

Annual Report
2008



**Bravura Solutions
is a leading global
supplier of software
and services for
superannuation and
pension, life insurance,
investment, transfer
agency, STP financial
messaging and portfolio
administration.**

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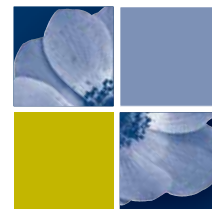
AGM

The Bravura Solutions Annual General Meeting will be held at 11.00am on Friday, 21 November 2008 at The Sebel Pier One, 11 Hickson Road, Walsh Bay – in the Harbourwatch Room.

We look forward to seeing you there.



Chairman's report



Dear fellow Shareholders,

On behalf of your Board of Directors, I am pleased to present you with Bravura Solutions' 2008 Annual Report. This year's report provides further insight into the company's position, including an operational and financial review.

The 2008 financial year was a period spent consolidating three acquisitions; the Rufus Software business, AB Prodata and Garradin which was finalised at the end of the 2007 financial year. Integration was seamless as expected.

There was also significant organic growth, with large client wins. In the United Kingdom, these included a contract extension and new business with The Bank of New York Mellon, a contract sign with JP Morgan and contract extensions with L&G and Scottish Widows. Other wins included ABSA in South Africa, new clients Pillar and UniSuper in Australia, and Australian contract extensions including Hunter Hall and Politis. The rollout of TalisLife for New York Life International across Asia has also continued successfully.

These acquisitions and organic growth have provided us with solid financial results. We have increased revenue for FY2008 by 35 per cent to A\$136.2 million. Licence fees accounted for 18 per cent, maintenance and support 33 per cent, professional services 48 per cent and other, one per cent.

EBITDA for FY2008 increased by 40 per cent to A\$18.6 million and operating cash flow increased by A\$9.0 million to A\$5.2 million.

All regions were profitable and contributed to revenue. The United Kingdom and Europe experienced the most significant growth as expected, accounting for 61 per cent. This was followed by Australia contributing 29 per cent, Asia contributing five per cent and New Zealand also contributing five per cent.

As well as maintaining our research and development focus, we also placed significant focus on reviewing the growing product set and consolidating and rationalising mature products. We are now moving forward with our Sonata, Talisman and Rufus product suite offerings.

I would like to thank the employees of Bravura Solutions for their contributions and dedication over the past year. I would also like to thank my fellow directors and our more than 180 clients globally for their commitment to Bravura Solutions.

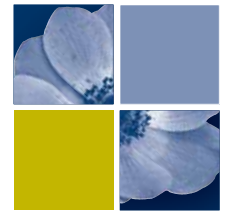
We wish you all the best with your future investments and thank you for continuing to be a shareholder of Bravura Solutions.

Chris Ryan
CHAIRMAN



The 2008 financial year was one of consolidation for three acquisitions, significant organic growth, and large client wins.

Executive team



Bravura Solutions has an executive team with substantial experience in the financial services, wealth management and technology industries. As at the date of this report, the executive team consisted of the following:

Iain Dunstan M.Com. Law, MBA, SIA (Aff), MAICD

Group Chief Executive Officer (CEO) and Managing Director

Details of Iain Dunstan's biography are set out in the Directors section of the Directors' report on page 18.

Simon Woodfull

Group Chief Executive Officer (CEO) and Director – Operations

Details of Simon Woodfull's biography are set out in the Directors section of the Directors' report on page 18.

Jonathan Kenny MBA, Post Grad Dip Fin Mgt, B.Ec, CA

Company Secretary and Chief Financial Officer (CFO)

Details of Jonathan Kenny's biography are set out in the Company Secretary section of the Directors' report on page 19.

Nick Parsons B.Gen.Sc (Computing & Electronics)

Chief Technology Officer (CTO)

Nick joined Bravura Solutions in July 2007. He has over 22 years' experience in the IT industry with large asset managers and third party administrators. Nick is responsible for developing the overall IT and data strategies to align Bravura Solutions' products and service offerings with client needs, and to support the growth of the company globally.

Before joining Bravura Solutions, Nick worked for DST International Limited (DSTi) as Chief Technology Officer, where he was responsible for driving technical innovation across a diverse product range. He was also responsible for devising, promoting and driving the implementation of complex global projects – a strategic role aimed at aligning the company's product and technology solutions with business objectives.

Tony Klim B.Sc. Hons, (Physics)

Chief Executive Officer (CEO) – Europe, Middle East & Africa (EMEA)

Tony joined Bravura Solutions in February 2008. His achievements span 25 years in the international financial services industry, specifically driving growth in the UK. He is responsible for developing new lines of business for Bravura Solutions and implementing major change programs and merger and acquisition activity.

Before joining Bravura Solutions, Tony spent three years as a strategic consultant in the financial services sector. He specialised in high-growth businesses and was a pioneer in internet banking and payment systems. His track record includes

a number of strategic advisory and management roles for major international banks, life companies and technology businesses.

Andrew Chesterton

Chief Operating Officer (COO) – Europe, Middle East & Africa (EMEA)

Andrew has over 23 years' experience in the finance industry, working with many leading financial organisations in a development and operational capacity. Andrew is responsible for operations in the EMEA region, including hosting services, consulting activities, the iNautix relationship, client relationships and new business opportunities.

Andrew held various senior roles in the Bank of New York's (now Bank of New York Mellon) Retail Funds Services and Retail Funds Software House divisions, and was responsible for client-facing technology services prior to Bravura Solutions' acquisition of Rufus. Andrew joined the Retail Funds Software House division in 2000 as the Head of Development and was previously responsible for Custody and Treasury development teams at SG Warburg.

Jason Tong BSC (Tech)

Chief Operating Officer (COO) – Asia Pacific (APAC)

Jason has more than 13 years' experience in software development and service provision, specifically in financial services. He is responsible for operations within the APAC region, including full financial responsibility for the operating business units, implementation, client development and consulting activities.

Jason was the Chief Operating Officer for Tacit Group Ltd prior to its acquisition by Bravura Solutions. He held many executive roles within Tacit before becoming COO, including running product development and opening and running Tacit's Melbourne operations in 1998.

Darren Stevens FIAA

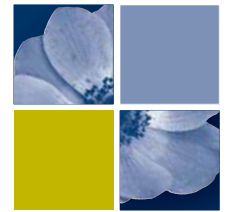
Head of Product

Darren joined Bravura Solutions in September 2007 and has over 22 years' experience in the financial services sector. He is responsible for the management and strategic direction of the Company's suite of wealth management software solutions.

Prior to joining Bravura Solutions, Darren was Head of Strategy and Finance, Employer Superannuation at ING Australia, where he looked after strategic and operational planning for its employer superannuation business.

Darren has also held a number of senior management and executive positions with TOWER Australia, including General Manager of Product & Marketing and Head of Employer Superannuation Operations.

Operating review



The global wealth management industry

According to Celent, the financial services industry will spend US\$386.8 billion globally by 2009 on information technology. Of this, 61.5 per cent will come from Europe and Asia Pacific, the two highest growth regions. Interesting to note is that spending in wealth management and securities is expected to increase at a faster rate than traditional banking. Bravura Solutions is well positioned to benefit from this growth.

Regions

Bravura Solutions experienced positive growth throughout the geographic regions within which it operates, and in November 2007, reached the milestone of administering more A\$1.2 trillion in funds globally. This signifies the company's rapidly expanding global presence and strong sales momentum since its stock exchange float more than two years ago.

In FY2008, the UK/Europe represented 61 per cent, Australia represented 29 per cent, Asia represented five per cent and New Zealand also represented five per cent.

This is similar to FY2007, where UK/Europe represented 63 per cent, Australia 25 per cent, Asia eight per cent and New Zealand four per cent.

United Kingdom/Europe

Revenue for FY2008 was A\$82.9 million, a 32 per cent increase on FY2007 of \$62.6 million.

Bravura Solutions has a market leading position in the London, Luxembourg and Dublin transfer agency segment, with a self estimated market share of 25 per cent of outsourced applications. However, other European countries also represent a significant growth opportunity.

Organic growth has been fuelled by legislative changes and changing market conditions, with large client wins at the end of calendar year 2007. There are a number of additional platform opportunities that have emerged, as well as the possibility to position the proven Sonata and Talisman suite applications.

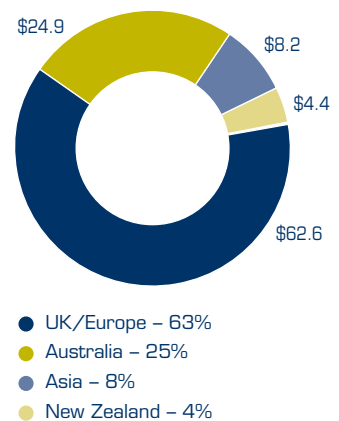
The UK landscape has experienced significant changes; new platforms are operating alongside outdated in-house legacy systems, resulting in compatibility issues from new applications trying to communicate with old systems. The establishment of a European platform is creating a rapidly evolving market that Rufus is well placed to support.

Bravura Solutions also opened a new head office in London in September, combining the Rufus employees with those Bravura Solutions employees previously based in Richmond. A new office in Edinburgh was also opened in July.

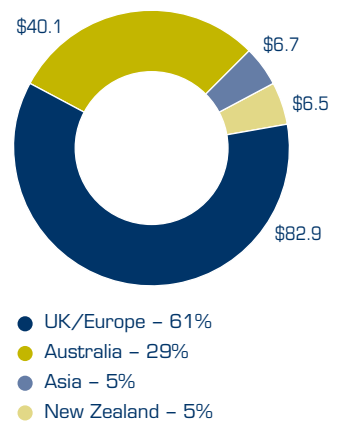
Bravura Solutions has also engaged with EDS to develop a joint data centre. While EDS provides a marginal cost saving, all equipment has been replaced and upgraded to provide superior customer service. Furthermore, Bravura Solutions will sell data centre services to additional wealth management clients in the UK.

Bravura Solutions has a rapidly expanding global presence and strong sales momentum.

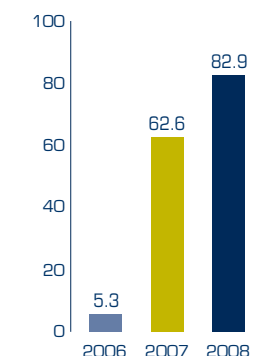
Breakdown by region FY2007 (\$ million)



Breakdown by region FY2008 (\$ million)



Revenue from UK/Europe (\$ million)



Australia

Revenue for FY2008 was A\$40.1 million, a 57 per cent increase on FY2007 of A\$24.9 million.

Bravura Solutions holds a dominant position in the Australian market. The company is a leading provider of outsourced administration software applications in this region with a self estimated market share of 40 per cent.

Growth over the past year has once again been fuelled by legislative changes increasing demand for consulting services and customised applications.

In addition, Perpetual's implementation of Talisman and Sonata Business Services has indicated to the market that Bravura Solutions has a proven, superior and ready-made application. We expect this to generate further revenue from delivery to additional clients.

There is a strong pipeline of opportunities, and cross-selling additional products and services in this market to existing clients represents a significant opportunity.

New Zealand

Revenue for FY2008 was A\$6.5 million, a 47 per cent increase on FY2007 of A\$4.4 million.

Bravura Solutions has a dominant position in the New Zealand market among wealth management firms using third party solutions and has a self estimated market share of 80 to 90 per cent within this segment of the market.

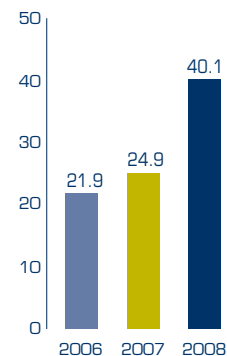
Wealth management organisations still using in-house developments, create a growth opportunity for Bravura Solutions; by replacing in-house systems with a Bravura Solutions application, these organisations can gain cost efficiencies and offer enhanced customer service.

Further upcoming legislative changes will also create demand for software upgrades, and Bravura Solutions' proven ability to implement new software to comply with legislation will present an advantage.

Cross-selling additional products and services in this market to existing clients also presents a significant growth opportunity.

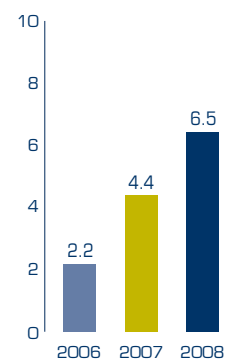
Bravura Solutions holds a dominant position in the Australian market.

Revenue from Australia (\$ million)



Bravura Solutions has a dominant position among wealth management firms using third party solutions in the New Zealand market.

Revenue from New Zealand (\$ million)



Operating review cont'd

Asia

Revenue for FY2008 was A\$6.7 million, a 19 per cent decrease on FY2007 of A\$8.2 million. The reason for this decrease was due to a unique and significant licence sale to New York Life International in FY2007.

The Asian region presents significant opportunities, with the existing client base acting as a springboard for growth. Furthermore, with the recent implementation of TalisLife at New York Life International, Thailand, Bravura Solutions has consolidated its position as a major provider in the Asian life insurance market.

Deregulations of pensions and increasing personal wealth continues to drive demand for wealth management software.

There is also a considerable opportunity available to deliver transfer agency solutions to the Asian market, where there are few global transfer agency service providers and most fund managers process in-house.

Fund managers in Asia have seen significant growth in their assets under management. Currently around US\$1.5 trillion, they are poised to grow to US\$8.0 trillion in the next five years.

This massive growth, coupled with the explosion in investor accounts with their constantly evolving requirements, is causing a fundamental change in the processing and servicing model previously adopted by the investment management world. It is in this context that transfer agency is becoming increasingly important in Asia.

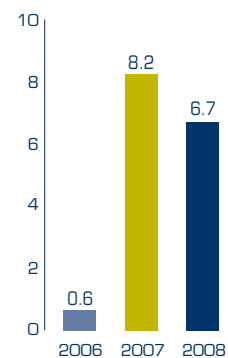
Source: "Following the Flow" Investor Services Journal, pp40 and pp41 – January 2008 edition.

Summary

Overall, revenue in APAC has increased 42 per cent from A\$37.5 million in FY2007 to A\$53.3 million in FY2008. Revenue in EMEA has increased 32 per cent from A\$62.6 million in FY2007 to A\$82.9 million in FY2008. Bravura Solutions is pleased that all regions are contributing to revenue.

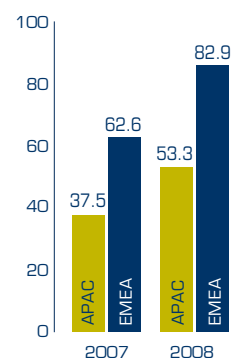
The Asian region presents significant opportunities.

Revenue from Asia (\$ million)



Bravura Solutions is pleased that all regions are contributing to revenue.

APAC vs EMEA revenue (\$ million)



Financial review



Financial review

Total revenue

Total revenue increased by 35 per cent to A\$136.2 million for the financial year ended 30 June 2008.

Bravura Solutions experienced exceptionally strong revenue growth in both the EMEA and APAC regions.

Key regions and drivers:

- Australia increased revenue by 57 per cent to A\$40.1 million. This was the result of both organic growth and the full year revenue effect of the Garradin acquisition from June 2007.
- New Zealand revenue increased by 47 per cent to A\$6.5 million through organic growth with KiwiSaver and Portfolio Investment Entity (P.I.E.) legislation changes driving significant revenue growth.
- UK and Europe revenue increased by 32 per cent to A\$82.9 million through organic growth, and the full year revenue effect of the Rufus Software and AB Prodata acquisitions from December 2006.

Licence fee revenue

Licence fee revenue of A\$25.1 million increased by nine per cent on the prior year, reflecting new licence sales of the Rufus transfer agency software in the UK and robust licence sales for wealth management products in Australia. Overall, licence fees accounted for 18 per cent of total revenue in the year ended 30 June 2008, compared with 23 per cent in the prior year.

Professional services revenue

Professional services revenue of A\$65.2 million increased by 47 per cent on the previous year, reflecting upgrades by existing customers and professional services arising from the implementation of new contracts.

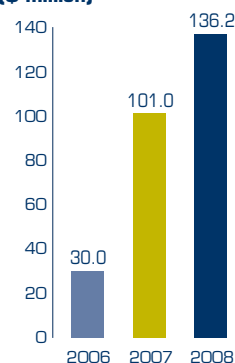
The acquired Rufus Software business contributed A\$35.1 million to professional services revenue. Overall, professional services accounted for 48 per cent of total revenue in the year ended 30 June 2008, compared to 44 per cent in the prior year.

Maintenance revenue

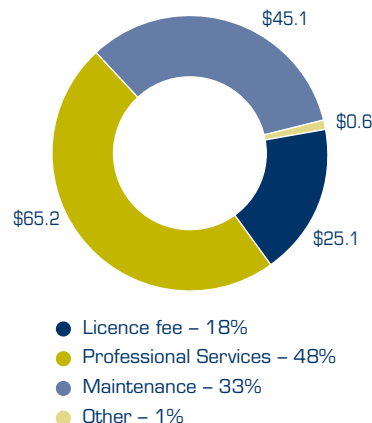
Maintenance revenue of A\$45.1 million increased by 41 per cent on the previous year. This reflects the expanded licence base and the acquired Rufus Software business that contributed A\$9.5 million to the increase in maintenance revenue. Overall, maintenance accounted for 33 per cent of total revenue in the year ended 30 June 2008, compared to 32 per cent in the prior year.

Total revenue increased by 35 per cent to A\$136.2 million.

Total revenue (\$ million)



Revenue by type FY2008 (\$ million)



Financial review cont'd

Operating expenses

Operating costs increased by A\$30.4 million to A\$117.2 million, reflecting a full year of expenditure associated with the FY2007 acquisitions. Despite integration costs associated with acquisitions, the 35 per cent growth in full year expenditure was marginally less than the growth in revenue. This reflects the successful implementation of cost containment and efficiency initiatives across the company over the last twelve months; for example, the conversion of 55 long-term Rufus contractors into permanent employees, achieving an overall cost saving of 30 per cent on their employment costs.

The Company's R&D expenditure increased by 24 per cent on the prior year and accounted for A\$12.1 million of total operating expenses. This investment for the future reflects Bravura Solutions' ongoing commitment to develop the next generation of wealth management solutions for its existing and future client base.

Bravura Solutions generated an EBITDA of A\$18.6 million for the year ended 30 June 2008; this was a 40 per cent increase on FY2007. The management adjusted EBITDA margin was 13.7 per cent for the year; however, this was impacted by restructuring costs of A\$0.9 million on the continued integration of Rufus and Garradin, and the delay of expected new licences.

Amortisation and depreciation expenditure of A\$7.3 million increased 85 per cent on the previous year. The amortisation charge increased by A\$2.3 million due to additional intangible assets that arose from the acquisitions of Rufus, AB Prodata and Garradin.

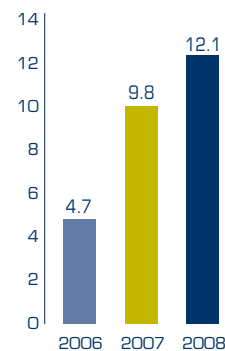
The increase in depreciation of A\$1.1 million is primarily due to the leasehold improvements and computer equipment purchased for the London office and the fit-out and build of the new UK based customer data centre.

Net finance costs of A\$5.3 million increased by 37 per cent on the previous year. The increase is attributable to twelve months of interest payments arising on the debt that was used to partly finance the acquisitions. Finance costs also include twelve months of 'non-cash' interest expense of A\$1.8 million to reflect the discount associated with the deferred settlement of the Rufus acquisition.

The effective tax rate for the year was 44 per cent resulting in a statutory net profit after tax of A\$1.6 million. The effective tax rate increased due to a reversal of deferred tax assets and an increase in deferred tax liabilities.

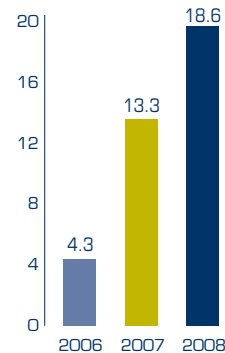
R&D expenditure increased by 24 per cent, illustrating a continued dedication to the improvement of Bravura Solutions' product suite.

R&D expenditure (\$ million)



EBITDA increased by 40 per cent on the previous year.

EBITDA (\$ million)



Balance Sheet

Total assets at 30 June 2008 were A\$183.8 million, financed by Shareholders' funds of A\$87.4 million.

Significant movements in the balance sheet were as follows:

- Net increase in property, plant and equipment of A\$8.5 million, mainly due to the London office fit out.
- Intangibles decreased by A\$4.8 million, mainly due to a combination of amortisation and the FX revaluation of GBP denominated intangibles.
- Total provisions decreased 45 per cent to A\$18.4 million, mainly attributable to a deferred settlement payment being made for the Rufus and Garradin acquisitions.
- Net borrowings as at 30 June 2008 were A\$40.0 million compared to A\$12.5 million at 30 June 2007. Much of this increase related to the deferred settlement payments for prior year acquisitions.
- At as 30 June 2008 the debt to equity ratio was 46 per cent.

Cash flow

Operating activities

The net operating cash flow for the year was a net inflow of A\$5.2 million. This represents a A\$9.0 million improvement on the prior year.

Investing & financing activities

Bravura Solutions continued to reinvest proceeds from operating activities back into the business. Bravura Solutions spent A\$8.7 million on infrastructure. This primarily related to the fit out of the London office and the successful build and fit-out of a new UK based data centre that will house the servers operated by Bravura Solutions on behalf of its clients.

Bravura Solutions made a further A\$22.4 million in deferred payments on acquisitions. This included final deferred payments relating to the acquisitions of Essential Computer Systems and AB Prodata and a penultimate payment for Rufus.

Corporate governance



Corporate governance

Bravura Solutions recognises the importance of good corporate governance and is committed to complying with its laid down code of conduct and other appropriate corporate governance policies. The corporate governance framework for Bravura Solutions is based on the ASX Principles of Good Corporate Governance and Best Practice Recommendations (“ASX Guidelines”) and has regard to the circumstances of Bravura Solutions.

Bravura Solutions’ website has a dedicated section dealing with its corporate governance – on which can be found its corporate governance charters and policies.

The Role of the Board and Management

The Board

The Board of Bravura Solutions is responsible for the stewardship of Bravura Solutions on behalf of the shareholders and for all matters pertaining to the running of Bravura Solutions.

The Board is responsible for and has the authority to determine policy, practices, management and operations of Bravura Solutions and shall do all such things necessary to be done from time to time in order to carry out the objectives of Bravura Solutions. Without limiting this general role, the principal functions and responsibilities of the Board include:

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

- Overseeing and evaluating the performance of the Board members and the senior executives of Bravura Solutions’ in the context of Bravura Solutions’ strategies and objectives;
- Approving budgets and business plans and monitoring the progress of major capital expenditures, capital management, acquisitions and divestitures;
- Ensuring compliance with all relevant laws, governmental regulations and accounting standards; and
- Ensuring that the business is conducted openly and ethically.

The Role of Individual Directors

Bravura Solutions’ directors have full responsibility for the overall successful operations of Bravura Solutions, including:

- The strategic direction of Bravura Solutions;
- Financial operation and solvency; and
- All matters as prescribed by law.

Each director:

- Must discharge their duties in good faith and honesty, with the level of skill and care expected of a director of a listed entity;
- Has a duty to use care and diligence in fulfilling the functions of office, demonstrating commercial reasonableness in their decisions;
- Must recognise that the primary responsibility is to Bravura Solutions’ shareholders as a whole, but should, where appropriate, have regard for the interests of all stakeholders of Bravura Solutions including employees, customers and other parties with whom Bravura Solutions is engaged;
- Must not improperly use their position as a director to gain an advantage for themselves or cause detriment to Bravura Solutions;
- Must not make improper use of information gained through their position as a director;
- Must avoid conflicts of interest and must not allow personal interests, or the interest of any associated person, to conflict with the interests of Bravura Solutions;
- Must make reasonable enquiries to ensure that Bravura Solutions is operating efficiently, effectively and legally towards achieving its goals;
- Must undertake diligent analysis of all proposals placed before the Board;
- Is expected to give their specific expertise generously to Bravura Solutions;
- Must keep Board discussions and deliberations confidential;
- Is expected to be forthright in Board meetings and has a duty to question, request information, raise any issue, fully canvas all aspects of any issue confronting Bravura Solutions

and cast their vote on any resolution according to their own decision. However, outside the boardroom, directors will support the letter and spirit of Board decisions in any discussions with suppliers, customers, staff and other parties;

- Must ensure that confidential information received by a director in the course of the exercise of directorial duties remains the property of Bravura Solutions and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by Bravura Solutions or by the person from whom the information is provided, or is required by law;
- Must not engage in conduct likely to bring discredit upon Bravura Solutions;
- Has an obligation, at all times, to comply with the spirit, as well as the letter of the law; and
- Must attend Board meetings and inform themselves about the business of Bravura Solutions and the environment within which it operates.

The Board will decide what matters are delegated to either specific directors or management and what controls are in place to oversee the operation of these delegated powers.

Directors have no individual authority to participate in the day to day management of Bravura Solutions including making any representation or agreements unless such an authority is explicitly delegated by the Board through resolution to the director either individually or as a member of a Board Committee.

The Role of Management

The Managing Director is responsible for the ongoing management of Bravura Solutions in accordance with the strategy, policies and programs approved by the Board to achieve the agreed goals.

The Managing Director's responsibilities will include:

- Developing, with the Board, a consensus for Bravura Solutions' vision and direction;
- Constructing, with Bravura Solutions' management team, programs to implement this vision;
- Endorsing the terms and conditions of appointment of senior managers and other staff members;
- Providing strong leadership to, and effective management of Bravura Solutions in order to:
 - Encourage co-operation and teamwork;
 - Build and maintain staff morale at a high level; and
 - Build and maintain a strong sense of staff identity with, and a sense of allegiance to Bravura Solutions; and

- Keeping the Board informed, at an appropriate level, of all the activities of Bravura Solutions.

Board Structure

In line with good governance principles, it is essential for the structure of the Board to reflect the need for independence, transparency and flexibility and to have a blend of expertise in:

- Bravura Solutions' business drivers;
- Finance and accounting; and
- The law relevant to Bravura Solutions' business.

Bravura Solutions' constitution provides for there to be a minimum of three directors and a maximum of nine. The Board currently comprises six directors (including the Chairman) with the majority of these directors being non executive. Three of the four non-executive directors are considered to be independent based on the Board's independence guidelines. Refer to the "Independence" section for further information.

The structure of the board is such that:

- The role of Chairman and Managing Director is separated.
- The Chairman is a non-executive director and is appointed by the Board under the conditions of Bravura Solutions' constitution. Appointment terms and conditions are documented in a letter of appointment.
- The Managing Director is an executive director and is also appointed by the Board. Appointment terms and conditions are also documented in a letter of appointment.
- Other non-executive directors are appointed under the conditions of Bravura Solutions' constitution and the appointment terms and conditions documented in a letter of appointment.
- Where practicable, non-executive directors will be independent.

Independence

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

- Is not a member of management;
- Is not a substantial shareholder (five per cent) or an officer of, or otherwise associated (directly or indirectly) with, a substantial shareholder;
- Has not been employed in an executive capacity by Bravura Solutions or another Bravura Group member in the last three years or been a director after ceasing to hold any such employment;
- Has not been a principal of a professional adviser or consultant to Bravura Solutions or another Bravura Group member;

Corporate governance cont'd

- Is not a material supplier or customer of Bravura Solutions or another Bravura Group member, or an officer of, or otherwise associated (directly or indirectly) with, a material supplier or customer;
- Has no material contractual relationship with Bravura Solutions or another Bravura Group member, other than as a director of Bravura Solutions; and
- Is free from any interests and any other business, or other relationships, which could (or could reasonably be perceived to) materially interfere with the director's ability to act in the best interests of Bravura Solutions.

As stated earlier the current Chairman of Bravura Solutions, Mr Ryan, is a non-executive director but does not meet the company's guidelines of being independent as he has more than a 5 per cent interest (either directly or indirectly) in the securities of Bravura Solutions. Mr Ryan has been associated with Bravura Solutions since its incorporation and is a principal of a firm that provided advice to Bravura Solutions up until 30 June 2007. Having regard to his involvement and the continued commitment to and investment in Bravura Solutions by him and the original shareholders of the company prior to its listing, the Board considered it appropriate that these shareholders be represented on the Board by Mr Ryan as the non-executive Chairman.

The other three non-executive directors, Ms Rubin, Mr MacKenzie and Mr Loebenstein, are considered to be independent based on the independence guidelines above.

Board Member Selection

The Remuneration and Nominations Committee is responsible for making recommendations for the appointment and removal of directors either at the request of the Board or when the Committee considers it appropriate.

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

- Will initially prepare a description of the role and capabilities required for a particular appointment having regard to its assessment of the necessary and desirable competencies of the Board members;
- Is responsible for identifying and nominating for the approval of the Board all candidates to fill Board vacancies as and when they arise;
- Will consider whether or not it is appropriate to seek the external advice of executive search consultants and/or use open advertising in respect of the position;
- Should ensure that, in support of their candidature for directorship, non-executive directors provide the Committee with details of other commitments and an indication of the time involved in respect of those other commitments.

The Committee should further ensure that non-executive directors specifically acknowledge to Bravura Solutions prior to appointment that they will have sufficient time to meet what is expected of them in the role of director; and

- Should ensure that, on appointment, all directors receive a formal letter of appointment or service agreement which clearly sets out what is expected of them in terms of time commitment, committee membership and involvement outside Board meetings.

Review of Board Performance

The Board conducts regular evaluations of the performance of the Board.

Review of Senior Executive Performance

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

All senior executive positions within Bravura Solutions have a set of Key Result Areas. Performance reviews are based upon the senior executive's success primarily in achieving their Key Result Areas and other components of their role. Feedback is sought from a number of sources including peers in assessing the senior executive's performance. The reviews are based on that senior executive's targets, are regularly monitored and are formally reviewed annually.

Directors' and Executives' Remuneration

Comprehensive information on the remuneration policies and practices for non-executive directors, executive directors and key executives is contained in the Remuneration report in the Directors' report on pages 19 to 27.

Conflict of Interest and Related Party Transactions

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

A director must absent themselves from the room when discussing matters in respect of which they have a conflict (unless otherwise agreed by the other directors). This entry and exit should be minuted.

Directors will not be entitled to vote on any matter in which they have a personal interest.

Directors must indicate to the Chairman any potential conflict of interest situation as soon as it arises.

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

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

Access to Resources and Independent Advice

All directors have a right of access to employees and relevant information and records relating to the operations of Bravura Solutions as required.

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

Board Committees

The Board has established two board committees:

- The Audit, Corporate Governance and Risk Management Committee; and
- The Remuneration and Nominations Committee.

Each committee has a formal charter which is available on the company's website.

The Board has also established the Project Fortress Committee as a separate sub-committee of the Board to deal with a number of expressions of interest in respect of Bravura Solutions' ownership as detailed on page 14.

Audit, Corporate Governance and Risk Management Committee

The Audit, Corporate Governance and Risk Management Committee comprises four non-executive directors. The chair of the committee is independent and the majority of the members are independent, with appropriate financial and business expertise to act effectively as members of the Committee.

The names and qualifications of each Committee member are set out in the Directors' report on pages 17 to 19.

The number of Committee meetings held during the financial year and the attendance by each Committee member is set out in the Directors' report on page 19.

The role of the Audit, Corporate Governance and Risk Management Committee is to provide advice and assistance to the Board to allow it to:

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

The Audit, Corporate Governance and Risk Management Committee will meet at least four times a year and report regularly to the Board.

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

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

The responsibilities of that Committee in respect of risk management include:

- Ensuring a Group risk management plan is established and documented;
- Assessing the Group risk management plan for adequacy and ensuring that it continues to be appropriate;
- Overseeing the strategies and procedures used to identify and evaluate principal risks and their potential impact to the Group;
- Reviewing management's plans for mitigation for the material risks faced by the various business units of the Group;
- Monitoring the effectiveness of the formal and informal communication of these strategies, frameworks, policies, procedures throughout the Group;
- Receiving and evaluating reports from management concerning the risk implications of existing, new and

Corporate governance cont'd

emerging risks and the planned controls and initiatives, in order to monitor or mitigate these risks;

- Making recommendations to the Board concerning the Group's risk appetite and particular risks or risk management practices of concern to the Committee; and
- Evaluating the ongoing effectiveness and independence of risk management functions.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee comprises four non-executive directors, with the majority being independent directors. The chair of the Committee is independent.

The executive directors have a standing invitation to attend and address the Remuneration and Nominations Committee.

The names and qualifications of each Committee member are set out in the Directors' report on pages 17 to 19.

The number of Committee meetings held during the financial year and the attendance by each Committee member is set out in the Directors' report on page 19.

The role of the Remuneration and Nominations Committee is to provide recommendations to the Board on matters including:

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

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

Review of Committees

Each of the Remuneration and Nominations Committee and the Audit, Corporate Governance Risk Management Committee will review its performance and compliance with its terms of reference annually taking into consideration any assessment or commentary provided by the Chairman of the Board.

Project Fortress Committee

In early 2008, the Company received a number of alternative expressions of interest in respect of Bravura Solutions' ownership, including from Ironbridge Capital. Parties who submitted expressions of interest were given an opportunity to conduct due diligence. In response to those expressions of interest, the Board established a special sub-committee to facilitate the due diligence process and to evaluate the various proposals, having regard to the best interests of the Company and its shareholders as a whole. This sub-committee comprised the Board's three independent directors, Ms Elana Rubin (who acted as chair of the sub-committee), Mr James MacKenzie, Mr John Loebenstein and other independent experts. This sub-committee met 13 times throughout the financial year and was guided by professional advice.

Group CEOs and CFO Assurance

The Board receives regular reports about the financial condition and operational results of Bravura Solutions and its controlled entities.

The Board has received and considered an annual certification from both the Group CEOs and the CFO in accordance with ASX Best Practice Recommendations and the Corporations Act 2001 stating that:

- Bravura Solutions' financial statements present a true and fair view of the financial position and performance and are in accordance with Australian accounting standards; and
- The risk management and internal compliance and control systems which implement the policies adopted by the Board in relation to financial reporting risks are sound, appropriate and operating efficiently and effectively in all material respects.

Other Corporate Governance Policies

Bravura Solutions has put in place a number of policies that are in line with the ASX Guidelines. These include policies in relation to:

- Continuous disclosure;
- Code of business conduct and ethics; and
- Share trading.

Copies of each of the above policies are available on the Company's website at www.bravurasolutions.com

Continuous Disclosure and Financial Markets Communications Policy

Bravura Solutions is committed to:

- Ensuring that shareholders and the financial market are provided with timely disclosure about its activities;

- Full compliance with continuous disclosure obligations contained in the ASX Listing Rules and the Corporations Act 2001; and
- Ensuring that all investors have equal and timely access to material information concerning Bravura Solutions.

Bravura Solutions has adopted a continuous disclosure policy designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at senior executive level for that compliance.

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

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

Code of Business Conduct and Ethics

Bravura Solutions' reputation is a key asset and reflects its culture and commitment to acting with integrity. The code of business conduct and ethics applies to directors, management and employees and sets out Bravura Solutions' policies in respect of such matters as:

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

Share Trading Policy

The directors and employees of Bravura Solutions are prohibited from dealing in the securities of Bravura Solutions if they are in possession of unpublished price sensitive information. At other times, directors and employees must obtain approval to trade prior to dealing in the Company's securities.

Certain blackout periods will be imposed prior to the release of the Company's annual and half-yearly results when no trading will be permitted.

Directors and employees are also prohibited from engaging in short-term trading of the Company's securities. For the purposes of the policy, the Company's securities include any derivative products in respect of the Company's securities.

Communication with Shareholders

Bravura Solutions is committed to transparency and quality in its communication to shareholders.

Information is communicated to shareholders through ASX announcements, the distribution of the Annual Report and other communications as required. All significant information is posted on the company's website as soon as possible, following disclosure to the ASX.

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

Annual General Meeting (AGM)

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

Sustainability

The Board strives to ensure that Bravura Solutions meets the needs of its clients and the community in a sustainable manner, for the benefit of society. The successful management of safety, health and environment matters are vital issues for our employees, customers and business success.

We seek to be among the best sustainability performers internationally, consistent with our values of initiative, professionalism and accountability.

Financial Report 2008

BRAVURA SOLUTIONS LIMITED AND ITS CONTROLLED ENTITIES FULL YEAR FINANCIAL REPORT

for the year ended 30 June 2008

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Directors' report

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008



The directors present their report on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Bravura Solutions Limited ("Bravura Solutions") and the entities it controlled for the year ended 30 June 2008.

Directors

The following persons were directors of Bravura Solutions during the financial year and up to the date of this report:

- Christopher Ryan
- Iain Dunstan
- Simon Woodfull
- James MacKenzie
- Elana Rubin
- John Loebenstein (appointed on 28 November 2007)

Principal activities

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

Dividends – Bravura Solutions

Dividends paid to members during the financial year were as follows:

	2008 \$'000	2007 \$'000
Final ordinary dividend for the year ended 30 June 2007 of 0.9 cents per fully paid share paid on 16 October 2007	1,278	–
Interim ordinary dividend for the year ended 30 June 2008 of 0.6 cents (2007: 1.2 cents) per fully paid share paid on 3 April 2008	852	1,472
	2,130	1,472

Review of operations

The profit for the consolidated entity after providing for income tax amounted to \$1,568,000 (2007: \$4,444,000).

As at 30 June 2008 Bravura Solutions employed 651 people (30 June 2007: 629 people) staffing 14 offices across Australia, New Zealand, UK, Europe, Asia, South Africa and India.

Further information is contained in the Chairman's report and Operating review.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2008 that has significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Please refer to the Chairman's report.

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

Environmental regulation

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

Information on directors

Christopher J. Ryan

BFA, FCA

Chairman and Non-executive Director, Age 47

Experience and expertise

Christopher Ryan is a Fellow of the Institute of Chartered Accountants in Australia and CEO of Investorlink Corporate Limited, specialising in corporate finance. He has 20 years experience in mergers and acquisitions, including capital and debt raisings, IPOs and trade sales.

Other current directorships None

Former directorships (in 3 years) None

Special responsibilities

Chairman, Member of the Remuneration and Nominations Committee, Member of Audit, Corporate Governance and Risk Management Committee.

Interests in shares 9,042,328 ordinary shares

Directors' report cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Iain M. Dunstan

M.Com. Law, MBA, SIA (Aff), MAICD
Group CEO and Managing Director, Age 46

Experience and expertise

Iain Dunstan has held senior roles in a number of listed technology companies, including General Manager – Solutions Marketing for Comops Limited and Chief Operating Officer for Concept Systems International Limited. He was previously the Sales & Marketing Director for Mynd Corporation for a number of years before it was acquired by CSC. Iain won the 2007 Ernst & Young Entrepreneur of The Year Award for the Eastern Australian Region in the Technology, Communications, Ecommerce and Life Sciences Category. He is also an associate member of ASFA.

Other current directorships None

Former directorships (in 3 years) None

Special responsibilities None

Interests in shares 403,751 ordinary shares

Simon K. Woodfull

Group CEO and Director – Operations, Age 39

Experience and expertise

Simon Woodfull has more than 17 years experience in the financial services industry, with specific experience in superannuation and wealth management. He headed CSC's wealth management division for five years and prior to that held senior management roles with Policy Management Systems Corporation and Mynd. He has also held other corporate superannuation management roles with RACV Financial Services and Tower Life.

Other current directorships None

Former directorships (in 3 years) None

Special responsibilities None

Interests in shares 8,167 ordinary shares

James A. C. MacKenzie

B.Bus, FCA, FAICD
Non-executive Director, Age 55

Experience and expertise

James MacKenzie has extensive board experience gained in the financial sector. A Chartered Accountant by profession, James was a partner in both the Melbourne and Hong Kong offices of an international accounting firm, now part of Deloitte Touche Tohmatsu. He has also previously held the positions of Managing Director, Funds Management and Insurance at the Australia and New Zealand Banking Group Limited, Chief Executive Officer of the then named Norwich Union Australia, and a Director of the prominent funds management companies Paladin Australia, Portfolio Partners and Victorian Funds Management Corporation. James is formerly the Chairman of the Victorian Transport Accident Commission and the Victorian WorkCover Authority and continues on both Boards of Management as a Director.

Other current directorships

Chairman of Mirvac Group and a Director Pacific Brands Limited and Melco Crown Entertainment Limited.

Former directorships (in 3 years)

Former Director of Circadian Technologies Limited, James Fielding Holdings Limited, Medaire Inc., Strategic Pooled Development Limited and Zenyth Therapeutics Limited.

Special responsibilities

Member of the Remuneration and Nominations Committee (former Chairman); Member of Audit, Corporate Governance and Risk Management Committee.

Interests in shares 611,053 ordinary shares

Elana Rubin

BA (Hons), MA, FAICD, F FIN
Non-executive director, Age 50

Experience and expertise

Elana Rubin was previously Executive Director – Investments at The Australian Retirement Fund (ARF), where she oversaw a A\$10 billion investment portfolio. During her tenure, she managed the expansion of the portfolio into new classes and financial products, as well as the establishment of joint ventures with leading market participants. Elana is a Fellow of the Australian Institute of Company Directors and a Fellow of the Financial Services Institute of Australasia.

Other current directorships

Chair of Australian Super, Victorian WorkCover Authority and Victorian Rail Track Corporation, as well as director of a number of organisations including the Transport Accident Commission and Industry Super Property Trust. Non-executive Director of Tower Australia Group Limited.

Former directorships (in 3 years)

Former Director of Hotel Leisure & Tourism Trust Australia.

Special responsibilities

Chairman of the Audit, Corporate Governance and Risk Management Committee; Member of the Remuneration and Nominations Committee.

Interests in shares 10,416 ordinary shares

John Loebenstein

B.Sc
(appointed on 28 November 2007)
Non-executive Director, Age 60

Experience and expertise

John Loebenstein joins Bravura Solutions after 12 years at St George Bank, where he held the position of Group Executive for Information Technology. In this role he oversaw key IT projects such as the integration of St George's IT systems with those of Advance Bank and Bank SA (after their merger in 1997). He also managed St George's Y2K, GST and Best Bank projects. During his time with St George Bank, Mr Loebenstein was also Director and subsequently Chairman of Cashcard Limited, where he oversaw the transformation of Cashcard to a highly competitive and performing enterprise. Mr Loebenstein was

also a member of the Microsoft Inc (USA) Global Executive Roundtable Board from 1998 to 2001 and most recently, a member of the Novell Inc (USA) Advisory Board from 2005 to 2007. Mr Loebenstein is also a Fellow of the Chartered Institute of Insurers.

Other current directorships None

Former directorships (in 3 years) None

Special responsibilities

Chairman of the Remuneration and Nominations Committee; Member of the Audit, Corporate Governance and Risk Management Committee.

Interests in shares None

Company Secretary

Jonathan Kenny

MBA, Post Grad Dip Fin Mgt, B.Ec, CA, GAICD

Jonathan Kenny has over 20 years of finance experience throughout Asia Pacific in industries including IT, telecommunications, publishing, property development, hospitality and tourism. Prior to this role, Jonathan worked for Marconi as the Finance Director for Asia Pacific, and has held various other financial roles both within Marconi and other organisations.

Meetings of directors

The numbers of meetings of the Company's Board of Directors and of each board committee held during the year ended 30 June 2008, and the numbers of meetings attended by each Director were:

	FULL BOARD		AUDIT, CORPORATE GOVERNANCE AND RISK MANAGEMENT COMMITTEE		REMUNERATION AND NOMINATIONS COMMITTEE	
	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD
Christopher Ryan	21	22	3	3	3	3
Iain Dunstan*	20	22	3	3	3	3
Simon Woodfull*	18	22	2	3	3	3
James MacKenzie	18	22	1	3	1	3
Elana Rubin	21	22	3	3	3	3
John Loebenstein	20	20	3	3	3	3

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* Iain Dunstan and Simon Woodfull are not members of the Audit, Corporate Governance and Risk Management Committee, or the Remuneration and Nominations Committee but were invited and attended.

Remuneration report (audited)

This Remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the five executives in the Parent and the Group receiving the highest remuneration.

For the purposes of this report, the term 'executive' encompasses the chief executive, senior executives, general managers and secretaries of the Parent and the Group.

The Remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation

Directors' report cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

A. Principles used to determine the nature and amount of remuneration

Remuneration philosophy

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

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

- Link executive rewards to shareholder value;
- Provide competitive rewards to attract high calibre executives;
- Have a significant portion of executive remuneration 'at risk', dependent upon meeting pre-determined performance benchmarks; and
- Establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration and Nominations Committee

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

The role of the Remuneration and Nominations Committee is to:

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

Remuneration structure

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

Non-executive Director remuneration

Objective:

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

Structure:

The Company's constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting of shareholders. The current aggregate remuneration of non-executive directors as determined at the Company's 2006 Annual General Meeting of shareholders is \$600,000 per year.

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

The current annual base fees for non-executive directors are as follows:

- Chairman – \$150,000
- Other non-executive directors – \$75,000

Non-executive directors are encouraged to hold shares in Bravura Solutions and can elect to sacrifice their fees for shares in the Non-executive Director Share Plan (NED Plan). Under the NED Plan, a non-executive director may sacrifice up to 100% of the director's annual director's fee in any year. The NED Plan became operational from the first fee payment date following the listing of Bravura Solutions on the ASX.

Non-executive directors will not be able to sell or otherwise dispose of shares acquired under the NED Plan until the earliest of 10 years after acquisition, the non-executive director ceasing to be a director of Bravura Solutions, a change of control event occurring in relation to Bravura Solutions or the non-executive director applying to the Board and the Board determining that any or all restrictions applying to the shares cease.

Shares under the NED Plan will either be issued by Bravura Solutions or be purchased on-market at the prevailing market price of shares. If new shares are issued, it will be at a price equal to the weighted average price of shares on the ASX on the five trading days up to and including the allocation date.

Under ASX Listing Rules, any issue of shares to directors is required to be approved by shareholders.

Executive Director and Executive remuneration

Objective:

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

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

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

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

- Fixed remuneration/base pay; and
- Variable remuneration in the form of:
 - variable pay and short-term incentives; and
 - equity plans and long-term incentives.

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

Fixed remuneration:

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

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

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

Variable remuneration:

The objective of the short-term incentive program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets.

The total potential short-term incentives available is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Actual short-term incentive payments granted to each executive depend on the extent to which specific targets set at the beginning of the financial year are met. The targets consist of a number of Key Performance Indicators (KPIs) covering both financial and non financial, corporate and individual measures of performance. Typically included are measures such as contribution to net profit after tax, customer service, risk management, product management, and leadership/team contribution. These measures were chosen as they represent the key drivers for short-term success of the business and provide a framework for delivering long-term value.

The aggregate of annual short-term incentives payments available for executives across the Group is subject to the approval of the Remuneration Committee. Payments made are delivered as a cash bonus in the following reporting period.

Bravura Solutions prohibits executives from entering into arrangements to protect the value of unvested long-term incentive awards. This includes entering into contracts to hedge their exposure to options or shares granted as part of their remuneration package.

B. Details of remuneration

Amounts of remuneration

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

The key management personnel of the consolidated entity are the directors of Bravura Solutions and the following executives:

- Jonathan Kenny - Company Secretary and Chief Financial Officer
- Tony Klim - Chief Executive Officer, EMEA (appointed on 25 February 2008)
- Andrew Chesterton - Chief Operating Officer, EMEA
- Nick Parsons - Chief Technology Officer (appointed on 30 July 2007)
- Darren Stevens - Head of Product (appointed on 16 October 2007)

Directors' report cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

2008	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	TOTAL \$
	SALARY AND FEES \$	BONUS \$	NON-MONETARY \$	SUPER-ANNUATION \$	SHARES/OPTIONS \$	
Non-executive directors						
Christopher Ryan	150,000	-	-	-	-	150,000
James MacKenzie	63,569	-	-	2,747	-	66,316
Elana Rubin	80,957	-	-	6,989	-	87,946
John Loebenstein (appointed on 28 November 2007)	46,515	-	-	4,024	-	50,539
Executive directors						
Iain Dunstan	507,633	350,646	32,530	45,582	77,689	1,014,080
Simon Woodfull	406,106	280,517	16,651	36,465	77,689	817,428
Other key management personnel						
Jonathan Kenny	266,928	163,214	8,476	23,905	85,748	548,271
Tony Klim (appointed on 25 February 2008)	163,256	-	32,855	12,731	14,265	223,107
Andrew Chesterton	402,967	170,331	69,954	30,863	78,798	752,913
Nick Parsons (appointed on 30 July 2007)	311,855	55,191	51,080	28,751	86,383	533,260
Darren Stevens (appointed on 16 October 2007)	205,385	65,000	-	18,485	41,132	330,002

Performance related remuneration included as part of total remuneration for the year ended 30 June 2008:

■ Iain Dunstan	35%
■ Simon Woodfull	34%
■ Jonathan Kenny	30%
■ Andrew Chesterton	23%
■ Nick Parsons	10%
■ Darren Stevens	20%

2007	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	SHARE-BASED PAYMENTS	TOTAL \$
	SALARY AND FEES \$	BONUS \$	NON-MONETARY \$	SUPER-ANNUATION \$	SHARES/OPTIONS \$	
Non-executive directors						
Christopher Ryan	141,367	-	-	-	-	141,367
James MacKenzie	75,000	-	-	-	-	75,000
Robert Summerton	75,000	-	-	-	-	75,000
Elana Rubin	13,953	-	-	1,256	-	15,209
Executive directors						
Iain Dunstan	423,416	589,250	7,058	52,476	36,752	1,108,952
Simon Woodfull	345,646	481,750	3,149	42,948	30,523	904,016
Other key management personnel						
Jonathan Kenny (from 21/09/06)	173,330	20,000	6,001	15,556	-	214,887
Enda Mahoney	210,000	-	-	18,900	17,500	246,400
Wesley Hall	209,461	33,250	3,157	18,692	17,500	282,060
Jason Tong	224,221	-	3,149	20,170	18,765	266,305
Andrew Chesterton (from 1/12/06)	221,748	151,622	46,857	18,899	-	439,126
Ross Hawkey (to 29/09/06)	58,590	25,000	2,116	4,424	-	90,130

Performance related remuneration included as part of total remuneration for the year ended 30 June 2007:

■ Iain Dunstan	53%
■ Simon Woodfull	53%
■ Jonathan Kenny	9%
■ Wesley Hall	12%
■ Andrew Chesterton	35%
■ Ross Hawkey	28%

Directors' report cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

C. Service agreements

Executive Director Service Agreement

Bravura Solutions has entered into Executive Director Service Agreements with each of the executive directors, Iain Dunstan and Simon Woodfull. Each agreement is for a term of until at least 30 June 2009, with a non-compete provision restraining the executive from competing or being associated with an entity which competes with the business of Bravura Solutions for twelve months after termination. Effective 1 October 2007, Bravura Solutions will provide an annual remuneration package of \$510,500 for Iain Dunstan and \$408,400 for Simon Woodfull plus superannuation contributions. In addition to the remuneration package, Iain Dunstan and Simon Woodfull are eligible to participate in a Short Term Incentive Plan (STIP) equal to 75% of their fixed remuneration subject to certain conditions and EBITDA and other financial KPIs being achieved as follows:

Financial KPI achieved	STIP rewards earned
Less than 90% of target	No STIP reward
90% of target	50% of STIP
95% of target	60% of STIP
100% of target	100% of STIP
Exceed 100% of target	Between 100% and uncapped % of target STIP rewards earned (calculated on a straight line basis)

Where the financial KPI achieved is two times or more of the target, the STIP entitlement will be held for twelve months and be conditional on achieving 100% or more of the next financial year's financial KPI target. The Remuneration and Nominations Committee retains the discretion to pay any STI above this arrangement.

The remuneration is reviewed annually. The agreement is subject to termination provisions that provide for twelve months notice of termination by the executive and twelve months notice of termination by Bravura Solutions.

Executive Agreements

All service agreements for executives other than the executive directors are unlimited in term but may be terminated by written notice from either party or by the employing entity within the Bravura Group making a payment in lieu of notice. The service agreements outline the components of the remuneration paid to executives and require the remuneration of executives to be reviewed annually. The service agreements do not require the employing entity to increase base salary, pay a short-term incentive (excluding profit share), make termination payment or offer a long-term incentive in any given year.

In the event of retrenchment, the executives listed above are entitled to the written notice or payment in lieu of notice as provided in their service agreement. The employment of the executives may be terminated without notice or payment in lieu of notice in some circumstances.

Generally, this could occur where the executive:

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

All executives are required to agree to a restraint of trade clause post employment to ensure that valuable knowledge and experience is not accessed by competitors through poaching of staff. Some executives are entitled to bonus payments based on performance against key performance indicators.

D. Share-based compensation

Issue of shares

There were no shares issued to key management personnel during the year ended 30 June 2008.

Options

The terms and conditions of each grant of options affecting remuneration of key management personnel in this or future reporting years are as follows:

GRANT DATE	DATE VESTED AND EXERCISABLE	EXPIRY DATE	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE
26 Jul 07	15 Jan 08	15 Jan 12	\$1.90	\$0.306
26 Jul 07	15 Jan 09	15 Jan 12	\$1.90	\$0.284
26 Jul 07	15 Jan 10	15 Jan 12	\$1.90	\$0.281
14 Nov 07	15 Jan 08	15 Jan 12	\$1.90	\$0.397
14 Nov 07	15 Jan 09	15 Jan 12	\$1.90	\$0.401
14 Nov 07	15 Jan 10	15 Jan 12	\$1.90	\$0.402
29 Nov 07	30 Nov 10	30 Nov 12	\$1.80	\$0.679
13 Feb 08	15 Jan 09	15 Jan 13	\$1.47	\$0.347
13 Feb 08	15 Jan 10	15 Jan 13	\$1.47	\$0.360
13 Feb 08	15 Jan 11	15 Jan 13	\$1.47	\$0.346

Options granted carry no dividend or voting rights.

Details of options over ordinary shares issued to directors and key management personnel during the year ended 30 June 2008 are set out below:

Name	NUMBER OF OPTIONS GRANTED DURING THE YEAR		NUMBER OF OPTIONS VESTED DURING THE YEAR	
	2008	2007	2008	2007
Iain Dunstan	583,922	-	-	-
Simon Woodfull	583,922	-	-	-
Jonathan Kenny	362,416	-	87,374	-
Tony Klim	166,150	-	-	-
Andrew Chesterton	480,384	-	112,776	-
Nick Parsons	509,075	-	128,154	-
Darren Stevens	241,441	-	43,333	-

NAME OF DIRECTOR OR EXECUTIVE	GRANT NO.	EXERCISE PRICE PER OPTION	GRANT DATE	VESTING DATE	EXPIRY DATE	VALUE PER OPTION AT GRANT DATE
Executive directors						
Iain Dunstan	583,922	\$1.80	29 Nov 07	30 Nov 10	30 Nov 12	\$0.679
Simon Woodfull	583,922	\$1.80	29 Nov 07	30 Nov 10	30 Nov 12	\$0.679
Named executives						
Jonathan Kenny	87,374	\$1.90	26 Jul 07	15 Jan 08	15 Jan 12	\$0.306
	87,373	\$1.90	26 Jul 07	15 Jan 09	15 Jan 12	\$0.284
	87,373	\$1.90	26 Jul 07	15 Jan 10	15 Jan 12	\$0.281
	33,432	\$1.47	13 Feb 08	15 Jan 09	15 Jan 13	\$0.347
	33,432	\$1.47	13 Feb 08	15 Jan 10	15 Jan 13	\$0.360
	33,432	\$1.47	13 Feb 08	15 Jan 11	15 Jan 13	\$0.346
Total	362,416					
Tony Klim (from 25/02/08)	55,384	\$1.47	13 Feb 08	15 Jan 09	15 Jan 13	\$0.347
	55,383	\$1.47	13 Feb 08	15 Jan 10	15 Jan 13	\$0.360
	55,383	\$1.47	13 Feb 08	15 Jan 11	15 Jan 13	\$0.346
Total	166,150					
Andrew Chesterton (from 1/12/06)	112,776	\$1.90	26 Jul 07	15 Jan 08	15 Jan 12	\$0.306
	112,775	\$1.90	26 Jul 07	15 Jan 09	15 Jan 12	\$0.284
	112,775	\$1.90	26 Jul 07	15 Jan 10	15 Jan 12	\$0.281
	47,353	\$1.47	13 Feb 08	15 Jan 09	15 Jan 13	\$0.347
	47,353	\$1.47	13 Feb 08	15 Jan 10	15 Jan 13	\$0.360
	47,352	\$1.47	13 Feb 08	15 Jan 11	15 Jan 13	\$0.346
Total	480,384					
Nick Parsons (from 30/07/2007)	128,154	\$1.90	26 Jul 07	15 Jan 08	15 Jan 12	\$0.306
	128,154	\$1.90	26 Jul 07	15 Jan 09	15 Jan 12	\$0.284
	128,154	\$1.90	26 Jul 07	15 Jan 10	15 Jan 12	\$0.281
	41,538	\$1.47	13 Feb 08	15 Jan 09	15 Jan 13	\$0.347
	41,538	\$1.47	13 Feb 08	15 Jan 10	15 Jan 13	\$0.360
	41,537	\$1.47	13 Feb 08	15 Jan 11	15 Jan 13	\$0.346
Total	509,075					

Directors' report cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

D. Share-based compensation (continued)

Options (continued)

NAME OF DIRECTOR OR EXECUTIVE	GRANT NO.	EXERCISE PRICE PER OPTION	GRANT DATE	VESTING DATE	EXPIRY DATE	VALUE PER OPTION AT GRANT DATE
Darren Stevens (from 16/10/2007)	43,333	\$1.90	14 Nov 07	15 Jan 08	15 Jan 12	\$0.397
	43,333	\$1.90	14 Nov 07	15 Jan 09	15 Jan 12	\$0.401
	43,334	\$1.90	14 Nov 07	15 Jan 10	15 Jan 12	\$0.402
	37,147	\$1.47	13 Feb 08	15 Jan 09	15 Jan 13	\$0.347
	37,147	\$1.47	13 Feb 08	15 Jan 10	15 Jan 13	\$0.360
	37,147	\$1.47	13 Feb 08	15 Jan 11	15 Jan 13	\$0.346
Total	241,441					
Totals	2,927,310					

NAME OF DIRECTOR OR EXECUTIVE	OPTIONS VESTED	% VESTED
Executive directors		
Iain Dunstan	-	0.0%
Simon Woodfull	-	0.0%
Named executives		
Jonathan Kenny	87,374	24.1%
Tony Klim (from 25/02/08)	-	0.0%
Andrew Chesterton (from 1/12/06)	112,776	23.5%
Nick Parsons (from 30/07/2007)	128,154	25.2%
Darren Stevens (from 16/10/2007)	43,333	17.9%
Totals	371,637	12.7%

No share options have been exercised during the year by the management personnel. There have been no changes to the terms and conditions of options granted as remuneration to key management personnel since the grant date.

Year ended 30 June 2007

No options were granted to the non-executive directors, executive directors or named executives during the year ended 30 June 2007.

Shares under option

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

GRANT DATE	EXPIRY DATE	ISSUE PRICE OF SHARES	NUMBER UNDER OPTION
26 Jul 07	15 Jan 12	\$1.90	1,256,374
26 Jul 07	15 Jan 12	\$1.90	1,256,364
26 Jul 07	15 Jan 12	\$1.90	1,256,354
14 Nov 07	15 Jan 12	\$1.90	43,333
14 Nov 07	15 Jan 12	\$1.90	43,333
14 Nov 07	15 Jan 12	\$1.90	43,334

GRANT DATE	EXPIRY DATE	ISSUE PRICE OF SHARES	NO. UNDER OPTION
29 Nov 07	30 Nov 12	\$1.80	1,167,844
13 Feb 08	15 Jan 13	\$1.47	589,054
13 Feb 08	15 Jan 13	\$1.47	589,054
13 Feb 08	15 Jan 13	\$1.47	589,054
Total			6,834,098

Insurance of officers

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

Proceedings on behalf of the Company

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 34 in the financial report.

The directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 34 in the financial report do not compromise the external auditor's independence for the following reasons:

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

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 77.

Rounding of amounts

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

Auditor

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

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



Iain Maxwell Dunstan
Director

25 September 2008
Sydney

Income statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008



	NOTE	CONSOLIDATED		PARENT ENTITY	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Revenue from operating activities	5	136,246	100,981	53,038	34,946
Other income	6	130	-	180	-
Expenses	7				
Employee benefits expense		(81,360)	(57,821)	(25,745)	(12,343)
Depreciation and amortisation expense		(7,333)	(3,961)	(4,287)	(2,975)
Travel and entertainment costs		(3,942)	(3,318)	(2,357)	(1,665)
Occupancy costs		(5,006)	(4,272)	(1,206)	(748)
Telecommunications costs		(8,743)	(5,724)	(1,791)	(1,131)
Research and development		(12,119)	(9,754)	(9,072)	(9,754)
Other expenses		(9,735)	(5,889)	(5,659)	(3,135)
Finance costs		(5,338)	(3,900)	(1,822)	(1,331)
Profit before income tax (expense)/benefit		2,800	6,342	1,279	1,864
Income tax (expense)/benefit	8	(1,232)	(1,898)	542	60
Profit after income tax (expense)/benefit attributable to members of Bravura Solutions		1,568	4,444	1,821	1,924

		CENTS	CENTS
Basic earnings per share	42	1.10	3.50
Diluted earnings per share	42	1.10	3.50

Balance sheets

AS AT 30 JUNE 2008



	NOTE	CONSOLIDATED		PARENT ENTITY	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Current assets					
Cash and cash equivalents	9	2,717	7,320	1,955	1,403
Trade and other receivables	10	40,027	37,422	20,942	12,556
Derivative financial instruments	11	571	-	298	-
Other	12	2,556	3,965	778	217
Total current assets		45,871	48,707	23,973	14,176
Non-current assets					
Receivables	13	9,418	4,545	6,669	3,915
Other financial assets	14	43	5	42,455	38,518
Property, plant and equipment	15	12,329	3,843	1,623	1,198
Intangibles	16	111,206	116,059	51,375	53,319
Deferred tax	17	4,901	3,601	4,455	3,239
Total non-current assets		137,897	128,053	106,577	100,189
TOTAL ASSETS		183,768	176,760	130,550	114,365
Current liabilities					
Trade and other payables	18	14,774	14,900	14,189	3,163
Borrowings	19	1,762	366	799	327
Derivative financial instruments	20	2,400	-	2,400	-
Income tax	21	3,841	2,122	391	384
Provisions	22	16,733	19,611	5,678	6,123
Other	23	11,200	14,023	4,930	7,868
Total current liabilities		50,710	51,022	28,387	17,865
Non-current liabilities					
Borrowings	24	40,906	19,417	11,842	4,769
Deferred tax	25	2,572	3,266	908	1,215
Provisions	26	1,656	13,682	1,280	3,170
Other	27	476	-	-	-
Total non-current liabilities		45,610	36,365	14,030	9,154
TOTAL LIABILITIES		96,320	87,387	42,417	27,019
NET ASSETS		87,448	89,373	88,133	87,346
Equity					
Contributed equity	28	85,533	85,565	85,533	85,565
Reserves	29	(1,321)	10	1,754	626
Retained profits	30	3,236	3,798	846	1,155
TOTAL EQUITY		87,448	89,373	88,133	87,346

Statements of changes in equity

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008



	CONTRIBUTED EQUITY \$'000	RESERVES \$'000	RETAINED PROFITS \$'000	TOTAL EQUITY \$'000
Consolidated				
Balance 1 July 2006	47,090	641	826	48,557
Foreign currency translation	-	(631)	-	(631)
Net income/(expense) recognised directly in equity	-	(631)	-	(631)
Profit after income tax	-	-	4,444	4,444
Total income and expense for the year	-	(631)	4,444	3,813
Contributions of equity, net of transaction costs	38,475	-	-	38,475
Dividends paid	-	-	(1,472)	(1,472)
Balance 30 June 2007	85,565	10	3,798	89,373
Consolidated				
Balance 1 July 2007	85,565	10	3,798	89,373
Foreign currency translation	-	(2,459)	-	(2,459)
Net income/(expense) recognised directly in equity	-	(2,459)	-	(2,459)
Profit after income tax	-	-	1,568	1,568
Total income and expense for the year	-	(2,459)	1,568	(891)
Share issues costs, net of tax	(32)	-	-	(32)
Share-based payments	-	1,128	-	1,128
Dividends paid	-	-	(2,130)	(2,130)
Balance 30 June 2008	85,533	(1,321)	3,236	87,448
Parent entity				
Balance 1 July 2006	47,090	626	703	48,419
Profit after income tax	-	-	1,924	1,924
Total income and expense for the year	-	-	1,924	1,924
Contributions of equity, net of transaction costs	38,475	-	-	38,475
Dividends paid	-	-	(1,472)	(1,472)
Balance 30 June 2007	85,565	626	1,155	87,346
Parent entity				
Balance 1 July 2007	85,565	626	1,155	87,346
Profit after income tax	-	-	1,821	1,821
Total income and expense for the year	-	-	1,821	1,821
Share issues costs, net of tax	(32)	-	-	(32)
Share-based payments	-	1,128	-	1,128
Dividends paid	-	-	(2,130)	(2,130)
Balance 30 June 2008	85,533	1,754	846	88,133
Effect of correction of error in previous year				
Profit as reported in the 2007 financial report	-	5,370	-	2,032
Correction of error (note 2)	-	(926)	-	(108)
Restated profit		4,444		1,924

Cash flow statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008



	NOTE	CONSOLIDATED		PARENT ENTITY	
		2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		146,320	84,106	30,346	19,770
Payments to suppliers (inclusive of GST)		(137,571)	(82,901)	(33,465)	(19,819)
		8,749	1,205	(3,119)	(49)
Interest received		406	849	279	754
Other revenue		-	8	-	-
Interest and other finance costs paid		(2,363)	(3,624)	(1,360)	(944)
Income taxes paid		(1,584)	(2,252)	(1,218)	(1,640)
Net cash inflow/(outflow) from operating activities	41	5,208	(3,814)	(5,418)	(1,879)
Cash flows from investing activities					
Payment for purchase of intellectual property		(4,401)	-	(4,401)	-
Payment for acquisitions		(18,043)	(66,308)	(3,604)	(66,067)
Payments for property, plant and equipment		(8,776)	(4,093)	(780)	(328)
Payments for purchase of other financial assets		(96)	-	-	-
Proceeds from monies withdrawn from deposit		-	644	-	480
Net cash inflow/(outflow) from investing activities		(31,316)	(69,757)	(8,785)	(65,915)
Cash flows from financing activities					
Proceeds from issue of shares	28	-	40,562	-	40,562
Proceeds from borrowings		39,070	41,553	20,950	18,103
Dividends paid		(2,130)	(3,672)	(2,130)	(3,672)
Repayment of borrowings		(14,726)	(22,618)	(3,898)	(9,514)
Payment of share issue costs		(167)	(2,678)	(167)	(2,678)
Net cash inflow/(outflow) from financing activities		22,047	53,147	14,755	42,801
Net increase/(decrease) in cash and cash equivalents		(4,061)	(20,424)	552	(24,993)
Cash and cash equivalents at the beginning of the financial year		7,320	27,767	1,403	26,396
Effects of exchange rate changes on cash		(542)	(23)	-	-
Cash and cash equivalents at the end of the financial year	9	2,717	7,320	1,955	1,403

Notes to the financial statements

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008



Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of accounting

This general purpose financial report has been prepared in accordance with Australian Accounting Standards (AASB's), other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and the Corporations Act 2001.

Compliance with IFRSs

This financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRSs).

Historical cost convention

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

Critical accounting estimates

The preparation of this financial report in conformity with AASBs 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 report, are disclosed in note 3.

Principles of consolidation

The consolidated financial report incorporate the assets and liabilities of all subsidiaries of Bravura Solutions ('company' or 'parent entity') as at 30 June 2008 and the results of all subsidiaries for the year then ended. Bravura Solutions and its subsidiaries together are referred to in this financial report as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

Intercompany transactions, balances and unrealised gains on transactions between company's in the consolidated entity are eliminated.

Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different to those of segments operating in other economic environments.

Foreign currency translation

Both the functional and presentation currency of Bravura Solutions and its Australian subsidiaries is Australian Dollars (A\$). Each entity in the group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance date.

All differences in the consolidated financial report are taken to the income statement.

Non-monetary items that are measured in terms of historical costs in foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items 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:

- Bravura Solutions (NZ) Limited – New Zealand dollars (NZ\$)
- Bravura Solutions (UK) Limited – British pounds (UK£)
- Bravura Solutions (HK) Limited – United States dollars (US\$)
- Bravura Solutions Luxembourg Holdings S.à.r.l. – Euro (€)

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

The exchange differences arising on the retranslation 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 income statement.

Revenue recognition

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

Note 1. Significant accounting policies (continued)

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Licence fee (initial and recurring licence fees)

Provided that the arrangement does not involve significant production, modification, or customisation of the software, Bravura Solutions recognises the revenue up front 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
- Collectibility is probable.

Licence fees (including initial and recurring licence fees) recognised upfront are recognised at the present value of the related future contractual revenue streams, discounted at Bravura Solutions' interest rate, with the discount being unwound through profit and loss over the period of the agreements and presented as interest income.

Maintenance and support fee

Support and maintenance revenue is recognised on a straight line basis over the period of the contract.

Other professional fees

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

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

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

Revenue on multiple-element arrangements

Arrangements usually provide licence for software products and services such as post-contract customer support. When the agreement doesn't specify the specific fee for each component, revenue is allocated to each element based on its respective fair value.

Deferred revenue

Fees for services received in advance are recorded as a liability within deferred revenue and these amounts are amortised to the income statement over the life of the contract which is in line with the provision of the services.

Interest

Revenue is recognised as the interest accrues at the effective interest rate to the net carrying amount of the financial asset.

Dividends

Revenue is recognised when the shareholders' rights to receive the payment is established.

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

Income tax

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, associates and interests in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, 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 the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 1. Significant accounting policies (continued)

Bravura Solutions and its wholly-owned Australian entities have formed a tax consolidated group from 1 July 2006. The tax consolidated group's current tax expense and other deferred tax assets are required to be allocated to the members of the tax consolidated group in accordance with UIG 1052. The group uses a group allocation method for this purpose where the allocated current tax payable, current tax loss, deferred tax assets and other tax credits for each member of the tax consolidated group is determined as if the company 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.

Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes 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 on the balance sheet.

Trade receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement by no more than 30 to 90 days.

Collectibility of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is raised when some doubt as to collection exists.

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.

Derivative financial instruments

The consolidated entity uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with interest rate and foreign currency fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value. These derivatives do not qualify for hedge accounting and changes in fair value are recognised immediately in profit and loss in other revenue and expenses. Derivatives are carried as assets when the fair value is positive and as liabilities when fair values are negative.

Any gains or losses from changes in the fair value of derivatives are taken directly to profit or loss for the year.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair values of interest rate swaps are determined by reference to market values for similar instruments.

Investments and other financial assets

Investments and other financial assets are stated at the lower of their carrying amount and fair value less costs to sell or value in use. The fair values of quoted investments are based on current bid prices. For unlisted investments, the entity establishes the value in use by using discounted cash flow analysis.

Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is measured on a straight line basis as follows:

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

Leases

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

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

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

Other operating lease payments are charged to the income statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets. Lease incentives are recognised in the income statement as an integral part of the total lease expense.

Intangible assets

Goodwill

Where an entity or operation is acquired, the identifiable assets acquired, the liabilities and contingent liabilities are measured at fair value. The excess of the fair value of the cost of acquisition over the fair value of the identifiable net assets acquired is brought to account as goodwill. 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.

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 10 and 20 years.

Note 1. Significant accounting policies (continued)

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 10 years.

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

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

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

Recoverable amount of asset

At each reporting date, Bravura Solutions 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 group makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered to be impaired and is written down to its recoverable amount.

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Other assets are reviewed 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.

Trade and other payables

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

Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

Finance costs

Finance costs are recognised as an expense when they are incurred.

Establishment fees paid for the raising of financial liabilities are netted against the loan and amortised over the life of the loan using the effective interest rate method.

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 of 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 borrowing cost.

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 1. Significant accounting policies (continued)

Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date, are recognised in other payables and provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long service leave

The liability for long service leave is recognised in provisions and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. 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 reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Share-based payments

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

The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted.

Market conditions attached to these options are taken into account when estimating the fair value of the equity instruments granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date").

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

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

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

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

Contributed equity

Ordinary shares are classified as equity.

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

Business combinations

The purchase method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination.

All identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of Bravura Solutions' share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than Bravura Solutions' share of the net fair value of the identifiable net assets acquired, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

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

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive

Note 1. Significant accounting policies (continued)

potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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 in other receivables or other payables in the balance sheet.

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.

Rounding of amounts

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

New accounting standards and interpretations

The consolidated entity has adopted AASB 7 "Financial Instruments: Disclosures" for the year ended 30 June 2008. The adoption of this standard has only affected the disclosure in the financial statements. There has been no effect on the income statement or on the financial position of the entity.

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet affected and have not been adopted by the consolidated entity for the annual reporting period ended 30 June 2008. The Directors have not yet assessed the impact of these new or amended standards and interpretations.

Note 2. Correction of errors in previous annual report

During the current financial year corrections have been made to the previous financial report as follows:

Accrued revenue

At 30 June 2007 there was a portion of accrued revenue that should have been reclassified from current accrued revenue to non-current

accrued revenue. This error had the effect of overstating consolidated current accrued revenue by \$4,545,000 (Parent: \$3,915,000) and understating consolidated non-current accrued revenue by \$4,545,000 (Parent: \$3,915,000). The error had no impact on the total assets or net asset position of the consolidated entity or the parent entity.

Rent incentive

During the year ended 30 June 2007 the consolidated entity entered into premises leases that included rent free periods which were not previously recognised. The benefit of this rent incentive should have been recognised as a reduction of rental expense over the lease term. This error had the effect of understating consolidated provision for deferred lease incentive and consolidated total liabilities by \$288,000, understating consolidated expenses by \$288,000 and overstating consolidated profit after tax and consolidated retained profits by \$288,000. This error had no impact in the parent entity's accounts.

Business combinations – Contingent consideration – discount to net present value

In the year ended 30 June 2007, a deferred tax asset of \$582,000 was incorrectly recognised in the consolidated balance sheet relating to contingent consideration payable on the Rufus acquisition. This error had the effect of overstating consolidated deferred tax asset and total consolidated assets by \$582,000, understating consolidated tax expense by \$582,000 and overstating consolidated profit after tax and consolidated retained profits by \$582,000. This error had no impact in the parent entity's accounts.

Business combinations – Deferred tax liabilities on intangibles

During the current financial year, it was identified that deferred tax liabilities were not recognised in relation to previous business combinations. In 2007 accounts, this error had the effect of understating consolidated goodwill and consolidated total assets by \$221,000 (Parent: \$844,000) and understating consolidated deferred tax liabilities by \$221,000 (Parent: \$700,000). In the Parent's entity accounts, that error also had the effect to overstate the income tax expense by \$63,000, to understate the net profit by \$63,000 and to understate the retained earnings at 1/07/06 by \$81,000.

Overall effect

The errors have been corrected by restating each of the financial statement line items for the prior year ended 30 June 2007 as described above.

The overall effect of all the prior period errors on the consolidated balance sheet was total assets were overstated by \$361,000, total liabilities were understated by \$565,000 and retained earnings were overstated by \$926,000.

The overall effect of all the prior period errors on the parent entity's balance sheet was total assets were understated by \$795,000, total liabilities were understated by \$822,000, retained earnings were understated by \$81,000 and net profit was overstated by \$108,000.

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 3. Significant 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 consolidated entity and that are believed to be reasonable under the circumstances.

Significant 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.

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

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

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, with the assumptions detailed in note 43. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

The estimation of the useful lives of assets has been based on historical experience as well as 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.

Significant judgements in applying the consolidated entity's accounting policies

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

Note 4. Segment information

Primary reporting - geographical segments

The consolidated entity operates in four geographical areas: Australia, Europe/Africa, New Zealand and Asia. These geographical areas are the basis on which the consolidated entity reports its primary segment information.

	AUSTRALIA \$'000	EUROPE/AFRICA \$'000	NEW ZEALAND \$'000	ASIA \$'000	INTERSEGMENT ELIMINATIONS/ UNALLOCATED \$'000	CONSOLIDATED \$'000
2008						
Sales to external customers	39,839	82,852	6,461	6,688	-	135,840
Total sales revenue	39,839	82,852	6,461	6,688	-	135,840
Other income	476	59	-	1	-	536
Total segment revenue	40,315	82,911	6,461	6,689	-	136,376
Segment result	3,265	9,276	1,132	899	-	14,572
Unallocated revenue less unallocated expenses						(11,772)
Profit before income tax expense						2,800
Income tax expense						(1,232)
Profit after income tax expense						1,568
Segment assets	97,103	77,911	3,781	72	-	178,867
Unallocated assets						4,901
Total assets						183,768
Segment liabilities	16,868	28,718	2,083	20	-	47,689
Unallocated liabilities						48,631
Total liabilities						96,320
Acquisition of non-current segment assets	909	7,760	107	-	-	8,776
Depreciation and amortisation expense	5,368	1,803	160	2	-	7,333
2007						
Sales to external customers	24,924	62,603	4,380	8,217	-	100,124
Total sales revenue	24,924	62,603	4,380	8,217	-	100,124
Other income	760	89	7	1	-	857
Total segment revenue	25,684	62,692	4,387	8,218	-	100,981
Segment result	(3,072)	6,250	820	8,131	-	12,129
Unallocated revenue less unallocated expenses						(5,787)
Profit before income tax expense						6,342
Income tax expense						(1,898)
Profit after income tax expense						4,444
Segment assets	94,181	75,856	3,044	78	-	173,159
Unallocated assets						3,601
Total assets						176,760
Segment liabilities	22,537	41,006	1,269	-	-	64,812
Unallocated liabilities						22,575
Total liabilities						87,387
Acquisition of non-current segment assets	459	2,312	69	-	-	2,840
Depreciation and amortisation	2,994	825	139	3	-	3,961

Secondary reporting - business segments

The consolidated entity operates in one business segment being the provision of services and software to the financial services industry.

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 5. Revenue

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
From operations				
Sales revenue				
Maintenance income	45,055	31,942	11,065	8,858
Professional services income	65,161	44,339	17,356	8,014
Licence fees	25,066	22,941	7,555	8,309
Other revenue	558	902	446	419
Cross-charges	-	-	12,428	6,992
	135,840	100,124	48,850	32,592
Other revenue				
Dividends received	-	-	3,909	1,600
Interest received	406	849	279	754
Other revenue	-	8	-	-
	406	857	4,188	2,354
Revenue from operations	136,246	100,981	53,038	34,946

Note 6. Other income

Foreign exchange gain	130	-	180	-
Other income	130	-	180	-

Note 7. Expenses

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Profit before income tax includes the following specific expenses:				
Depreciation				
Leasehold improvements	747	174	318	128
Plant and equipment	957	282	297	174
Plant and equipment under lease	219	218	200	200
Furniture and fittings	131	275	20	18
Total depreciation	2,054	949	835	520
Amortisation				
Business contracts and relationships	1,193	814	70	326
Intellectual property and software development	4,086	2,198	3,382	2,130
Total amortisation	5,279	3,012	3,452	2,456
Employee benefits expense				
Salary and wages	56,247	37,870	22,582	12,334
Termination payments	858	152	440	68
Share-based payments	1,128	167	1,128	157
Consultants	652	1,552	298	272
Provision for annual leave	458	1,068	279	496
Provision for long service leave	75	344	74	174
Defined contribution superannuation expense	4,222	2,903	2,068	1,167
Other	17,720	13,765	(1,124)	(2,325)
Total employee benefits expense	81,360	57,821	25,745	12,343
Research and development				
External consultants	1,593	2,542	620	2,542
R&D internal and external charges	10,526	7,212	8,452	7,212
Total research and development expense	12,119	9,754	9,072	9,754
Other expenses				
Printing and stationery costs	1,858	1,504	248	167
Marketing and conference costs	729	649	497	415
Professional fees and insurance costs	3,201	1,888	1,738	1,108
Unrealised loss on derivatives	1,767	-	1,870	-
Non-recurring corporate transaction fees	1,466	-	1,466	-
Other	714	1,848	(160)	1,445
Total other expenses	9,735	5,889	5,659	3,135
Finance costs				
Interest and finance charges paid/payable	5,235	3,679	1,738	1,140
Exchange losses on foreign currency borrowings	-	175	-	171
Borrowing costs and other	103	46	84	20
Finance costs expensed	5,338	3,900	1,822	1,331

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 8. Income tax expense/(benefit)

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Income tax expense/(benefit)				
Current tax	3,252	2,314	1,007	60
Deferred tax	(2,020)	(398)	(1,549)	(120)
Under/(over) provision in prior years	-	(18)	-	-
Aggregate income tax expense/(benefit)	1,232	1,898	(542)	(60)
Deferred income tax expense/(benefit) included in income tax expense/(benefit) comprises:				
Decrease/(increase) in deferred tax assets (note 17)	(1,326)	(601)	(1,242)	(362)
(Decrease)/increase in deferred tax liabilities (note 25)	(694)	203	(307)	242
	(2,020)	(398)	(1,549)	(120)
Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable				
Profit before income tax	2,800	6,342	1,279	1,864
Tax at the Australian tax rate of 30% (2007: 30%)	840	1,903	384	559
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Non-taxable dividends	-	-	(1,172)	(480)
Non-deductible expenses	59	118	36	68
Employee share expense	346	47	346	47
Research and development claim	(236)	(452)	(236)	(379)
Deferred settlement	735	528	153	106
Sundry items	(522)	(6)	(53)	19
	1,222	2,138	(542)	(60)
Under/(over) provision in prior years	-	(18)	-	-
Current year tax losses not recognised	10	-	-	-
Prior year tax losses not recognised now recouped (New Zealand)	-	(222)	-	-
Income tax expense/(benefit)	1,232	1,898	(542)	(60)
Tax losses not recognised				
Unused tax losses for which no deferred tax asset has been recognised	33	-	-	-
Potential tax benefit @ 30%	10	-	-	-

Tax consolidation

Bravura Solutions and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2006. Bravura Solutions 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 has applied the group allocation approach 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. The nature of the tax funding agreement is discussed further overleaf.

Note 8. Income tax expense/(benefit) (continued)

Members of the tax consolidated group have entered into a tax funding agreement under which the funding amounts are based on the amounts of current tax expense allocated to the subsidiary and recognised by it in accordance with the accounting policy. The funding amounts are recognised as an increase/decrease in the subsidiaries' inter company accounts with the tax consolidated group head company. The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. The funding amounts are recognised as current inter company receivables or payables (see notes 10 and 18).

Note 9. Current assets - cash and cash equivalents

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Cash on hand	2	3	1	1
Cash at bank	2,715	6,837	1,954	922
Cash on deposit	-	480	-	480
	2,717	7,320	1,955	1,403

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

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

The fair value of cash and cash equivalents is \$2,717,467 (2007: \$7,320,229).

Note 10. Current assets - trade and other receivables

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Trade receivables	20,294	18,130	5,396	2,962
Other receivables	244	250	18	19
Accrued service revenue and licence fees - unbilled receivable	19,489	19,023	8,488	4,986
Monies on deposit	-	19	-	-
Receivable from Bravura eCommerce Solutions Pty Limited	-	-	5,631	1,349
Receivable from Bravura Solutions (NZ) Limited	-	-	1,072	1,759
Receivable from Bravura Solutions (HK) Limited	-	-	240	330
Receivable from Bravura Solutions Luxembourg Holdings S.à.r.l.	-	-	-	1,151
Receivable from Administrative Platform Solutions Pty Limited	-	-	88	-
Receivable from Garradin Pty Limited	-	-	9	-
	40,027	37,422	20,942	12,556

Bad and doubtful trade receivables

The consolidated entity has had no bad debts during the years ended 30 June 2008 and 30 June 2007.

Aging of trade receivables

Customers with balances past due but without provision for doubtful debts are detailed overleaf. Management did not consider a credit risk on the aggregate balances after reviewing agency credit information and recognising a tacit extension to the recorded credit terms of customers based on recent collection practices.

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 10. Current assets - trade and other receivables (continued)

The ageing of trade receivables is as follows:

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Not yet due	16,109	16,724	4,300	2,223
Past due but not impaired:				
1 to 3 months	3,373	1,165	988	730
3 to 6 months	574	241	108	9
Over 6 months	238	-	-	-
	20,294	18,130	5,396	2,962

Note 11. Current assets – derivative financial instruments

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Interest rate swap contracts - cash flow hedges	501	-	228	-
Forward foreign exchange contracts - cash flow hedges	70	-	70	-
	571	-	298	-

Note 12. Current assets – other

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Prepayments	2,556	3,965	778	217

Note 13. Non-current assets – receivables

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Accrued service revenue and licence fees - unbilled receivable	9,418	4,545	6,669	3,915

Note 14. Non-current assets – other financial assets

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Shares in subsidiaries (note 39)	-	-	42,413	38,518
Shares in Syscorp Inc. (USA)	1	1	-	-
Other investments	42	4	42	-
	43	5	42,455	38,518

Note 15. Non-current assets – property, plant and equipment

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Leasehold improvements - at cost	10,084	799	1,405	522
Less: Accumulated depreciation	(1,084)	(361)	(623)	(287)
	9,000	438	782	235
Plant and equipment - at cost	3,914	2,970	1,190	827
Less: Accumulated depreciation	(1,555)	(695)	(618)	(308)
	2,359	2,275	572	519
Plant and equipment under lease	865	875	798	798
Less: Accumulated depreciation	(667)	(455)	(616)	(416)
	198	420	182	382
Furniture and fittings - at cost	956	786	137	92
Less: Accumulated depreciation	(184)	(76)	(50)	(30)
	772	710	87	62
	12,329	3,843	1,623	1,198

Reconciliations

Reconciliations of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	LEASEHOLD IMPROVEMENTS \$'000	PLANT AND EQUIPMENT \$'000	PLANT UNDER LEASE \$'000	FURNITURE AND FITTINGS \$'000	TOTAL \$'000
Consolidated					
Balance 1 July 2006	434	720	634	129	1,917
Additions	162	2,008	2	632	2,804
Additions through business combinations (note 38)	-	36	-	-	36
Exchange differences	16	16	2	1	35
Depreciation expense	(174)	(505)	(218)	(52)	(949)
Balance 30 June 2007	438	2,275	420	710	3,843
Additions	9,309	1,196	-	253	10,758
Exchange differences	-	(155)	(3)	(60)	(218)
Depreciation expense	(747)	(957)	(219)	(131)	(2,054)
Balance 30 June 2008	9,000	2,359	198	772	12,329
Parent entity					
Balance 1 July 2006	253	473	582	78	1,386
Additions	110	220	-	2	332
Depreciation expense	(128)	(174)	(200)	(18)	(520)
Balance 30 June 2007	235	519	382	62	1,198
Additions	865	350	-	45	1,260
Depreciation expense	(318)	(297)	(200)	(20)	(835)
Balance 30 June 2008	782	572	182	87	1,623

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 16. Non-current assets - intangibles

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Goodwill - at cost	56,299	55,441	17,873	18,787
	56,299	55,441	17,873	18,787
Business contracts and relationships - at cost	20,676	22,164	1,410	5,519
Less: Accumulated amortisation	(1,969)	(889)	(247)	(432)
	18,707	21,275	1,163	5,087
Intellectual property and software development - at cost	43,192	42,248	38,814	32,283
Less: Accumulated amortisation	(6,992)	(2,905)	(6,475)	(2,838)
	36,200	39,343	32,339	29,445
	111,206	116,059	51,375	53,319

Reconciliations

Reconciliations of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	GOODWILL \$'000	BUSINESS CONTRACTS \$'000	INTELLECTUAL PROPERTY \$'000	TOTAL \$'000
Consolidated				
Balance 1 July 2006	14,527	1,304	7,251	23,082
Additions through business combinations (note 38)	40,914	20,785	34,290	95,989
Amortisation expense	-	(814)	(2,198)	(3,012)
Balance 30 June 2007	55,441	21,275	39,343	116,059
Additions	3,344	-	2,034	5,378
Exchange differences	(2,758)	(2,030)	(164)	(4,952)
Transfers in/(out)	272	655	(927)	-
Amortisation expense	-	(1,193)	(4,086)	(5,279)
Balance 30 June 2008	56,299	18,707	36,200	111,206
Parent entity				
Balance 1 July 2006	4,396	1,304	7,247	12,947
Additions through business combinations (note 38)	14,391	4,109	24,328	42,828
Amortisation expense	-	(326)	(2,130)	(2,456)
Balance 30 June 2007	18,787	5,087	29,445	53,319
Additions	-	-	1,508	1,508
Transfers in/(out)	(914)	(3,854)	4,768	-
Amortisation expense	-	(70)	(3,382)	(3,452)
Balance 30 June 2008	17,873	1,163	32,339	51,375

Note 16. Non-current assets – intangibles (continued)

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.

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 of either 10 or 20 years. The amortisation has been recognised in the income statement 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.

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 10 years. The amortisation has been recognised in the income statement 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.

Impairment tests for goodwill

Goodwill acquired through business combinations has been allocated to individual cash generating units (CGU's) for impairment testing. The cash generating units have been identified as:

- Asia and Pacific (“APAC”) which includes Australia, New Zealand and Asia; and
- Europe, Middle East and Africa (“EMEA”) which currently comprises Europe, Middle East and Africa.

The recoverable amounts of both CGU's have been determined using a value in use calculation. The value in use of each CGU has been based on detailed financial projections approved by senior management covering a four year period.

The discount rate applied to APAC cash flow projections is 17.2% pre-tax (2007: 21.1% pre-tax) and the discount rate applied to EMEA cash flow projections is 16.0% pre-tax (2007: 21.1% pre-tax). The terminal value is calculated at the end of the four year period using a 4.0% (2007: 4.0%) growth rate. This is below the long-term average growth rate for the software market sector, however, it is considered to be the prudent approach.

Carrying amount of goodwill allocated to each of the cash generating units:

	CONSOLIDATED	
	2008 \$'000	2007 \$'000
APAC	34,940	28,202
EMEA	21,359	27,239
Total	56,299	55,441

Carrying amounts of goodwill for the parent:

	PARENT ENTITY	
	2008 \$'000	2007 \$'000
APAC	5,243	6,157
EMEA	12,630	12,630
Total	17,873	18,787

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 16. Non-current assets – intangibles (continued)

Key assumptions used in value in use calculation for 30 June 2008

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 2009 and growth projections based on the key drivers in the current business, including an assessment of:

- Contracted maintenance and support services – estimated based on recurring revenue from current contracts with existing clients;
- Revenues for professional services to existing clients – estimated after considering the levels of revenue currently being achieved and known projects; and
- Uncontracted forecast revenue which is management's estimate of forecast revenue.

Cost of sales and expenses are based on detailed knowledge of the business, historic activity and detailed plans for the 2009 year. This has been extrapolated in future years based on knowledge and assumptions around the growth in revenue and the level of expense required to support this.

Discount rates applied reflect management's estimate of the time value of money and the risks specific to each goodwill amount. In determining appropriate discount rates, regard has been given to Bravura Solutions' weighted average cost of capital.

Management believes that any reasonable possible change in the key assumptions on which the recoverable amount of each cash generating unit is based would not cause the cash generating unit's carrying amount to exceed its recoverable amount.

Note 17. Non-current assets – deferred tax

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
The balance comprises temporary differences attributable to:				
Amounts recognised in profit or loss				
Finance leases	17	86	17	86
Property, plant equipment	206	-	14	-
Financial assets at fair value through profit or loss	17	-	17	-
Amortisation of intangibles	1,257	803	1,235	626
Accruals	77	538	94	447
Provisions	1,420	918	1,171	664
Discount on deferred settlement	-	-	-	106
Unrealised loss on derivatives	631	-	631	-
Other	-	(46)	-	8
	3,625	2,299	3,179	1,937
Amounts recognised in equity				
Listing and capital raising costs	924	1,302	924	1,302
Other	352	-	352	-
	1,276	1,302	1,276	1,302
Deferred tax asset	4,901	3,601	4,455	3,239
Deferred tax asset to be recovered within 12 months	2,283	1,797	2,084	1,362
Deferred tax asset to be recovered after more than 12 months	2,618	1,804	2,371	1,877
	4,901	3,601	4,455	3,239
Movements				
Opening balance	3,601	1,843	3,239	1,517
Credited/(charged) to the income statement (note 8)	1,326	601	1,242	362
Credited/(charged) to equity	(26)	1,157	(26)	1,360
Closing balance	4,901	3,601	4,455	3,239

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 18. Current liabilities – trade and other payables

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Trade payables	10,152	8,329	1,072	773
Payable to Bravura Portfolio Solutions Pty Limited	-	-	628	649
Payable to Bravura Solutions (UK) Limited	-	-	11,202	1,397
Payable to Bravura Solutions Luxembourg Holdings S.à.r.l.	-	-	590	-
Payable to Administrative Platform Solutions Pty Limited	-	-	-	43
Other payables	4,622	6,571	697	301
	14,774	14,900	14,189	3,163

Note 19. Current liabilities – borrowings

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Bank loans	1,313	-	350	-
Other loans - CGU Insurance	393	97	393	97
Lease liability	56	269	56	230
	1,762	366	799	327

Refer to note 24 for further information.

Note 20. Current liabilities – derivative financial instruments

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Forward foreign exchange contracts - cash flow hedges	2,400	-	2,400	-

Note 21. Current liabilities - income tax

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Provision for income tax	3,841	2,122	391	384

Note 22. Current liabilities – provisions

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Provisions - annual leave	2,894	2,714	2,044	1,202
Provisions - long service leave	338	310	338	184
Provisions - deferred rent incentive	242	460	242	172
Provisions - deferred settlement - Bravura eCommerce Solutions Pty Limited	-	1,723	-	1,723
Provisions - deferred settlement - Rufus assets	12,010	14,404	1,805	2,842
Provisions - deferred settlement - Garradin Pty Limited	1,249	-	1,249	-
	16,733	19,611	5,678	6,123

Deferred rent incentive

Deferred rent incentive represents contributions towards tenancy fit-outs in various leased offices.

Deferred settlement - Bravura eCommerce Solutions Pty Limited

Deferred settlement - Bravura eCommerce Solutions represents an arrangement made with the vendors whereby payments will be made to them upon reaching an agreed performance target.

Deferred settlement - Rufus assets

Deferred settlement - Rufus assets represents an arrangement made with the vendors whereby payments will be made to them upon reaching an agreed performance target.

Deferred settlement - Garradin Pty Limited

Deferred settlement - Garradin Pty Limited represents an arrangement made with the vendors whereby payments will be made to them upon reaching an agreed performance target.

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 22. Current liabilities – provisions (continued)

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	RENT INCENTIVE \$'000	BRAVURA ECOMMERCE \$'000	RUFUS ASSETS \$'000	GARRADIN \$'000	TOTAL \$'000
Consolidated - 2008					
Carrying amount at the start of the year	460	1,723	14,404	-	16,587
Additional provisions recognised	195	75	-	1,249	1,519
Interest charges during the year	-	-	1,803	-	1,803
Exchange differences	-	-	(3,659)	-	(3,659)
Transfer from non-current provisions	-	-	12,747	-	12,747
Amounts used during the year	(413)	-	-	-	(413)
Payments	-	(1,798)	(13,285)	-	(15,083)
Carrying amount at the end of the year	242	-	12,010	1,249	13,501
Parent entity - 2008					
Carrying amount at the start of the year	172	1,723	2,842	-	4,737
Additional provisions recognised	195	75	-	1,249	1,519
Interest charges during the year	-	-	19	-	19
Exchange differences	-	-	(1,038)	-	(1,038)
Transfer from non-current provisions	-	-	2,515	-	2,515
Amounts used during the year	(125)	-	-	-	(125)
Payments	-	(1,798)	(2,533)	-	(4,331)
Carrying amount at the end of the year	242	-	1,805	1,249	3,296

Amounts not expected to be settled within the next 12 months

The current provision for annual leave is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave within the next 12 months.

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months.

Note 23. Current liabilities – other

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Accrued expenses	3,712	8,381	2,229	5,569
Deferred maintenance and service revenue	7,488	5,642	2,701	2,299
	11,200	14,023	4,930	7,868

Note 24. Non-current liabilities – borrowings

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Bank loans	40,906	19,361	11,842	4,713
Lease liability	-	56	-	56
	40,906	19,417	11,842	4,769

Total secured liabilities

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

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Bank loans	42,219	19,361	12,192	4,713
Lease liability	56	325	56	286
	42,275	19,686	12,248	4,999

Assets pledged as security

The bank loans are secured by a deed of charge and mortgage over Bravura Solutions and certain wholly-owned subsidiaries.

The lease liabilities are effectively secured as the rights to the leased assets recognised in the balance sheet revert to the lessor in the event of default.

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 24. Non-current liabilities – borrowings (continued)

Financing arrangements

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

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Total facilities				
Bank loans (term facility and revolving)	65,000	65,000	65,000	65,000
	65,000	65,000	65,000	65,000
Used at balance date				
Bank loans (term facility and revolving)	43,162	20,293	13,135	5,645
	43,162	20,293	13,135	5,645
Unused at balance date				
Bank loans (term facility and revolving)	21,838	44,707	51,865	59,355
	21,838	44,707	51,865	59,355

The bank loans as at 30 June 2008 stated in the balance sheet included capitalised borrowing costs of \$943,000 (2007: \$932,000) which were offset in the balance sheet but not in the table above to reflect the amount used at balance date.

Financing covenants

The financing arrangements impose certain covenants on the consolidated entity that, if breached, the financiers may at any time declare that the loans become immediately due and payable. The financial covenants that must be met are as follows:

- The Interest Cover Ratio of the consolidated entity must not be less than 4.5:1.
- The Leverage Ratio (debt/EBITA) of the consolidated entity must not be greater than 3:1.
- The Net Assets of the consolidated entity must not be less than A\$55 million.

Note 25. Non-current liabilities – deferred tax

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
The balance comprises temporary differences attributable to:				
Amounts recognised in profit or loss				
Property, plant and equipment	54	-	61	-
Accelerated depreciation for tax purposes	-	14	-	14
Assets under finance lease	-	100	-	100
Capitalised borrowing costs	-	279	-	279
Intangibles	2,518	2,873	847	822
Deferred tax liability	2,572	3,266	908	1,215
Deferred tax liability to be settled after more than 12 months	2,572	3,266	908	1,215
Movements				
Opening balance	3,266	210	1,215	973
Charged/(credited) to the income statement (note 8)	(694)	203	(307)	242
Acquired in business combinations	-	2,853	-	-
Closing balance	2,572	3,266	908	1,215

Note 26. Non-current liabilities – provisions

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Provisions - long service leave	651	604	651	421
Provisions - lease make good	1,005	331	629	234
Provisions - deferred settlement - Rufus assets	-	12,747	-	2,515
	1,656	13,682	1,280	3,170

Lease make good

Lease make good is an estimate of the costs to remove leasehold improvements at the end of the lease term.

Deferred settlement - Rufus assets

Deferred settlement – Rufus assets represents an arrangement made with the vendors whereby payments will be made to them upon reaching an agreed performance target.

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 26. Non-current liabilities – provisions (continued)

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	LEASE MAKE GOOD \$'000	RUFUS ASSETS \$'000	TOTAL \$'000
Consolidated - 2008			
Carrying amount at the start of the year	331	12,747	13,078
Additional provisions recognised	686	-	686
Exchange differences	(12)	-	(12)
Transfer to current provisions	-	(12,747)	(12,747)
Carrying amount at the end of the year	1,005	-	1,005
Parent entity - 2008			
Carrying amount at the start of the year	234	2,515	2,749
Additional provisions recognised	395	-	395
Transfer to current provisions	-	(2,515)	(2,515)
Carrying amount at the end of the year	629	-	629

Note 27. Non-current liabilities – other

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Accrued expenses	476	-	-	-

Note 28. Equity – contributed

	PARENT ENTITY		PARENT ENTITY	
	2008 SHARES	2007 SHARES	2008 \$'000	2007 \$'000
Ordinary shares - fully paid	142,008,658	142,008,658	85,533	85,565

Movements in ordinary share capital

DETAILS	DATE	NO. OF SHARES	ISSUE PRICE	\$'000
Balance	1 Jul 06	122,693,481		47,090
Shares issued for rights issue	13 Apr 07	19,315,177	\$2.10	40,562
Share issue costs, net of tax				(2,087)
Balance	30 Jun 07	142,008,658		85,565
Share issue costs, net of tax	30 Jun 08			(32)
Balance	30 Jun 08	142,008,658		85,533

Ordinary shares

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

Note 29. Equity – reserves

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Foreign currency reserve	(3,075)	(616)	-	-
Options reserve	1,754	626	1,754	626
	(1,321)	10	1,754	626

	FOREIGN CURRENCY \$'000	OPTIONS \$'000	CONSOLIDATED \$'000
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Consolidated

Balance 1 July 2006	15	626	641
Currency translation differences	(631)	-	(631)
Balance 30 June 2007	(616)	626	10
Currency translation differences	(2,459)	-	(2,459)
Share based payments	-	1,128	1,128
Balance 30 June 2008	(3,075)	1,754	(1,321)
Balance 1 July 2006	-	626	626
Balance 30 June 2007	-	626	626
Share based payments	-	1,128	1,128
Balance 30 June 2008	-	1,754	1,754

Foreign currency reserve

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

Options reserve

The options reserve is used to record the fair value of equity benefits provided to employees and Directors as part of their compensation.

Note 30. Equity - retained profits

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Retained profits at the beginning of the financial year	3,798	826	1,155	703
Profit after income tax (expense)/benefit	1,568	4,444	1,821	1,924
Dividends paid (note 31)	(2,130)	(1,472)	(2,130)	(1,472)
Retained profits at the end of the financial year	3,236	3,798	846	1,155

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 31. Equity - dividends

	PARENT ENTITY	
	2008 \$'000	2007 \$'000
Final ordinary dividend for the year ended 30 June 2007 of 0.9 cents per fully paid share paid on 16 October 2007	1,278	-
Interim ordinary dividend for the year ended 30 June 2008 of 0.6 cents (2007: 1.2 cents) per fully paid share paid on 3 April 2008	852	1,472
	2,130	1,472
Franking credits available for subsequent financial years based on a tax rate of 30%	887	176

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- Franking credits that will arise from the payment of the amount of the provision for income tax;
- Franking credits that will arise from the payment of dividends recognised as a liability at the reporting date; and
- Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Note 32. Financial instruments

Financial risk management objectives

The consolidated entity's activities exposes it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. 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, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

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

Market risk

Foreign currency risk

The consolidated entity and the parent entity undertake certain transactions denominated in foreign currency and are exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Note 32. Financial instruments (continued)

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

	ASSETS		LIABILITIES	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Consolidated				
US dollar	1,069	1,452	742	-
Euro	2,220	1,369	1,503	1,300
Pound Sterling	21,565	33,736	52,015	32,213
New Zealand dollar	1,884	735	1,939	1,309
	26,738	37,292	56,199	34,822
Parent entity				
US dollar	1,035	1,419	-	-
Pound Sterling	-	-	7,699	5,357
	1,035	1,419	7,699	5,357

The consolidated entity had net liabilities denominated in foreign currency of AUD\$29,451,000 (assets AUD\$26,748,000 less liabilities AUD\$56,199,000) as at 30 June 2008. Based on this exposure, had the Australian Dollar weakened/strengthened by 5% against these foreign currencies with all other variables held constant, the consolidated entity's profit for the year would have been \$1,473,000 higher/lower. The actual foreign exchange gain for the year ended 30 June 2008 was \$130,000 (2007: loss of \$175,000).

The parent entity had net liabilities denominated in foreign currency of AUD\$6,664,000 (assets AUD\$1,035,000 less liabilities AUD\$7,699,000) as at 30 June 2008. Based on this exposure, had the Australian Dollar weakened/strengthened by 5% against these foreign currencies with all other variables held constant, the consolidated entity's profit for the year would have been \$333,000 higher/\$333,000 lower. The actual foreign exchange gain for the year ended 30 June 2008 was \$180,000 (2007: loss of \$171,000).

The consolidated entity and parent entity held the following forward exchange contracts:

	SELL AUSTRALIAN DOLLARS		AVERAGE EXCHANGE RATES	
	2008 \$'000	2007 \$'000	2008	2007
Buy US dollars				
Maturity				
0 - 3 months	901	-	0.8881	-
Buy UK pounds				
Maturity				
0 - 3 months	15,617	-	0.4098	-
3 - 12 months	-	15,490	-	0.4132

Price risk

The consolidated entity and parent entity are not exposed to price risk.

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 32. Financial instruments (continued)

Interest rate risk

The consolidated entity and parent entity's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the consolidated entity and parent entity to interest rate risk. Borrowings issued at fixed rates expose the consolidated entity and parent entity to fair value interest rate risk. The consolidated entity's policy is to maintain approximately 50% of its borrowings at fixed rate using interest rate swaps to achieve this when necessary.

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

	2008		2007	
	WEIGHTED AVERAGE INTEREST RATE %	BALANCE \$'000	WEIGHTED AVERAGE INTEREST RATE %	BALANCE \$'000
Consolidated				
Bank overdraft and bank loans	7.62	43,162	8.73	20,293
Interest rate swaps (notional principal amount)	5.85	(23,176)	6.28	(25,304)
Net exposure to cash flow interest rate risk		19,986		(5,011)
Parent entity				
Bank overdraft and bank loans	9.00	13,135	9.14	5,645
Interest rate swaps (notional principal amount)	6.64	(7,234)	6.64	(7,384)
Net exposure to cash flow interest rate risk		5,901		(1,739)

An analysis by remaining contractual maturities is shown in "liquidity and interest rate risk management" below.

For the consolidated entity the bank loans outstanding, totalling \$43,162,000 are principal and interest payment loans. Monthly cash outlays of approximately \$260,000 per month are required to service the interest payments. An increase in interest rates by one percentage point would have an adverse affect on profit of \$432,000 per annum. In addition, in the next 12 months minimum principal repayments of \$438,000 is due on 31 December 2008 and \$875,000 is due on 30 June 2009.

For the parent entity the bank loans outstanding, totalling \$13,135,000 are principal and interest payment loans. Monthly cash outlays of approximately \$95,000 per month are required to service the interest payments. An increase in interest rates by one percentage point would have an adverse affect on profit of \$132,000 per annum. In addition, in the next 12 months minimum principal repayments of \$117,000 is due on 31 December 2008 and \$233,000 is due on 30 June 2009.

Credit risk

Credit risk is managed on a consolidated entity basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit and obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheets and notes to the financial statements.

The consolidated entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the consolidated entity.

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 and the parent entity had access to are disclosed in note 24.

Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have an average maturity of four years (2007: five years).

Note 32. Financial instruments (continued)

Liquidity and interest rate risk management

The following tables detail the consolidated entity's and parent entity's remaining contractual maturity for its derivative and non-derivative financial instruments. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the consolidated entity and parent entity can be required to pay. The tables include both interest and principal cash flows, disclosed as remaining contractual maturities and these totals differ from their carrying amount in the balance sheet for interest-bearing liabilities due to the interest component.

CONSOLIDATED - 2008	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS \$'000	OVER 1-2 YEARS \$'000	OVER 2-3 YEARS \$'000	OVER 3-4 YEARS \$'000	REMAINING CONTRACTUAL MATURITIES \$'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	10,152	-	-	-	10,152
Other payables	-	4,622	-	-	-	4,622
Interest bearing - fixed rate						
Bank loans	7.62	4,995	5,650	5,701	35,371	51,717
Other loans	8.04	393	-	-	-	393
Lease liability	8.95	58	-	-	-	58
Deferred settlement	13.00	14,121	-	-	-	14,121
Total non-derivatives		34,341	5,650	5,701	35,371	81,063
Derivatives						
Interest rate swaps	5.85	(1,511)	(1,440)	(1,347)	(649)	(4,947)
Total derivatives		(1,511)	(1,440)	(1,347)	(649)	(4,947)
CONSOLIDATED - 2007	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS \$'000	OVER 1-2 YEARS \$'000	OVER 2-3 YEARS \$'000	OVER 3-4 YEARS \$'000	REMAINING CONTRACTUAL MATURITIES \$'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	8,329	-	-	-	8,329
Other payables	-	6,571	-	-	-	6,571
Interest bearing - fixed rate						
Bank loans	8.73	2,646	2,739	2,773	16,534	24,692
Other loans	4.42	99	-	-	-	99
Lease liability	8.95	285	58	-	-	343
Deferred settlement	13.00	18,832	13,576	-	-	32,408
Total non-derivatives		36,762	16,373	2,773	16,534	72,442
Derivatives						
Interest rate swaps	6.28	(549)	(517)	(480)	(231)	(1,777)
Total derivatives		(549)	(517)	(480)	(231)	(1,777)

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 32. Financial instruments (continued)

PARENT ENTITY - 2008	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS \$'000	OVER 1-2 YEARS \$'000	OVER 2-3 YEARS \$'000	OVER 3-4 YEARS \$'000	REMAINING CONTRACTUAL MATURITIES \$'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,072	-	-	-	1,072
Other payables	-	697	-	-	-	697
Interest bearing - fixed rate						
Bank loans	9.00	1,636	1,851	1,866	11,584	16,937
Other loans	8.04	393	-	-	-	393
Lease liability	8.33	58	-	-	-	58
Deferred settlement	13.00	3,451	-	-	-	3,451
Total non-derivatives		7,307	1,851	1,866	11,584	22,608
Derivatives						
Interest rate swaps	6.64	(472)	(449)	(421)	(203)	(1,545)
Total derivatives		(472)	(449)	(421)	(203)	(1,545)
PARENT ENTITY - 2007						
	WEIGHTED AVERAGE INTEREST RATE %	1 YEAR OR LESS \$'000	OVER 1-2 YEARS \$'000	OVER 2-3 YEARS \$'000	OVER 3-4 YEARS \$'000	REMAINING CONTRACTUAL MATURITIES \$'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	773	-	-	-	773
Other payables	-	301	-	-	-	301
Interest bearing - fixed rate						
Bank loans	9.14	499	622	720	4,293	6,134
Other loans	4.42	99	393	-	-	492
Lease liability	8.33	240	58	-	-	298
Deferred settlement	13.00	4,565	3,951	-	-	8,516
Total non-derivatives		6,477	5,024	720	4,293	16,514
Derivatives						
Interest rate swaps	6.64	159	150	139	67	515
Total derivatives		159	150	139	67	515

Fair value of financial instruments

The carrying amounts of financial instruments approximates their fair values.

Capital management policy

The consolidated entity's and parent entity's objectives when managing capital are 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.

Note 32. Financial instruments (continued)

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The consolidated entity currently has no defined share buy-back policy but share buy-backs may occur in the future. The consolidated entity is subject to the following externally imposed capital requirements in terms of financial covenants:

- The Interest Cover Ratio of the consolidated entity must not be less than 4.5:1.
- The Leverage Ratio (debt/EBITA) of the consolidated entity must not be greater than 3:1.
- The Net Assets of the consolidated entity must not be less than A\$55 million.

The consolidated entity's current focus is to pay dividends with free cash flows after scheduled and pre-committed debt repayments and other capital commitments, after forecasting future cash flows. Also, financial covenants are taken into account before any dividend is declared to ensure that these are not breached.

The consolidated entity may issue new shares or sell assets to either reduce debt or to invest in income producing assets. This is decided on the basis of maximising shareholder returns over the long term.

The consolidated entity's overall capital risk management strategy remains unchanged from the previous financial year.

Note 33. Key management personnel disclosures

Directors

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

- Christopher Ryan, Chairman and Non-executive Director
- Iain Dunstan, Group CEO and Managing Director
- Simon Woodfull, Group CEO and Director – Operations
- James MacKenzie, Non-executive Director
- Elana Rubin, Non-executive Director
- John Loebenstein (appointed on 28 November 2007), Non-executive Director

Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the consolidated entity, directly or indirectly, during the financial year:

- Jonathan Kenny, Company Secretary and Chief Financial Officer
- Tony Klim (appointed on 25 February 2008), Chief Executive Officer, EMEA
- Andrew Chesterton, Chief Operating Officer, EMEA
- Nick Parsons (appointed on 30 July 2007), Chief Technology Officer
- Darren Stevens (appointed on 16 October 2007), Head of Product

Compensation

The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	CONSOLIDATED		PARENT ENTITY	
	2008 \$	2007 \$	2008 \$	2007 \$
Short-term employee benefits	3,901,616	3,544,091	2,644,127	3,123,863
Post-employment benefits	210,542	193,321	138,197	174,422
Share-based payments	461,704	121,040	282,258	121,040
	4,573,862	3,858,452	3,064,582	3,419,325

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 33. Key management personnel disclosures (continued)

Shareholding

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2008	BALANCE AT THE START OF THE YEAR	RECEIVED AS PART OF REMUNERATION	ADDITIONS	DISPOSALS	BALANCE AT THE END OF THE YEAR
Ordinary shares					
Christopher Ryan	9,034,010	-	8,318	-	9,042,328
Iain Dunstan*	28,884,996	-	5,000	(28,486,245)	403,751
Simon Woodfull*	14,530,693	-	-	(14,522,526)	8,167
James MacKenzie	611,053	-	-	-	611,053
Elana Rubin	10,416	-	-	-	10,416
Jonathan Kenny	31,500	-	-	-	31,500

* Transfer of shares to Merrill Lynch International (Australia) Limited following the appointment of voluntary administrators to Lift Capital Partners Pty Ltd.

2007	BALANCE AT THE START OF THE YEAR	RECEIVED AS PART OF REMUNERATION	ADDITIONS	DISPOSALS	BALANCE AT THE END OF THE YEAR
Ordinary shares					
Christopher Ryan	7,648,226	-	1,385,784	-	9,034,010
Iain Dunstan	24,750,367	7,821	4,126,808	-	28,884,996
Simon Woodfull	12,447,879	6,496	2,076,318	-	14,530,693
James MacKenzie	523,759	-	87,294	-	611,053
Elana Rubin	-	-	10,416	-	10,416
Jonathan Kenny	-	-	31,500	-	31,500
Enda Mahoney	106,195	3,724	-	-	109,919
Wesley Hall	96,249	4,000	50,000	-	150,249
Jason Tong	22,500	3,993	3,011	-	29,504

Note 33. Key management personnel disclosures (continued)

Option holding

The number of options over ordinary shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2008	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED	BALANCE AT THE END OF THE YEAR
Ordinary shares					
Iain Dunstan	-	583,922	-	-	583,922
Simon Woodfull	-	583,922	-	-	583,922
Jonathan Kenny	-	362,416	-	-	362,416
Tony Klim	-	166,150	-	-	166,150
Andrew Chesterton	-	480,384	-	-	480,384
Nick Parsons	-	509,075	-	-	509,075
Darren Stevens	-	241,441	-	-	241,441
Total		2,927,310			2,927,310

2007	BALANCE AT THE START OF THE YEAR	GRANTED	EXERCISED	EXPIRED	BALANCE AT THE END OF THE YEAR
Ordinary shares					
Iain Dunstan	2,000,000	-	-	(2,000,000)	-
Simon Woodfull	2,000,000	-	-	(2,000,000)	-
Total	4,000,000			(4,000,000)	-

Further disclosures

The consolidated entity has applied the relief outlined in AASB 2008-4, by disclosing the full key management personnel disclosures in the Directors' report only, thus not duplicating that information in the financial report. These transferred disclosures have been audited.

Note 34. Remuneration of auditors

During the year the following fees were paid or payable for services provided by Ernst & Young, the auditor of the company, and its related practices:

	CONSOLIDATED		PARENT ENTITY	
	2008 \$	2007 \$	2008 \$	2007 \$
Audit services - Ernst & Young				
Audit or review of the financial report	420,012	349,703	420,012	349,703
	420,012	349,703	420,012	349,703
Other services - Ernst & Young				
Independent accountants report and advisory services	152,546	362,731	152,546	362,731
Taxation advice	309,644	120,000	309,644	120,000
Tax compliance services	47,812	-	47,812	-
	510,002	482,731	510,002	482,731
	930,014	832,434	930,014	832,434

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 35. Contingent liabilities

Ironbridge

Bravura Solutions must pay Ironbridge Capital Pty Limited (Ironbridge) a break fee of \$2.46 million (inclusive of GST) if the Ironbridge proposal (as per the ASX announcement of 5 May 2008) does not proceed based on certain circumstances.

Bravura Solutions contingent obligation to pay the break fee, as well as Bravura Solution's other obligations under the Implementation Agreement, expires on a fixed end date that has been agreed between Bravura Solutions and Ironbridge.

Bank guarantees

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Bank guarantees	7,802	1,180	1,450	979

Note 36. Commitments for expenditure

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Capital commitments - property, plant and equipment				
Committed at reporting date but not recognised as liabilities, payable:				
Within one year	-	1,308	-	-
Lease commitments - operating				
Committed at reporting date but not recognised as liabilities, payable:				
Within one year	3,834	3,080	1,420	955
One to five years	6,929	7,363	1,741	1,220
	10,763	10,443	3,161	2,175
Lease commitments - finance				
Committed at reporting date and recognised as liabilities, payable:				
Within one year	58	285	58	240
One to five years	-	58	-	58
Total commitment	58	343	58	298
Less: Future finance charges	(2)	(18)	(2)	(12)
Net commitment recognised as liabilities	56	325	56	286
Representing				
Lease liability - current (note 19)	56	269	56	230
Lease liability - non-current (note 24)	-	56	-	56
	56	325	56	286

Note 37. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 39.

Key management personnel

Disclosures relating to key management personnel are set out in note 33 and the Directors' report.

Transactions with related parties

The following transactions occurred with related parties:

	CONSOLIDATED		PARENT ENTITY	
	2008 \$	2007 \$	2008 \$	2007 \$
Sale of goods and services				
Cross-charges to subsidiaries	-	-	15,314,893	11,688,752
Other income				
Dividends received from subsidiaries	-	-	3,908,523	1,600,000
Payment for goods and services				
Research and development charges from subsidiaries	-	-	3,054,618	4,696,651
Payment for consultancy services provided by Robert Summerton	-	11,000	-	11,000
Payment for consultancy services provided by James MacKenzie	-	4,000	-	4,000
Payment for due diligence services provided by Investorlink Corporate Limited (of which Christopher Ryan holds a controlling interest) in relation to various acquisitions during the period	10,000	268,000	10,000	268,000
Payment for legal services provided by Summerton De Vere Lawyers (of which Robert Summerton holds a controlling interest) in relation to various acquisitions and trademark work during the period	-	62,000	-	62,000

Receivable from and payable to related parties

There are no trade receivables from or trade payables to related parties at the reporting date.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	CONSOLIDATED		PARENT ENTITY	
	2008 \$	2007 \$	2008 \$	2007 \$
Current receivables				
Receivable from Bravura eCommerce Solutions Pty Limited	-	-	5,630,849	1,348,924
Receivable from Bravura Solutions (NZ) Limited	-	-	1,071,623	1,759,291
Receivable from Bravura Solutions (HK) Limited	-	-	239,995	329,798
Receivable from Bravura Solutions Luxembourg Holdings S.à.r.l.	-	-	-	1,151,117
Receivable from Garradin Pty Limited	-	-	9,075	-
Current borrowings				
Payable to Bravura Portfolio Solutions Pty Limited	-	-	628,387	648,592
Payable to Bravura Solutions (UK) Limited	-	-	11,202,099	1,397,370
Payable to Administrative Platform Solutions Pty Limited	-	-	-	43,479
Payable to Bravura Solutions Luxembourg Holdings S.à.r.l.	-	-	590,134	-

Terms and conditions

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

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 38. Business combinations

Garradin Pty Limited

On 29 June 2007 Bravura Solutions acquired 100% of the voting shares of Garradin Pty Limited, a subsidiary, for \$10,773,000. Garradin Pty Limited is an Australian based company offering integrated software solutions aimed at investment managers and administration platforms. The value identified in relation to the acquisition of Garradin Pty Limited was provisional as at 30 June 2007 and valuations are now finalised at 30 June 2008.

Details of the acquisition are as follows:

	ACQUIREE'S CARRYING AMOUNT \$'000	FAIR VALUE \$'000
Cash equivalents	962	962
Trade receivables	703	703
Prepayments	25	25
Plant and equipment	31	31
Business contracts	-	1,345
Intellectual property	-	3,047
Trade payables	(83)	(83)
Other payables	(54)	(54)
Provision for income tax	(234)	(234)
Deferred tax liability	-	(1,318)
Employee benefits	(252)	(252)
Deferred revenue	(260)	(330)
Net assets acquired	838	3,842
Goodwill		6,931
Total purchase consideration		10,773
Representing		
Cash paid/payable to vendor		10,501
Direct costs paid relating to the acquisition		272
		10,773

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Outflow of cash to acquire business, net of cash acquired				
Total purchase consideration	1,213	9,560	1,213	9,560
Less: cash equivalents	-	(962)	-	-
Less: payments to be made in future periods	(1,249)	-	(1,249)	-
Outflow of cash	(36)	8,598	(36)	9,560

Note 38. Business combinations (continued)

Rufus software

On 1 December 2006 Bravura Solutions acquired the Rufus software business from the Bank of New York Europe Limited. The Rufus software business expands Bravura Solutions business in its already recognised fields of software facilities management and the generation of licence fees from direct software clients, transfer agency revenue and commissioned consultancy and commissioned development. The value identified in relation to the acquisition of the Rufus software business was provisional as at 30 June 2007 and valuations are now finalised at 30 June 2008.

Details of the acquisition are as follows:

	ACQUIREE'S CARRYING AMOUNT \$'000	FAIR VALUE \$'000
Plant and equipment	1,570	1,570
Business contracts	-	15,728
Intellectual property	-	26,548
Net assets acquired	1,570	43,846
Goodwill		33,154
Total purchase consideration		77,000

Representing

Cash paid/payable to vendor	75,167
Direct costs paid relating to the acquisition	1,833
	77,000

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Outflow of cash to acquire business, net of cash acquired				
Total purchase consideration	-	77,000	-	-
Add: payments made for prior period acquisition	13,285	-	-	-
Less: payments to be made in future periods	-	(26,860)	-	-
Outflow of cash	13,285	50,140	-	-

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 38. Business combinations (continued)

Bravura Solutions Luxembourg Holdings S.à.r.l.

On 8 December 2006 Bravura Solutions acquired 100% of the voting shares of Bravura Solutions Luxembourg Holdings S.à.r.l. (formerly known as AB Prodata S.à.r.l.) with an effective date of 31 December 2006. Bravura Solutions Luxembourg Holdings S.à.r.l. is an independent provider of original software products to the financial sector and in particular to companies involved in mutual funds, custody, clearing and settlement. The value identified in relation to the acquisition of Bravura Solutions Luxembourg Holdings S.à.r.l. was provisional as at 30 June 2007 and valuations are now finalised at 30 June 2008.

	ACQUIREE'S CARRYING AMOUNT \$'000	FAIR VALUE \$'000
Trade receivables	1,224	1,224
Plant and equipment	17	-
Business contracts	-	614
Intellectual property	-	1,326
Development costs	1,181	-
Trade payables	(2,247)	(2,247)
Provision for income tax	(71)	(71)
Deferred tax liability	-	(398)
Bank loans	(91)	(91)
Net assets acquired	13	357
Goodwill		7,910
Total purchase consideration		8,267

Representing

Cash paid/payable to vendor	6,776
Direct costs paid relating to the acquisition	1,491
	8,267

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Outflow of cash to acquire business, net of cash acquired				
Total purchase consideration	1,074	7,193	1,074	7,193

Note 39. 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:

NAME OF ENTITY	COUNTRY OF INCORPORATION	EQUITY HOLDING		PARENT ENTITY	
		2008 %	2007 %	2008 \$'000	2007 \$'000
Administrative Platform Solutions Pty Limited	Australia	-	100.00	-	-
Bravura eCommerce Solutions Pty Limited	Australia	100.00	100.00	5,258	4,659
Bravura Facility Pty Limited	Australia	100.00	100.00	-	-
Bravura Portfolio Solutions Pty Limited	Australia	100.00	100.00	2,114	2,114
Bravura Solutions (Australia) Pty Limited	Australia	100.00	100.00	-	-
Bravura Solutions (HK) Limited	Hong Kong	100.00	100.00	-	-
Bravura Solutions Luxembourg Holdings S.à.r.l.	Luxembourg	100.00	100.00	8,267	6,184
Bravura Solutions (NZ) Limited	New Zealand	100.00	100.00	1	1
Bravura Solutions (UK) Limited	United Kingdom	100.00	100.00	16,000	16,000
Garradin Pty Limited	Australia	100.00	100.00	10,773	9,560
Real Solutions Pty Limited	Australia	100.00	100.00	-	-
Bravura Software Solutions (SA) (Proprietary) Limited	South Africa	100.00	-	-	-
				42,413	38,518

Administrative Platform Solutions Pty Limited was deregistered on 4 March 2008.

Note 40. Events occurring after balance date

No matter or circumstance has arisen since 30 June 2008 that has significantly affected, or may significantly affect the consolidated entity's operations in future financial years, the results of those operations in future financial years, or the consolidated entity's state of affairs in future financial years.

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 41. Reconciliation of profit after income tax to net cash flows from operating activities

	CONSOLIDATED		PARENT ENTITY	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Profit after income tax (expense)/benefit	1,568	4,444	1,821	1,924
Depreciation and amortisation	7,333	3,961	4,287	2,975
Net loss/(profit) on sale of non-current assets	-	(7)	58	-
Foreign exchange differences	520	(592)	(687)	-
Dividends received from subsidiaries	-	-	(3,909)	(1,600)
Share-based payments	1,128	-	1,128	-
Net fair value change on derivatives	1,504	-	1,870	-
Change in operating assets and liabilities				
(Increase)/decrease in trade and other receivables	(7,478)	(32,166)	(10,573)	(7,762)
(Increase)/decrease in deferred tax assets	(1,300)	(1,758)	(1,216)	(1,539)
(Increase)/decrease in derivative assets	(571)	-	(298)	-
(Increase)/decrease in prepayments	1,409	(1,141)	(561)	(37)
Increase/(decrease) in trade and other payables	(2,949)	20,208	1,048	4,321
(Increase)/decrease in derivative liabilities	2,400	-	2,400	-
Increase/(decrease) in provision for income tax	1,719	1,165	6	(220)
Increase/(decrease) in deferred tax liabilities	(694)	3,056	(307)	840
Increase/(decrease) in other operating liabilities	619	(984)	(485)	(781)
Net cash inflow/(outflow) from operating activities	5,208	(3,814)	(5,418)	(1,879)

Note 42. Earnings per share

	CONSOLIDATED	
	2008 \$'000	2007 \$'000
Profit after income tax attributable to members of Bravura Solutions	1,568	4,444
Weighted average number of ordinary shares used in calculating basic earnings per share	142,008,658	126,874,027
Weighted average number of ordinary shares used in calculating diluted earnings per share	142,008,658	126,874,027
	CENTS	CENTS
Basic earnings per share	1.10	3.50
Diluted earnings per share	1.10	3.50

Basic and diluted earnings per share for the 2007 financial year have been restated due to prior period errors. The amount of the correction for both basic and diluted earnings per share was a reduction of 0.7 cents per share.

Note 43. Share-based payments

Bravura Solutions Senior Employees and Executive Option Plan

Details of options issued

Bravura Solutions operates an ownership-based scheme for senior employees and executive directors of the consolidated entity. In accordance with the provisions of the plan, as approved by shareholders at a previous annual general meeting, executives and senior employees may be granted options to purchase parcels of ordinary shares at an exercise price as specified below.

Each employee share option converts into one ordinary share on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to their date of their expiry. An employee must still be employed by a Bravura Solutions Group Company at each exercise date for those relevant options to vest.

The number of options is based on the level of seniority and other qualitative and quantitative measures as recommended by the remuneration committee. The options granted expire within five years of their issue.

During the financial year, the following share-based payments were granted.

Senior Employee Plan

GRANT DATE	VESTING DATE	EXPIRY DATE	EXERCISE PRICE	VALUE PER OPTION	NO. OF OPTIONS
26 Jul 07	15 Jan 08	15 Jan 12	\$1.90	\$0.306	1,421,377
26 Jul 07	15 Jan 09	15 Jan 12	\$1.90	\$0.284	1,421,367
26 Jul 07	15 Jan 10	15 Jan 12	\$1.90	\$0.281	1,421,354
14 Nov 07	15 Jan 08	15 Jan 12	\$1.90	\$0.397	43,333
14 Nov 07	15 Jan 09	15 Jan 12	\$1.90	\$0.401	43,333
14 Nov 07	15 Jan 10	15 Jan 12	\$1.90	\$0.402	43,334
13 Feb 08	15 Jan 09	15 Jan 13	\$1.47	\$0.347	589,054
13 Feb 08	15 Jan 10	15 Jan 13	\$1.47	\$0.360	589,054
13 Feb 08	15 Jan 11	15 Jan 13	\$1.47	\$0.346	589,054

In addition to the Service Vesting Conditions above, the options can only be exercised if the following performance conditions are satisfied:

Performance condition 1 - in respect of 50% of the options issued

Bravura Solutions' Accumulated Total Shareholder Return (TSR) must equal or exceed the ASX/S&P 300 Accumulation Index from the date the options are issued until the end of each service vesting period (for each respective tranche to vest). If the performance condition is not met, 50% of the options for that tranche will lapse immediately.

Performance condition 2 - in respect of the remaining 50% options issued

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

Notes to the financial statements cont'd

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008

Note 43. Share-based payments (continued)

Executive directors plan

GRANT DATE	VESTING DATE	EXPIRY DATE	EXERCISE PRICE	VALUE PER OPTION	NO. OF OPTIONS
29 Nov 07	30 Nov 12	30 Nov 12	\$1.80	\$0.679	1,167,844

In addition to the Service Vesting Conditions above, the options can only be exercised if the following performance conditions are satisfied:

Performance condition 1 - in respect of 50% of the options issued

Bravura Solutions' Compound Average Growth Rate ('CAGR') in Earnings Per Share ('EPS') must equal or exceed the following hurdle rates over the Performance condition 1 measurement period:

HURDLE RATE	% OF OPTIONS THAT WILL VEST
10% per annum	25%
12% per annum	50%
15% per annum	100%

The measurement period for Performance condition 1 will be the three financial years commencing on 1 July 2007.

Performance condition 2 – In respect of the remaining 50% of the options to be issued

Bravura Solutions' Accumulated Total Shareholder Return ('TSR') must equal or exceed the TSR of other entities included in the ASX/S&P 300 Accumulation Index, over the Performance condition 2 measurement period, as follows:

HURDLE RATE	% OF OPTIONS THAT WILL VEST
Below median	Nil
At median	50%
Each percentile above median	2%
At 75th percentile	100%

The measurement period for Performance condition 2 will be from the Issue Date of the options to 30 November 2010.

If Performance condition 1 is not achieved, 50% of the options immediately lapse. If Performance condition 2 is not achieved, the remaining 50% of the options immediately lapse.

Note 43. Share-based payments (continued)

Fair values of the options

The options granted by Bravura Solutions during the 2008 financial year were valued using a Hybrid Monte Carlo Simulation Trinomial Model. The assumptions used to value each tranche of options were as follows:

GRANT DATE	VESTING DATE	EXPECTED OPTION LIFE (YEARS)	SHARE PRICE	EXERCISE PRICE	VOLATILITY RATE	RISK FREE RATE	EXIT RATE
26 Jul 07	15 Jan 08	3.71	\$1.59	\$1.90	44.00%	6.25%	15.00%
26 Jul 07	15 Jan 09	3.87	\$1.59	\$1.90	44.00%	6.25%	15.00%
26 Jul 07	15 Jan 10	4.14	\$1.59	\$1.90	44.00%	6.25%	15.00%
14 Nov 07	15 Jan 08	3.46	\$1.92	\$1.90	43.73%	6.48%	15.00%
14 Nov 07	15 Jan 09	3.98	\$1.92	\$1.90	43.73%	6.48%	15.00%
14 Nov 07	15 Jan 10	4.45	\$1.92	\$1.90	43.73%	6.48%	15.00%
29 Nov 07	30 Nov 10	3.01	\$1.73	\$1.80	53.59%	6.25%	0.00%
13 Feb 08	15 Jan 09	3.28	\$1.57	\$1.47	47.07%	6.46%	15.00%
13 Feb 08	15 Jan 10	3.45	\$1.57	\$1.47	47.07%	6.46%	15.00%
13 Feb 08	15 Jan 11	3.77	\$1.57	\$1.47	47.07%	6.46%	15.00%

As at Grant Date, it was expected that the options would be exercised prior to the end of the option life. The impact of expected early exercise was considered in valuing the options through using an estimate of the options expected life on the valuation model.

The volatility rate included in the valuation model was determined with reference to Bravura Solution's historical volatility.

The risk free rate was determined as the government bond rate for the expected life of the options.

The options granted during the 2008 financial year were subject to both market and non-market vesting conditions. The market conditions were taken into account in determining the fair value of the options granted, and the non-market conditions were considered by adjusting the number of options included in the calculation of the expense amount.

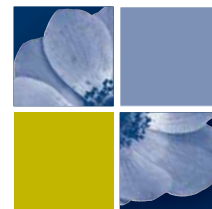
During the year ended 30 June 2008, 7,329,104 options were granted.

The following table illustrates the number (NO.) and weighted average exercise prices (WAEP) of share options issued under the Bravura Solutions Option Plan.

	2008 NO.	2008 WAEP	2007 NO.	2007 WAEP
Outstanding at the beginning of the year	-	-	4,000,000	\$1.15
Granted during the year	7,329,104	\$1.78	-	-
Exercised during the year	-	-	-	-
Lapsed/cancelled during the year	(495,006)	\$1.90	(4,000,000)	\$1.29
Outstanding at the end of the year	6,834,098	\$1.77	-	-
Exercisable as the end of the year	1,299,707	\$1.90	-	-

No options were exercised during the financial year.

Directors' declaration



In the Directors' opinion:

The attached financial statements and notes thereto comply with the Accounting Standards, the Corporations Act 2001, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- The attached financial statements and notes thereto give a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the financial year ended on that date;
- The audited remuneration disclosures that are contained in sections A,B,C and D of the Remuneration report in the Directors' report comply with Australian Accounting Standard AASB 124 Related Party Disclosures and the *Corporation Regulations 2001*; and
- There are reasonable grounds to believe that the Company and consolidated entity will be able to pay their debts as and when they become due and payable.

The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001*.

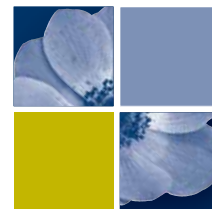
Signed in accordance with a resolution of directors made pursuant to Section 295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Iain Maxwell Dunstan
Director

25 September 2008
Sydney

Auditors independence declaration



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001
Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

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

In relation to our audit of the financial report of Bravura Solutions Limited for the financial year ended 30 June 2008, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst + Young

Ernst & Young

J K Haydon

J K Haydon
Partner

Date: 25 September 2008

Independent auditor's report



Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Independent auditor's report to the members of Bravura Solutions Limited

Report on the Financial Report

We have audited the accompanying financial report of Bravura Solutions Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the annual report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of Bravura Solutions Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the financial position of Bravura Solutions Limited and the consolidated entity at 30 June 2008 and of their performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 5 to 14 of the directors' report for the year ended 30 June 2008. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Bravura Solutions Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young



J K Haydon
Partner
Sydney
25 September 2008

ASX additional information



Shareholder information

The shareholder information set out below was applicable as at 30 September 2008.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

RANGE	TOTAL HOLDERS	ORD/FULLY PAID ORDINARY SHARES	
		UNITS	% ISSUED CAPITAL
1–1,000	277	200,987	0.14
1,001–5,000	580	1,730,252	1.22
5,001–10,000	377	2,993,933	2.11
10,001–100,000	521	14,153,737	9.97
100,001–9,999,999,999	78	122,929,749	86.56
Rounding			0.00
Total	1,833	142,008,658	100.00

Unmarketable parcels

	MINIMUM PARCEL SIZE	HOLDERS	UNITS
Minimum \$500.00 parcel at \$0.40 per unit	1,250	313	241,837

Equity security holders

Top 20 holders of fully paid ordinary shares

The names of the twenty largest security holders of quoted equity securities are listed below:

	ORD/FULLY PAID ORDINARY SHARES	
	UNITS	% OF ISSUED CAPITAL
Merrill Lynch (Australia) Nominees Pty Limited	44,083,755	31.04
Aust Executor Trustees NSW Ltd	19,264,489	13.57
Proserv (Qld) Pty Limited	7,714,251	5.43
P J J Holdings No 1 Pty Limited	3,937,372	2.77
RNR Australia Pty Limited	3,638,309	2.56
GJP Investments Pty Ltd	3,304,309	2.33
Mr Paul Jeffrey Burns + Mrs Anne Elizabeth Enright-Burns	3,207,409	2.26
Bond Street Custodians Limited	2,696,997	1.90
J P Morgan Nominees Australia Limited	2,541,010	1.79
Mengan Pty Ltd	2,416,667	1.70
Bonjour Limited	2,349,144	1.65
Citicorp Nominees Pty Limited	2,195,228	1.55
Jowjin Pty Ltd	1,976,620	1.39
Huntley Investment Company Limited	1,500,000	1.06
Souls Private Equity Ltd	1,500,000	1.06
Mr Christopher John Ryan + Mrs Sabine Christine Ryan	1,188,255	0.84

	ORD/FULLY PAID ORDINARY SHARES	
	UNITS	% OF ISSUED CAPITAL
Merrill Lynch (Australia) Nominees Pty Limited (Berndale A/C)	1,074,609	0.76
KSM (Qld) Pty Limited	1,065,867	0.75
UBS Wealth Management Australia Nominees Pty Ltd	1,023,955	0.72
Perpetual Trustees Consolidated Limited	933,450	0.66
Total	107,611,696	75.79

Unquoted equity securities – Employee Options

The Company has 6,834,098 Employee Options on issue that were issued to employees pursuant to the Bravura Solutions Employee Options Plan.

Substantial holders

Substantial holders in the Company are set out below:

	ORDINARY SHARES	
	NUMBER HELD	% OF TOTAL SHARES ISSUED
Merrill Lynch & Co. Inc.	45,158,364	31.80
Australian Executor Trustees NSW Ltd (TEA Custodians Limited) (holding for Fisher Funds Management Limited and associates)	18,005,960	12.68
Proserv (Qld) Pty Limited as trustee for Jardan Beneficial Trust	7,714,251	5.43

Voting rights

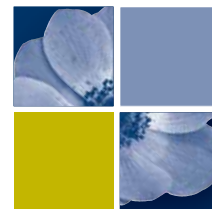
The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Corporate information



Board of Directors

Iain Dunstan
Simon Woodfull
Christopher Ryan
James MacKenzie
Elana Rubin
John Loebenstein

Company Secretary

Jonathan Kenny

Notice of annual general meeting

The annual general meeting of Bravura Solutions will be held at The Sebel Pier One, 11 Hickson Road, Walsh Bay – in the Harbourwatch Room
Time: 11.00am
Date: Friday, 21 November 2008

Registered principal office in Australia

Level 2, 345 George Street
Sydney NSW 2000
Ph: 02 9018 7800

Share Registry

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Ph: 1300 855 080

Auditors

Ernst & Young
680 George Street
Sydney NSW 2000

Stock Exchange Listing

Bravura Solutions is listed on the Australian Securities Exchange (ASX listing code: BVA)

Website address

www.bravurasolutions.com

