

Bravura Solutions Limited

ASX Half-year information - 31 December 2010

Lodged with the ASX under Listing Rule 4.2A.
This information should be read in conjunction with the
30 June 2010 Annual report

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For the half-year ended 31 December 2010
(Previous corresponding period: Half-year ended 31 December 2009)

**Results for announcement to the market
31 December 2010**

				\$'000
Revenue from ordinary activities	up	15.38 %	to	61,107
Profit / (loss) from ordinary activities after tax attributable to members	up	139.44 %	to	1,730
Net profit / (loss) for the period attributable to members	up	139.44 %	to	1,730

This half-year financial report does not include all the notes generally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by the company during the half-year reporting period in accordance with the continuous disclosure requirements of ASX Listing Rules.

Dividends

No dividends were paid or declared during the half-year ended 31 December 2010 (2009: nil).

Comments

The consolidated entity net profit after tax for the half-year ended 31 December 2010 was \$1.730 million (2009: net loss \$4.386 million). Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was \$10.373 million (2009: \$6.032 million).

NTA backing

	2010	2009
	December	December
Net tangible asset backing per ordinary security:	(1.29) cents	(5.98) cents

Dividends / distributions

	Amount per security	Franked amount per security
Final dividend (<i>Prior year</i>)	-	-
Interim dividend	-	-

Dividend reinvestment plans

The following dividend or distribution plans are in operation: None

The last date(s) for the receipt of election notices for the dividend or distribution plans: None

Loss of control over entities

Control gained or lost over entities during the year: None

Details of associates and joint venture entities

None

Foreign entities

Origin of accounting standards for foreign entities used in compiling the report: None

Audit qualification or review

The accounts were subject to a review by the auditors and the review report is attached.

Attachments

The Report for the half-year ended 31 December 2010 for Bravura Solutions Limited is attached.

Signed:



Date: 24 February 2011

Christine Nicholls

Company Secretary

Sydney

Bravura Solutions Limited

ABN 15 111 148 826

Financial statements for the half-year ended 31 December 2010

Bravura Solutions Limited ABN 15 111 148 826
Financial statements - for the half-year ended 31 December 2010

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These financial statements cover Bravura Solutions Limited as a consolidated entity consisting of Bravura Solutions Limited and its subsidiaries it controlled for the half-year ended 31 December 2010. The financial statements are presented in the Australian dollars.

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

Bravura Solutions Limited
Level 2
345 George Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report.

The financial statements were authorised for issue by the directors on 23 February 2011.

Directors' report

Your directors present their report on the consolidated entity (referred to hereafter as the consolidated entity) consisting of Bravura Solutions Limited ("Bravura") and the entities it controlled at the end of, or during, the half-year ended 31 December 2010.

Directors

The following persons were directors of Bravura during the whole of the half-year and up to the date of this report:

Simon Woodfull
Trevor Perry
Matthew McLellan
Brian Mitchell
Neil Broekhuizen

Principal activities

During the half-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.

Review of operations

The consolidated entity net profit after tax for the half year ended 31 December 2010 was \$1.730 million (2009: net loss of \$4.386 million). Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) was \$10.373 million (2009: \$6.032 million).

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 5.

Rounding of amounts

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

Auditor

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

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

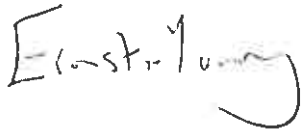


Simon Woodfull
Director

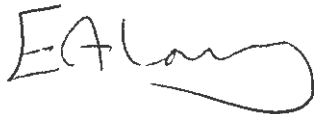
Sydney
24 February 2011

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

In relation to our review of the financial report of Bravura Solutions Limited for the half-year ended 31 December 2010, 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



E.A. Lang
Partner
24 February 2011

Bravura Solutions Limited
Consolidated Statement of Comprehensive Income
For the half-year ended 31 December 2010

	Notes	Half-year	
		31 December 2010 \$'000	31 December 2009 \$'000
Revenue from continuing operations	3	61,450	53,123
Other income	4	2,010	1,483
Employee benefits expense	5	(31,155)	(29,770)
Depreciation and amortisation expense		(7,084)	(5,184)
Travel and entertainment costs		(1,813)	(1,422)
Occupancy costs		(2,331)	(2,529)
Telecommunications costs	5	(9,382)	(6,260)
Research and development	5	(2,663)	(4,262)
Fair value loss on derivatives		(984)	(3,349)
Other expenses	5	(3,881)	(2,710)
Finance costs	5	(1,723)	(1,412)
Profit/(loss) before income tax		<u>2,444</u>	<u>(2,292)</u>
Income tax expense		<u>(714)</u>	<u>(2,094)</u>
Profit/(loss) for the half-year after income tax expense attributable to members of Bravura		<u>1,730</u>	<u>(4,386)</u>
Other comprehensive income			
Exchange differences on translation of foreign operations		<u>(3,391)</u>	<u>(2,520)</u>
Total comprehensive income for the half-year		<u>(1,661)</u>	<u>(6,906)</u>
		Cents	Cents
Earnings per share for profit/(loss) from continuing operations attributable to the ordinary equity holders of the parent entity:			
Basic earnings per share		0.27	(0.68)
Diluted earnings per share		0.25	(0.68)

As a result of the rights issue in 2010, the number of ordinary shares outstanding increased, thereby the calculation of the basic and diluted earnings per share has been adjusted retrospectively.

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

Bravura Solutions Limited
Consolidated Statement of Financial Position
As at 31 December 2010

		31 December 2010 \$'000	30 June 2010 \$'000
	Notes		
ASSETS			
Current assets			
Cash and cash equivalents		2,402	6,548
Trade and other receivables		31,014	26,339
Other current assets		<u>1,577</u>	<u>2,194</u>
Total current assets		<u>34,993</u>	<u>35,081</u>
Non-current assets			
Receivables		4,497	9,616
Other financial assets		34	30
Property, plant and equipment		6,732	8,265
Deferred tax assets		11,255	8,412
Intangible assets		<u>146,474</u>	<u>154,627</u>
Total non-current assets		<u>168,992</u>	<u>180,950</u>
Total assets		<u>203,985</u>	<u>216,031</u>
LIABILITIES			
Current liabilities			
Trade and other payables		6,058	5,867
Borrowings	6	7,618	11,457
Derivative financial instruments		772	1,168
Current tax liabilities		414	732
Provisions		3,891	4,455
Deferred settlement		1,465	7,940
Deferred revenue		14,949	14,876
Other current liabilities	7	<u>6,040</u>	<u>6,716</u>
Total current liabilities		<u>41,207</u>	<u>53,211</u>
Non-current liabilities			
Borrowings	8	22,865	22,154
Deferred tax liabilities		8,770	5,940
Provisions		1,444	1,884
Other non-current liabilities		<u>91</u>	<u>1,692</u>
Total non-current liabilities		<u>33,170</u>	<u>31,670</u>
Total liabilities		<u>74,377</u>	<u>84,881</u>
Net assets		<u>129,608</u>	<u>131,150</u>
EQUITY			
Contributed equity	9	137,775	137,788
Reserves	10(a)	(1,532)	1,727
(Accumulated losses)/retained earnings		<u>(6,635)</u>	<u>(8,365)</u>
Total equity		<u>129,608</u>	<u>131,150</u>

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

Bravura Solutions Limited
Consolidated Statement of Changes in Equity
For the half-year ended 31 December 2010

	Notes	Contributed equity \$'000	Options reserve \$'000	Foreign currency translation reserve \$'000	Total Reserves \$'000	(Accumulated losses)/ retained earnings \$'000	Total equity \$'000
Balance at 1 July 2009		85,533	2,501	(3,683)	(1,182)	4,874	89,225
Total comprehensive income for the half-year		-	-	(2,520)	(2,520)	(4,386)	(6,906)
Transactions with owners in their capacity as owners:							
Contributions of equity		33,443	-	-	-	-	33,443
Share issue cost, net of tax		(10,528)	-	-	-	-	(10,528)
Share based payments		-	5,858	-	5,858	-	5,858
Balance at 31 December 2009		<u>108,448</u>	<u>8,359</u>	<u>(6,203)</u>	<u>2,156</u>	<u>488</u>	<u>111,092</u>
Balance at 1 July 2010		137,788	8,600	(6,873)	1,727	(8,365)	131,150
Total comprehensive income for the half-year		-	-	(3,391)	(3,391)	1,730	(1,661)
Transactions with owners in their capacity as owners:							
Share issue cost, net of tax	9	(13)	-	-	-	-	(13)
Share based payments		-	132	-	132	-	132
Balance at 31 December 2010		<u>137,775</u>	<u>8,732</u>	<u>(10,264)</u>	<u>(1,532)</u>	<u>(6,635)</u>	<u>129,608</u>

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

Bravura Solutions Limited
Consolidated Statement of Cash Flows
For the half-year ended 31 December 2010

	Half-year	
	31 December	31 December
	2010	2009
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	67,308	63,276
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(59,181)</u>	<u>(54,701)</u>
	8,127	8,575
Interest received	343	53
Interest paid	(1,122)	(955)
Income taxes paid	<u>(794)</u>	<u>(706)</u>
Net cash inflow from operating activities	<u>6,554</u>	<u>6,967</u>
Cash flows from investing activities		
Payments for acquisitions	(6,887)	(7,967)
Payments for property, plant and equipment	(860)	(1,686)
Payments for intangibles	<u>(502)</u>	<u>(716)</u>
Net cash (outflow) from investing activities	<u>(8,249)</u>	<u>(10,369)</u>
Cash flows from financing activities		
Proceeds from issues of shares	-	33,443
Proceeds from borrowings	7,039	13,664
Payments for derivative financial instrument	(1,306)	(10,361)
Payments for share issue costs	(983)	(6,525)
Repayment of borrowings	<u>(6,680)</u>	<u>(25,195)</u>
Net cash (outflow) inflow from financing activities	<u>(1,930)</u>	<u>5,026</u>
Net (decrease) increase in cash and cash equivalents	(3,625)	1,624
Cash and cash equivalents at the beginning of the half-year	6,548	4,037
Effects of exchange rate changes on cash and cash equivalents	<u>(521)</u>	<u>(113)</u>
Cash and cash equivalents at end of the half-year	<u>2,402</u>	<u>5,548</u>

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

Notes to the consolidated financial statements

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1 Summary of significant accounting policies

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

These general purpose financial statements for the interim half-year reporting period ended 31 December 2010 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2010 and any public announcements made by Bravura Solutions Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

Bravura Solutions Limited has adopted the following new and amended Australia Accounting Standards and AASB interpretations as of 1 July 2010:

- AASB 2009-8 *Amendments to Australian Accounting Standards - Group Cash-settled Share based Payment Transactions* [AASB 2] effective 1 January 2010
- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 5,8,101,107,117,118,136 & 139] effective 1 January 2010
- AASB 3 *Business Combinations* (revised 2008) effective 1 July 2009
- AASB 127 *Consolidated and Separate Financial Statements* (revised 2008) effective 1 July 2009
- AASB 2009-4 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* effective 1 July 2009
- AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 1 & AASB 5] effective 1 July 2009
- AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* effective 1 July 2009

The adoption of these standards has not impacted the financial position or performance of Bravura Solutions Limited.

(b) Going concern

The consolidated entity has net current liabilities of \$6.214 million (30 June 2010: \$18.130 million). The \$6.214 million of net current liabilities includes \$14.949 million of deferred revenue for maintenance contracts billed annually in advance. Furthermore, the directors have noted a reduction of \$11.916 million in net current liabilities since 30 June 2010.

The directors are of the opinion that the improved EBITDA margins excluding licence fees and continued solid operating cash flows achieved in the 6 months ended 31 December 2010 will continue to provide sufficient cash flows to support the consolidated entity. The directors are therefore confident the consolidated entity will be able to meet its debts as they fall due. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities.

1 Summary of significant accounting policies (continued)

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2010 reporting periods. The consolidated entity has not adopted these new standards and interpretations and it is not expected that their adoption will have a material impact on future financial statements.

Annual Improvement Project

In May 2009 and June 2010 the AASB issued omnibus of amendments to its Standards as part of the Annual Improvements Project, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions and application dates for each amendment. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of Bravura Solutions Limited:

- *AASB 8 Operating Segments*: clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker.
- *AASB 107 Statement of Cash Flows*: states that only expenditure that results in recognising an asset can be classified as a cash flows of the contingent consideration on the business combination completed in 2010 upon cash settlement.
- *AASB 136 Impairment of Assets*: The amendment clarifies that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in AASB 8 before aggregation for reporting purposes. The amendment has no impact on Bravura Solutions Limited as the annual impairment test is performed before aggregation.

Other amendments resulting from the Annual Improvements Project to the following Standards did not have any impact on the accounting policies, financial position or performance of Bravura Solutions Limited:

- *AASB 101 Presentation of Financial Statements*
- *AASB 134 Interim Financial Reporting*
- *AASB 138 Intangible Assets*
- *AASB 139 Financial Instruments: Recognition and Measurement*

2 Segment information

(a) Description of segments

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

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

(b) Segment information provided to the board of directors

The segment information provided to the board of directors for the reportable segments for the half year ended 31 December 2010 and 31 December 2009 is as follows:

Half-year 2010	Wealth Management \$'000	Transfer Agency \$'000	Total continuing operations \$'000	Unallocated \$'000	Consolidated \$'000
Maintenance revenue	10,015	22,640	32,655	-	32,655
Professional services revenue	10,501	16,130	26,631	-	26,631
Licence fee revenue	1,116	622	1,738	-	1,738
Other sales revenue	83	-	83	-	83
Total segment external revenue	21,715	39,392	61,107	-	61,107
Trading EBITDA (segment result)	4,219	18,987	23,206	-	23,206
Reconciliation to loss before income tax:					
Research and development					(2,663)
Corporate costs					(10,170)
Group EBITDA					10,373
Interest income					343
Foreign exchange gains (net)					2,010
Fair value loss on derivatives					(984)
Depreciation and amortisation expense					(7,084)
Finance costs					(1,610)
Impairment of intangible assets					-
Other expenses (corporate transaction costs)					(604)
Profit before income tax expense					2,444
Income tax expense					(714)
Profit after income tax expense					1,730
Segment assets	51,515	141,215	192,730	11,255	203,985
Total assets					203,985
Segment liabilities	16,689	18,138	34,827	39,550	74,377
Total liabilities					74,377
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	1,105	260	1,365	-	1,365
Total acquisitions			1,365		1,365
Depreciation and amortisation expense	5,654	1,429	7,083	-	7,083
Total depreciation and amortisation			7,083		7,083

2 Segment information (continued)

Half-year 2009	Wealth Management \$'000	Transfer Agency \$'000	Unallocated \$'000	Consolidated \$'000
Maintenance revenue	8,248	15,204	-	23,452
Professional services revenue	10,998	12,665	-	23,663
Licence fee revenue	569	4,968	-	5,537
Other sales revenue	310	-	-	310
Total segment external revenue	<u>20,125</u>	<u>32,837</u>	<u>-</u>	<u>52,962</u>
Trading EBITDA (segment result)	<u>3,398</u>	<u>10,119</u>	<u>-</u>	<u>13,517</u>
Reconciliation to loss before income tax:				
Research and development				(4,262)
Corporate costs				(3,223)
Group EBITDA				6,032
Interest income				223
Foreign exchange gains (net)				1,421
Fair value loss on derivatives				(3,349)
Depreciation and amortisation expense				(5,184)
Finance costs				(1,411)
Impairment of intangible assets				-
Other expenses (corporate transaction costs)				(24)
Loss before income tax expense				(2,292)
Income tax expense				(2,094)
Loss after income tax expense				<u>(4,386)</u>
Segment assets	<u>63,373</u>	<u>123,648</u>	<u>7,774</u>	<u>194,795</u>
Total assets				<u>194,795</u>
Segment liabilities	<u>21,060</u>	<u>16,247</u>	<u>46,396</u>	<u>83,703</u>
Total liabilities				<u>83,703</u>
Acquisitions of property, plant and equipment, intangibles and other non-current segment assets	<u>990</u>	<u>1,486</u>	<u>-</u>	<u>2,476</u>
Total acquisitions				<u>2,476</u>
Depreciation and amortisation expense	<u>2,930</u>	<u>2,254</u>	<u>-</u>	<u>5,184</u>
Total depreciation and amortisation				<u>5,184</u>

(c) Other segment information

(i) Segment revenue

Segment revenue reconciles to total revenue from continuing operations as follows:

	Half-year	
	31 December 2010 \$'000	31 December 2009 \$'000
Total segment revenue	61,107	52,962
Other revenue	<u>343</u>	<u>161</u>
Total revenue from continuing operations (note 3)	<u>61,450</u>	<u>53,123</u>

2 Segment information (continued)

(c) Other segment information (continued)

(ii) Trading EBITDA

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

3 Revenue

	Half-year	
	31 December 2010 \$'000	31 December 2009 \$'000
From continuing operations		
<i>Sales revenue</i>		
Maintenance income	32,655	23,452
Professional services income	26,631	23,663
Licence fees	1,738	5,537
Other sales revenue	83	310
	61,107	52,962
 <i>Other revenue</i>		
Interest received	343	161
	343	161
	61,450	53,123

4 Other income

	Half-year	
	31 December 2010 \$'000	31 December 2009 \$'000
Foreign exchange gains (net)	2,010	1,421
Other	-	62
	2,010	1,483

5 Profit for the half-year

	Half-year	
	31 December 2010 \$'000	31 December 2009 \$'000
Profit before income tax includes the following specific expenses:		
<i>Research and development</i>		
External consultants	-	154
R&D internal and external charges	<u>2,663</u>	<u>4,108</u>
Total research and development	<u>2,663</u>	<u>4,262</u>
<i>Employee benefits expense</i>		
Wages and salaries	23,935	23,843
Termination payments	158	907
Share based payments	132	338
Defined contribution superannuation expense	3,534	3,185
Other employee related costs	<u>3,396</u>	<u>1,497</u>
Total employee benefits	<u>31,155</u>	<u>29,770</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable	1,333	1,186
Non cash interest on deferred consideration	277	142
Borrowing costs and other	<u>113</u>	<u>84</u>
Finance costs expended	<u>1,723</u>	<u>1,412</u>
<i>Telecommunication costs</i>		
Telecommunication and computer costs	<u>9,382</u>	<u>6,260</u>
Total telecommunication costs	<u>9,382</u>	<u>6,260</u>
<i>Other expenses</i>		
Printing and stationery costs	699	901
Marketing and conference costs	542	599
Corporate transaction costs	1,925	914
Bad and doubtful debts	204	-
Other	<u>511</u>	<u>296</u>
Total other expenses	<u>3,881</u>	<u>2,710</u>

6 Current liabilities - Borrowings

	31 December 2010 \$'000	30 June 2010 \$'000
Secured		
Bank loans	<u>7,618</u>	<u>11,457</u>

Further information relating to loans is set out in note 8.

7 Current liabilities - Other current liabilities

	31 December 2010 \$'000	30 June 2010 \$'000
Accrued expenses	<u>6,040</u>	<u>6,716</u>

8 Non-current liabilities - Borrowings

	31 December 2010 \$'000	30 June 2010 \$'000
Secured		
Bank loans	<u>22,865</u>	<u>22,154</u>

(a) Secured liabilities and assets pledged as security

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

	31 December 2010 \$'000	30 June 2010 \$'000
Bank overdrafts and bank loans	<u>31,689</u>	<u>33,611</u>

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

	31 December 2010 \$'000	30 June 2010 \$'000
Current		
<i>Floating charge</i>		
Cash and cash equivalents	2,402	6,548
Receivables	31,014	26,339
Other current assets	<u>1,577</u>	<u>2,194</u>
	<u>34,993</u>	<u>35,081</u>
<i>Floating charge</i>		
Receivables - non current	4,497	9,616
Other financial assets	34	30
Plant and equipment	<u>6,732</u>	<u>8,265</u>
	<u>11,263</u>	<u>17,911</u>
Total assets pledged as security	<u>46,256</u>	<u>52,992</u>

(b) Financing arrangements

	31 December 2010 \$'000	30 June 2010 \$'000
Bank loan facilities		
Total facilities	39,436	39,018
Used at balance date	<u>31,689</u>	<u>33,611</u>
Unused at balance date	<u>7,747</u>	<u>5,407</u>

8 Non-current liabilities - Borrowings (continued)

The bank loans as at 31 December 2010 stated in the statement of financial position included unamortised transaction costs of \$1.206 million (June 2010: \$1.373 million) which were offset in the statement of financial position but not in the table above to reflect the amount used at balance date.

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

- The interest cover ratio of the consolidated entity must not be less than 4:1;
- The leverage ratio (debt/adjusted EBITA) of the consolidated entity must not be greater than 3:1; and
- The net assets of the consolidated entity must not be less than A\$65 million.

There were no breaches of banking covenants during the financial period.

9 Contributed equity

	31 December 2010 Shares	30 June 2010 Shares	31 December 2010 \$'000	30 June 2010 \$'000
(a) Share capital				
Ordinary shares				
Fully paid	<u>648,127,461</u>	<u>648,127,461</u>	<u>137,775</u>	<u>137,788</u>

(b) Movements in ordinary share capital:

	Date	Details	Number of shares	Issue price \$'000
	1 July 2010	Opening balance	648,127,461	137,788
		Transaction costs incurred	<u>-</u>	<u>(13)</u>
	31 December 2010	Balance	<u>648,127,461</u>	<u>137,775</u>

(c) Ordinary shares

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

10 Reserves

	31 December 2010 \$'000	30 June 2010 \$'000
(a) Reserves		
Options reserve	8,732	8,600
Foreign currency translation reserve	<u>(10,264)</u>	<u>(6,873)</u>
	<u>(1,532)</u>	<u>1,727</u>

11 Contingencies

Contingent liabilities

Bank guarantees

Guarantees given in respect of bank overdrafts and loans of subsidiaries amounting to \$933,600 (30 June 2010: \$621,000) for consolidated entity, secured by registered mortgages over the freehold properties of the subsidiaries.

12 Events occurring after the reporting period

No matters or circumstances have occurred subsequent to year end that have significantly affected, or may significantly affect, the operations of the Company or economic entity, the results of those operations or the state of affairs of the consolidated entity or economic entity in subsequent financial years.

13 Cash flow statement note

	Half-year	
	31 December 2010	31 December 2009
	\$'000	\$'000
Payments for acquisitions in cash flow statement		
Forum Financial Group (Poland)	6,887	7,892
Bravura eCommerce Solutions Pty Limited	-	75
	6,887	7,967

In the directors' opinion:

- (a) the financial statements and notes set out on pages 3 to 19 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date, and
- (b) there are reasonable grounds to believe that the consolidated entity will be able to pay its debts as and when they become due and payable.

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



Simon Woodfull
Director

Sydney
24 February 2011

To the members of Bravura Solutions Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Bravura Solutions Limited, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Bravura Solutions Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

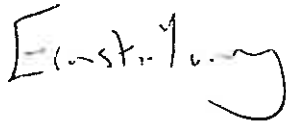
Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the half-year financial report.

Conclusion

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

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



Ernst & Young



E.A. Lang
Partner
Sydney
24 February 2011