
Trade receivables	**32,300**	14,023
	32,300	14,023
Other receivables	**362**	427
Deposit	**878**	751
Accrued service revenue and licence fees	**3,669**	3,651
	4,909	4,829
	37,209	18,852

Impaired, bad and doubtful trade receivables written off

The Consolidated Entity has written off $nil bad debts during the year ended 30 June 2017 (2016: $nil) and recognised an allowance for impairment loss on trade receivables of $nil (2016: $nil).

As at 30 June 2017 current trade receivables of the Consolidated Entity with a nominal value of $nil (2016: $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 (2016: $nil).

12 Current assets – Current tax asset

	2017	2016
	$'000	$'000
Income Tax	**-**	101

13 Current assets – Other current assets

	2017	2016
	$'000	$'000
Prepayments	**4,111**	4,976

14 Non-current assets – Receivables

	2017	2016
	$'000	$'000
Accrued service revenue and licence fees unbilled receivable	**2,280**	2,778

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15 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 2015	12,061	1,311	6,372	12,275	32,019
Addition	3,033	44	13	1,695	4,785
Disposals	(44)	-	-	-	(44)
Exchange difference	(961)	3	(98)	(387)	(1,443)
At 30 June 2016	14,089	1,358	6,287	13,583	35,317
Addition	2,104	399	106	974	3,583
Exchange difference	(410)	3	69	(351)	(689)
At 30 June 2017	15,783	1,760	6,462	14,206	38,211
Depreciation and impairment					
At 1 July 2015	(8,165)	(773)	(3,929)	(6,889)	(19,757)
Depreciation	(1,842)	(214)	(1,157)	(2,187)	(5,400)
Disposals	14	-	-	-	14
Exchange difference	702	-	-	-	702
At 30 June 2016	(9,291)	(987)	(5,086)	(9,076)	(24,440)
Depreciation	(1,816)	(213)	(690)	(2,116)	(4,835)
Exchange difference	289	-	-	-	289
At 30 June 2017	(10,818)	(1,200)	(5,776)	(11,192)	(28,986)
Net book value					
At 30 June 2016	4,798	372	1,200	4,506	10,877
At 30 June 2017	4,965	560	686	3,014	9,225

Additions in Hosting plant and equipment during the period $974,483 (2016: $1,659,331) of datacentre hosting assets which had not yet been commissioned and remained payable at 30 June 2017.

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16 Non-current assets – Deferred tax assets

	2017	2016
	$'000	$'000
The balance comprises temporary differences attributable to:		
Property, plant and equipment	**130**	139
UK Tax losses	**546**	-
Temporary differences on intangibles	**457**	494
Accruals	**166**	305
Other	**854**	524
Total deferred tax assets	**2,153**	1,462
Movements:		
Opening balance at 1 July	**1,462**	1,124
Credited to profit or loss	**691**	338
Closing balance at 30 June	**2,153**	1,462

17 Non-current assets – Intangible assets

	Goodwill	Business contracts and relationships	Intellectual property and software development	Total
	$'000	$'000	$'000	$'000
Cost				
At 1 July 2015	128,697	53,239	82,734	264,670
Additions internally generated	-	-	4,039	4,039
At 30 June 2016	128,697	53,239	86,773	268,709
Additions internally generated	-	-	7,733	7,733
At 30 June 2017	128,697	53,239	94,506	276,442
Amortisation and impairment				
At 1 July 2015	(55,488)	(50,072)	(54,583)	(160,143)
Amortisation charge	-	(987)	(1,928)	(2,915)
At 30 June 2016	(55,488)	(51,059)	(56,511)	(163,058)
Amortisation charge	-	(986)	(2,432)	(3,419)
At 30 June 2017	(55,488)	(52,045)	(58,943)	(166,476)
Net book value				
At 30 June 2016	73,209	2,180	30,263	105,652
At 30 June 2017	73,209	1,194	35,563	109,966

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(i) *Goodwill*

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

(ii) *Business contracts and relationships*

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

(iii) *Intellectual property and software development*

Intellectual property and software are carried at cost less accumulated amortisation and, if applicable, accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight-line method over a period of five to fifteen years. The amortisation has been recognised in the Consolidated Statement of Comprehensive Income in the line item "depreciation and amortisation". If an impairment indicator should arise, the recoverable amount would be estimated and an impairment loss would be recognised to the extent that the recoverable amount was lower than the carrying amount. No goodwill and intangibles impairment charges were recognised in the reporting period.

(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)
- 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. For FA, the financial projections are based on actual contract terms, not exceeding 5 years, with no terminal value.

(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 2018 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 14% (2016: 14%).The pre-tax, risk adjusted discount rate applied to these cash flow projections for FA is 13% (2016: 13%)

The terminal value of WM after the five year projection period has been calculated using a growth rate of 2.5% (2016: 2.5%) which is determined by Management based on their assessment of expected long term annual growth for the software industry.

Cost of sales and expenses are based on detailed knowledge of the business, historic activity and detailed plans for the 2018 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.

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

2017	Wealth Management	Funds Administration	Total
	$'000	$'000	$'000
Goodwill	**73,209**	**-**	**73,209**
IP, business contracts and relationships	**35,188**	**1,569**	**36,756**
Consolidated carrying amount after impairment	**108,397**	**1,569**	**109,965**
Amortisation on IP, business contracts and relationships	**2,432**	**986**	**3,419**

2016	Wealth Management	Funds Administration	Total
	$'000	$'000	$'000
Goodwill	73,209	-	73,209
IP, business contracts and relationships	29,887	2,555	32,442
Consolidated carrying amount after impairment	103,096	2,555	105,651
Amortisation on IP, business contracts and relationships	1,928	987	2,915

(d) Sensitivity to changes in assumptions

Wealth Management

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 this, 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.

Funds Administration

The carrying values of the FA CGU's assets were impaired in 2015 to reflect its value in use carrying value. As such, any movement in the key assumptions would have an impact on the recoverable amounts. 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.

18 Current liabilities – Trade and other payables

	2017	2016
	$'000	$'000
Trade payables	**6,455**	2,968
Other payables	**5,152**	4,640
	11,607	7,608

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 are non-interest bearing and have an average term of 5 months

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19 Current tax provision

	2017	2016
	$'000	$'000
Income Tax	**1,054**	-

20 Current liabilities – Borrowings

	2017	2016
	$'000	$'000
Secured		
Bank loans	**-**	11,968
Unsecured		
Bank loans	**5,737**	-
	5,737	11,968

21 Current liabilities – Provisions

	2017	2016
	$'000	$'000
Employee benefits	**8,136**	7,105
Onerous contracts	**1,695**	1,670
Rent incentive	**121**	188
	9,952	8,963

(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 (2016: $3 million).

22 Current liabilities – Deferred revenue

	2017	2016
	$'000	$'000
Deferred maintenance and service revenue	**27,372**	26,081

Fees for services received in advance are recorded as a liability within Deferred Revenue on the 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.

23 Current liabilities – Other current liabilities

	2017	2016
	$'000	$'000
Accrued expenses	**14,894**	14,429

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24 Non-current liabilities – Borrowings

	2017	2016
	$'000	$'000
Bank loans – term loan	-	49,884
	-	49,884

(a) Secured liabilities and assets pledged as security

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

	2017	2016
	$'000	$'000
Bank loans	-	61,852
	-	61,852

The bank loans are secured by a deed of charge and mortgage over certain assets of the Group, as set out below:

	2017	2016
	$'000	$'000
Current		
Floating charge		
Cash and cash equivalents	-	29,113
Receivables	-	18,852
Other current assets	-	4,976
	-	52,941
Non current		
Floating charge		
Receivables non current	-	2,778
Plant and equipment	-	10,877
	-	13,655
Total assets pledged as security	-	66,596

(b) Financing arrangements

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

	2017	2016
Bank loan facilities	$'000	$'000
Total facilities	**19,710**	67,414
Used at balance date (Note 3.2)	**6,857**	63,139
Unused at balance date	**12,853**	4,275

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The bank loans with CBA were secured by a deed of charge and mortgage over Bravura and certain wholly owned subsidiaries. On 15 November 2016, this CBA facility was repaid and all security released. The new facility agreement with CBA is an unsecured revolving credit facility expiring 15 November 2019, providing AUD 12.1 million and GBP 4.5 million borrowing.The facilities for guarantees are drawn by an amount of $857,000 (2016: $857,000). Subsequent to the reporting date, the Consolidated Entity amended the CBA facility to include further NZD5 million borrowings expiring 15 November 2019.

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.

25 Non-current liabilities – Deferred tax liabilities

	2017	2016
	$'000	$'000
The balance comprises temporary differences attributable to:		
Intangible assets	**428**	428
Undistributed reserves	**982**	982
Other	**772**	1,194
Total deferred tax liabilities	**2,182**	2,604
Movements:		
Opening balance at 1 July	**2,604**	2,495
Charged to profit or loss	**(422)**	109
Closing balance at 30 June	**2,182**	2,604

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26 Non-current liabilities – Provisions

	2017	2016
	$'000	$'000
Employee benefits long service leave	**1,408**	1,390
Onerous contracts	**-**	1,586
Make good provision	**1,604**	1,497
	3,012	4,473

(a) Movements in provisions

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

$'000	Onerous contracts	Make good provision	Employee benefits
2017			
Carrying amount at start of year	3,256	1,497	8,495
Charged/(credited) to profit or loss			
Arising during the year	-	133	3,729
Utilised/paid	(1,448)	-	(2,663)
Exchange difference	(113)	(26)	(17)
Carrying amount at end of year	1,695	1,604	9,544
Current	1,695	-	8,136
Non-current	-	1,604	1,408
	1,695	**1,604**	**9,544**

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 must restore the leased premises in Australia, New Zealand and the United Kingdom to their original condition at the end of their respective lease terms (range from four to ten years).

Provisions were adjusted during the year ended 30 June 2017 based on updated estimates received to remove leasehold improvements from these leased premises and is included in the carrying amount of the leasehold improvements.

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27 Non-current liabilities – Other non-current liabilities

	2017	2016
	$'000	$'000
Accrued expenses	223	-
	223	-

28 Contributed equity

	2017	2016	2017	2016
	Shares	Shares	$'000	$'000
Share capital				
Total	**214,246,090**	32,069,999	**184,989**	84,560

(b) Movements in ordinary share capital

Ordinary shares issued and fully paid	Shares	$'000
At 1 July 2016	32,069,999	84,560
Shares cancellation	(2,000,000)	-
Share split	105,244,996	-
Shares issued	78,931,095	114,450
Transaction costs	-	(14,021)
At 30 June 2017	**214,246,090**	**184,989**

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up Bravura in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value. The opening balance as at 1 July 2016 has not been adjusted to reflect the share split which occured in FY2017 prior to IPO. EPS is calculated by adjusting shares at 1 July for the share split (refer to note 9).

The number of authorised ordinary shares is the same as the number of fully paid ordinary shares. There are no changes in the number of shares in the comparative period.

(d) 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 24(b)).

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.

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29 Reserves and accumulated losses

	30 June 2017	30 June 2016
	$'000	$'000
a) Reserves		
Foreign currency translation reserve	**10,058**	6,880
	10,058	6,880
Movements:		
Foreign currency translation reserve		
Balance 1 July	**6,880**	348
Currency translation differences arising during the year	**3,178**	6,532
Balance 30 June	**10,058**	6,880
b) Accumulated losses		
Balance 1 July	**(103,493)**	(97,030)
Profit/(Loss) for the year	**14,428**	(6,463)
Balance 30 June	**(89,065)**	(103,493)

(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.

30 Dividends

Ordinary shares

No dividends were paid to members during the financial period (2016: $nil). A dividend of 4.5c per share has been declared for payment on 28 September 2017.

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31 Key management personnel disclosures

(a) Directors

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

Non-executive Directors

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

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
Rama Velpuri	Global Head of Engineering – Wealth Management, appointed 13 March 2017

(c) Key management personnel compensation

	2017	2016
	$	$
Short term employee benefits	**3,817,699**	2,587,284
Post employment benefits	**72,457**	229,473
Other long term benefits	**-**	-
	3,890,156	2,816,756

IPO transaction bonuses as well as short-term incentives were paid in the current year and are disclosed in the Remuneration Report.

32 Contingencies

(a) Contingent liabilities

The Consolidated Entity had contingent liabilities at 30 June 2017 in respect of:

Bank guarantees

Guarantees given in respect of office leases of subsidiaries amounting to $857,000 (2016: $857,000) are unsecured.

(b) Contingent assets

The Consolidated Entity had no contingent assets at 30 June 2017 (2016: $nil).

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33 Commitments

Operating leases

	2017	2016
	$'000	$'000
Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:		
Within one year	**5,044**	4,635
Later than one year but not later than five years	**8,073**	10,474
Later than five years	**-**	594
	13,117	15,703

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

Capital commitments

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

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34 Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 31.

(b) Subsidiaries, ordinary and preference shares

Interests in subsidiaries are set out in note 35. Interests in redeemable preference shares are set out in note 3.2. Ironbridge holds 101,127,033 shares in the Company, which are subject to escrow arrangements.

101,127,033 shares currently held by the Ironbridge Funds (as defined in Bravura Solutions' prospectus dated 28 October 2016 (Prospectus)) under voluntary escrow arrangements will be released from escrow at 4.15pm (Sydney Time) on the date on which the financial results of Bravura for the financial year ending 30 June 2017 are released to ASX, which will be no earlier than 23 August 2017;

3,658,596 shares currently held by the Management Shareholders (as defined in the Prospectus) under voluntary escrow arrangements will be released from escrow at 4.15pm (Sydney Time) on the first date on which the volume weighted average price of Bravura shares over any period of 10 consecutive trading days (in aggregate) commencing on or after the release of the financial results of Bravura for the financial year ending 30 June 2017 exceeds $1.74 (in accordance with the escrow deeds entered into by the Management Shareholders); and

7,328,154 remaining shares currently held by the Management Shareholders (as defined in the Prospectus dated 28 October 2016 (Prospectus)) under voluntary escrow arrangements will be released from escrow at 4.15pm (Sydney Time) on the date on which the financial results of Bravura for the half year ending 31 December 2017 are released to ASX.

(c) Outstanding balances arising from transactions with related parties

	2017	2016
	$'000	$'000
Current payables		
Payable to Ironbridge Capital Holdings Pty Ltd	**11**	**-**

(d) Loans from related parties

There are no loan receivables from members of key management personnel at the reporting date (2016: $nil). There are no loans payable to related parties at the reporting date (2016: $nil). All loans from shareholders were repaid on 15 November 2016 (30 June 2016: $130,000).

(e) Transactions with related parties

	2017	2016
	$'000	$'000
Management fee - Ironbridge Capital Management Pty Ltd [1]	**200**	700
IPO transaction costs - Ironbridge Capital Management Pty Ltd	**4,000**	-
	4,200	700

Disclosures relating to guarantees to related parties provided are set out in note 37(b).

1. Applies to the date of the IPO.

(f) Terms and conditions of transactions with related parties other than key management personnel or entities related to them

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

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35 Subsidiaries

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

Name of entity	Country of incorporation	Class of Shares	Equity holding 2017 %	Equity holding 2016 %
Bravura Solutions Investments Pty Ltd	Australia	Ordinary	100	100
Bravura Solutions 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	Thailand	Ordinary	100	100
Bravura Solutions India LLP [1]	India	-	100	100

1. Partnership.

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36 Reconciliation of profit/(loss) after income tax to net cash inflow from operating activities

	2017	2016
	$'000	$'000
Profit/(loss) for the year	**14,428**	(6,463)
IPO transaction costs	**2,755**	1,102
Depreciation and amortisation	**8,254**	8,315
Non cash finance costs	**1,118**	6,246
Net unrealised exchange differences	**761**	4,552
Change in operating assets and liabilities		
(Increase) /decrease in trade and other debtors, accrued revenue	**(17,855)**	4,977
(Increase) /decrease in deferred revenue	**1,292**	4,006
(Increase)/ decrease in prepayments	**865**	(1,758)
(Increase)/ decrease in deferred tax assets	**(692)**	(338)
Increase/ (decrease) in trade creditors	**3,487**	(5,490)
(Decrease)/ increase in provision for income taxes payable	**1,151**	(278)
(Decrease)/ increase in deferred tax liabilities	**(422)**	109
Decrease/(increase) in provisions and other liabilities	**735**	13,304
Net cash inflow from operating activities	**15,876**	28,284

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37 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 individual financial statements for the parent entity show the following aggregate amounts:

	2017	2016
	$'000	$'000
Balance sheet		
Current assets	**55,380**	16,777
Non-current assets	**135,676**	133,250
Total assets	**191,056**	151,565
Current liabilities	**-**	2,201
Non-current liabilities	**-**	59,680
Total liabilities	**-**	61,881
Net assets	**191,056**	89,684
Shareholders' equity		
Contributed equity	**184,990**	84,560
Reserves	**-**	-
Accumulated profits	**6,066**	5,124
	191,056	89,684
Profit for the year	**943**	5
Total comprehensive profit	**943**	5

(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 (2016: 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 2017, the parent entity had no contractual commitments for the acquisition of property, plant or equipment (2016: $nil).

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38 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

	2017	2016
	$	$
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	**475,753**	377,800
Other services in relation to the entity and any other entity in the consolidated group		
Independent accountants report and advisory services	**2,365,580**	235,500
Tax compliance services	**60,939**	45,000
Taxation advice	**78,280**	57,000
	2,504,799	337,500
Amounts received or due and receivable by related practices of Ernst & Young for:		
An audit of any other entity in the consolidated group	**88,893**	86,097
Tax compliance services	**41,816**	33,566
Taxation advice	**-**	78,369
	130,709	198,032
Amounts received or due and receivable by non Ernst & Young audit firm for:		
Audit	**18,027**	16,737
Tax compliance services	**7,913**	7,399
Advisory services	**13,482**	13,147
	39,422	37,283

39 Events occurring after the reporting period

There have been no occurrences of matters or circumstances subsequent to year end that have significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years. Subsequent to the reporting date, the Consolidated Entity amended the CBA facility to include further NZD5 million borrowings expiring 15 November 2019.

A full year dividend of 4.5c per share has been declared and will be paid on 28 September 2017.

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Directors' Declaration

In the Directors' opinion:

The financial statements and notes of Bravura Solutions Limited for the year ended 30 June 2017 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 2017 and of its performance and cash flows for the year ended on that date, and

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 2017, in accordance with a resolution of the Directors.



BRIAN MITCHELL
CHAIRMAN AND NON-EXECUTIVE DIRECTOR

Sydney
23 August 2017

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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 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

In our opinion:

The accompanying financial report of Bravura Solutions Limited is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's consolidated financial position as at 30 June 2017 and of its consolidated financial performance for the year ended on that date; and
- 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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia; and we have 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 statements. 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.

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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. As outlined in Note 1 (e) and 2(a), 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, specifically concerning the cost to deliver and margin in determining the stand-alone selling price of each element. These estimates and assumptions are impacted by future performance, market and economic conditions. Due to the complexity of the multi-element contracts and in determining the relative fair value elements, this was considered to be a key audit matter.	Our audit procedures included the following: ▸ An assessment of the appropriateness of the Group's revenue recognition accounting policies relating to multi-element arrangements in relation to the requirements of Australian Accounting Standard AASB 118 *Revenue*; ▸ An assessment of the Group's determination of the fair value of the individual elements of their multi-element sales contracts; ▸ For a sample of contracts and sales transactions associated with those contracts, we considered how these fair values had been allocated to separately identifiable revenue components of multiple-element arrangements; and ▸ For a sample of contracts and sales transactions associated with those contracts, we assessed whether revenue was recognised in the appropriate accounting period.

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2. Onerous contracts

Why significant	How our audit addressed the key audit matter
As at 30 June 2017, a provision of $1.7m has been recorded in relation to three loss making contracts. Significant estimates are made by the Group in measuring the onerous contracts provision and the changes in assumptions and estimates used to value the Group's onerous contracts provision would have a significant effect on the results and financial position of the Group. Accordingly, this was considered to be a key audit matter.	Our audit procedures included the following: ► An assessment of whether all onerous contracts were identified by the Group, through discussions with Directors, examination of the reports provided to the Directors, reading minutes of Directors' meetings, obtaining and reviewing new significant contracts entered into during the year, reviewing contract margins and testing management's assumptions; ► For each onerous contract, we assessed the amount provided by evaluating the judgements and assumptions exercised by the Group in determining the unavoidable costs of meeting the contractual obligation and the estimate of the expected benefits to be received under the contract; ► For each onerous contract, we compared the historical performance relative to estimated margin by contract; and ► For each onerous contract, we considered changed circumstances since the prior balance date and ensured any variances to the previous position were explained and appropriately supported by the Group.

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3. Capitalised development costs

Why significant	How our audit addressed the key audit matter
Capitalised development costs in relation to the development of the Sonata software represent 20% of the total assets. As outlined in Note 1 and Note 17 these costs are capitalised as they meet the applicable criteria set out in AASB 138 *Intangible Assets*, 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. Given the value of these balances, the significant level of amounts capitalised during the year, and the judgements required to be made this was considered to be a key audit matter.	Our audit procedures included the following: ▸ An assessment of the Group's accounting policy for capitalisation of development costs for compliance with AASB 138 *Intangible Assets*; ▸ Tested the operating effectiveness of controls in respect of the processes and procedures to identify the eligibility of the development costs to be capitalised; ▸ Tested the authorisation of the costs attributed to the development phase and the accuracy of costs capitalised during the period; ▸ Assessed the useful economic lives attributed to capitalised development costs through discussions with management and analysis of software sales and contract terms; ▸ Considered whether amortisation expense was recorded based upon the assigned useful lives; and ▸ Evaluated the Group's assessment for the indicators of impairment of capitalised development costs.

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4. Carrying value of goodwill and intangible assets

Why significant	How our audit addressed the key audit matter
As at 30 June 2017, the Group's consolidated statement of financial position included $73.2m of goodwill, $35.6m of Software development costs and $1.2m of other intangible assets. Australian Accounting Standard AASB 136 *Impairment of Assets* requires indefinite life intangibles to be tested annually for impairment and finite life intangibles to be tested if indicators of impairment exist. The Group have prepared an impairment model to ascertain whether there has been any impairment within the Wealth Management ("WM") cash generating units as it contain infinite life intangibles. As disclosed in Note 17 to the financial statements, the Group's assessment of goodwill for impairment, involves critical accounting estimates and assumptions, specifically concerning future discounted cash flows. These estimates and assumptions are impacted by future performance, market, regulatory and economic conditions. The magnitude of intangibles to the balance sheet position and the significant judgements and assumptions involved in the annual assessment process have resulted in us having considered this to be key audit matter.	Our audit procedures included the following: ► An assessment of whether the methodology and model used by the Group to test for impairment meets the requirements of AASB136 *Impairment of Assets*; ► Tested whether the model used was mathematically accurate; ► Compared the assumptions used by the Group against its Board approved budget and five-year business plan; ► Considered the historical accuracy of the Group's cash flow forecasting; ► Assessed underlying assumptions used in the cash flow forecast relating to growth rates and discount rates. This assessment was conducted with respect to market participant expectations of assumptions; ► Considered the impact of a range of assumption sensitivities in the impairment model and assessed the sensitivity analysis performed by the Group; and Considered the adequacy of the financial report disclosures contained in Note 17, in particular those regarding the assumptions to which the outcome of the impairment test is most sensitive.

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

The Directors of the Company are responsible for the other information. The other information comprises the information in the Company's Annual Report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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 upon 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 related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or 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 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 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 entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

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- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the entity'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 the opinion on the financial 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.

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 49 of the Directors' Report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Bravura Solutions Limited for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

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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

Gamini Martinus

Gamini Martinus
Partner
Sydney
23 August 2017

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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 15 August 2017.

Distribution of equity securities

214,246,090 fully paid ordinary shares are held by 449 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	28
1,001 to 5,000	92
5,001 to 10,000	58
10,001 to 100,000	222
100,001 and Over	49
Total	**449**
Holding less than a marketable parcel	-

Substantial shareholders

Fully paid ordinary shares	Number	Percentage
Carp Holdings N.V. *	66,582,037	31.08
Citicorp Nominees Pty Limited	23,920,670	11.17
HSBC Custody Nominees (Australia) Limited	21,637,864	10.1
Carp Advisory B Pty Ltd (ACN 136 521 732) *	17,272,498	8.06
Carp Advisory A Pty Ltd (ACN 136 517 041) *	17,272,498	8.06
HSBC Custody Nominees (Australia) Limited - A/C 2	16,424,268	7.67
National Nominees Limited	12,753,687	5.95
Total	**175,863,522**	**82.08**

* Note: Carp Holding N.V., Carp Advisory A Pty Ltd and Carp Advisory B Pty Ltd refer to the holdings of Ironbridge Funds

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Shareholder Information (continued)

Twenty largest holders of quoted equity securities

Fully paid ordinary shares	Number	Percentage
Carp Holdings N.V. *	66,582,037	31.08
Citicorp Nominees Pty Limited	23,920,670	11.17
HSBC Custody Nominees (Australia) Limited	21,637,864	10.10
Carp Advisory B Pty Ltd (ACN 136 521 732) *	17,272,498	8.06
Carp Advisory A Pty Ltd (ACN 136 517 041) *	17,272,498	8.06
HSBC Custody Nominees (Australia) Limited - A/C 2	16,424,268	7.67
National Nominees Limited	12,753,687	5.95
HSBC Custody Nominees (Australia) Limited-Gsco Eca	6,072,857	2.83
J P Morgan Nominees Australia Limited	2,858,909	1.33
Bond Street Custodians Ltd	2,327,581	1.09
BNP Paribas Noms Pty Ltd	2,105,000	0.98
Catch 88 Pty Ltd ACN 002 493 236	1,890,000	0.88
Anthony Brian Klim	1,890,000	0.88
Roland Haughton Slee & Diana Bazon	1,147,500	0.54
Deda Family Superannuation Fund Pty Limited (ACN 601 485 769)	787,500	0.37
Bond Street Custodians Limited	780,857	0.36
UBS Nominees Pty Ltd	728,144	0.34
Rebel Stevens Pty Ltd (ACN 167 253 152)	675,000	0.32
Jason Keith Tong & Sharryn Catherine West	675,000	0.32
H & S Storer Pty Ltd (ACN 146 462 179)	675,000	0.32
Total	**198,476,870**	**92.65**

* Note: Carp Holding N.V., Carp Advisory A Pty Ltd and Carp Advisory B Pty Ltd refer to the holdings of Ironbridge Funds

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Corporate Directory

Corporate information

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Corporate and registered Office

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Phone: +61 2 9018 7800

Fax: +61 2 9018 7811

Website address

www.bravurasolutions.com

Board of Directors

Brian Mitchell

Chairman and Non-executive Director

Peter Mann

Independent

Alexa Henderson

Independent

Neil Broekhuizen

Non-executive Director

Tony Klim

CEO and Managing Director

Martin Deda

CFO and Executive Director

Company Secretary

Martin Deda and Nigel Liddell

Auditors

Ernst & Young

200 George Street

Sydney NSW 2000

Phone: 61 2 9248 5555

Share Registry

Link Market Services Limited

Level 12, 680 George Street

Sydney NSW 2000

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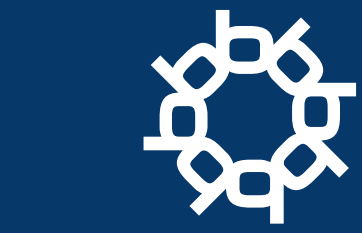

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