GBST Holdings Limited

Annual Report 2009

GBST is a leading provider of securities transaction and fund administration software for the financial services industry. We are focused on earning recurring licence revenue in areas such as transactions processing, reporting, account management, books and records, data and content.

GBST has three divisions:

GBST Broker Services is a leading provider of client accounting and securities transaction technology to capital markets. GBST's market solutions are used extensively across Asia, Europe and Australia. Through the Syn~ platform GBST provides next-generation technology to process equities, derivatives, fixed income and managed funds transactions.

GBST Wealth Management is the leading provider of funds administration and registry software to the Australian Wealth Management industry. GBST's wealth management software, Composer, administers funds in Australia and the United Kingdom.

GBST Financial Services is a wholesale provider of independent, market-leading financial product data and related services to financial advisers and institutions. It also provides web design, development and usability services.

Listed on the Australian Securities Exchange in June 2005, GBST has over 300 staff in offices in Brisbane, Sydney, Melbourne, Wollongong, Adelaide and London, and operations in Hong Kong, New York, Paris and Singapore.

Contents

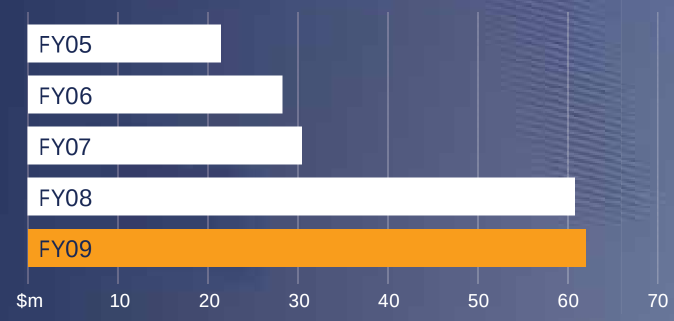
The Year in Review	1
Chairman's and Managing Director's Report	2
Executive Team	6
Board of Directors	8
Corporate Governance Statement	10
Directors' Report	13
Auditor's Independence Declaration	27
Directors' Declaration	28
Financial Statements	29
Independent Auditor's Report	85
Additional Information	87
Corporate Directory	88

Notice of AGM

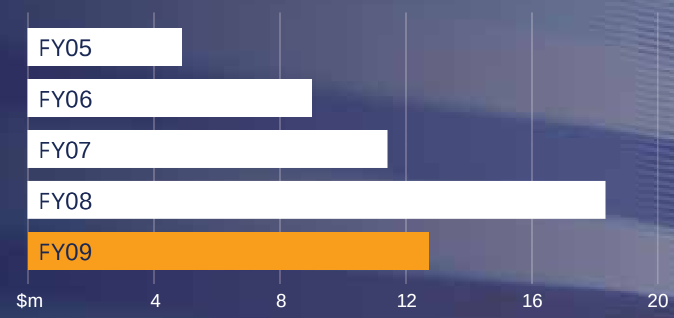
The Annual General Meeting of GBST Holdings Limited will be held at:
McCullough Robertson, Level 11, Central Plaza Two, 66 Eagle Street, Brisbane on Thursday 22 October at 11.30am

The year in review

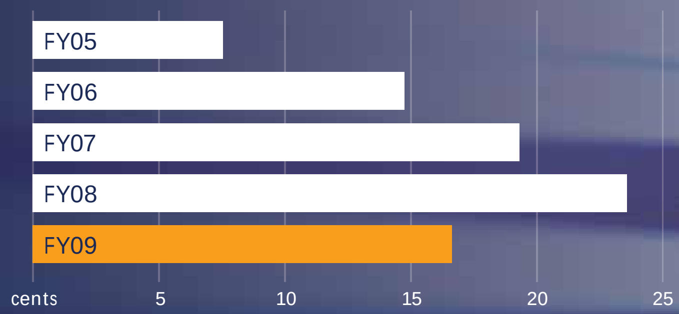
Operating Revenue ($ million)



EBITDA ($ million)



Cash EPS (cents)



- In one of the most challenging years for GBST and our customers, earnings declined as the global financial crisis impacted the financial services industry
- Australian operations performed well in this difficult environment, while the UK operations made a loss for the year
- Coexis acquisition expanded global operations significantly and the Syn~ applications provide a strong platform for offshore growth
- Major investment in Composer in the United Kingdom is now complete and immediate prospects are very encouraging
- The Group is well positioned, with excellent customers and prospects, a complementary suite of products and an experienced and skilled team

Chairman's and Managing Director's report

We have significant knowledge of financial services processes within our business and value our staff and their professional expertise. It is this experience that allows us to provide the high service levels required by our clients.

Dr John Puttick
Chairman

On behalf of the directors of GBST, we are pleased to report to you on our progress in GBST's fourth year as a listed public company. Since listing as transaction processing specialist, GBST has grown to become a leading financial technology group, with operations in Asia, Australia and Europe.

Today, we have three divisions supporting some of the world's leading institutional banks, stockbrokers and fund managers. GBST Broker Services provides technology for global capital markets; GBST Wealth Management is a developer of fund management and registry software for the wealth management industry; and GBST Financial Services offers wholesale, independent data services for institutional and retail clients.

Significant milestones have included our entry into the Australian and United Kingdom wealth management software sectors with the 2007 acquisition of Infocomp, and, in 2008, our search for a next-generation technology platform to transform our stockbroker services business led to the acquisition of UK securities software house, Coexis Limited, and the Syn~ technology.

While this was a significant investment to undertake in the current economic environment, we are convinced it is in the long-term interests of our clients and shareholders.

The powerful Syn~ technology offers a single platform for the back office, and will provide the backbone of GBST Broker Services' technology development in the future. Importantly, it brings a strong opportunity to develop market-leading products to enter new markets.

Resilience in challenging times

GBST's business model is to earn recurring revenue through participating in transaction processes and asset values. Our earnings are linked closely to the growth of our financial services sector clients. These companies were among the first to experience the repercussions of the global financial crisis.

In recent months, we have been encouraged by improving trading volumes and asset values on stock exchanges and anticipate a gradual return to normal trading levels. Our clients are increasing discretionary spending, indicating recovery in the financial services sector.

The extremely difficult economic environment of the past year was characterised by reduced trading volumes, asset values and spending. In this unpredictable market, GBST's businesses demonstrated resilience, despite the impact on our Broker Services and Wealth Management divisions.

During the year, GBST realigned its costs to meet lower revenue expectations. While we could have trimmed expenses further, we did not believe this to be in the long-term interests of the company. We have significant knowledge of financial services processes within our business and value our staff and their professional expertise. It is this experience that allows us to provide the high service levels required by our clients.

The close relationship that we enjoy with our clients has helped us grow market share and to develop leading products.

Mr Stephen Lake
Managing Director
& Chief Executive Officer

Total revenue, including six months' contribution from Coexis, was $62.6 million in FY2009. This compares with revenue of $60.8 million in FY2008, which included 10 months' contribution from InfoComp. Cash profit after tax was $9.0 million, while EBITDA decreased 26.1 percent to $12.7 million, significantly below management expectations at the beginning of FY2009.

Non-cash expenses included amortisation of $5.7 million and a $0.4 million write-down of GBST's 16.2 percent interest in ASX-listed Razor Risk Technologies Limited (formerly IT&e Limited), as well as a $0.7 million write-down of intangible assets.

Dividend and capital management initiatives

Reflecting a prudent approach to capital management while recovery of the financial services sector is under way, we declared a fully franked dividend of 1.5 cents per share in FY2009, compared with 9.5 cents per share in FY2008.

In July and August 2009, we successfully completed an institutional placement and a share purchase plan to raise a total of $5.0 million. These funds will be used to reduce debt, strengthening the company's balance sheet.

In addition, the company extended a $10 million loan with its major shareholder Crown Financial Pty Limited for two and a half years, in exchange for a call option enabling Crown to acquire GBST shares at $0.95 per share up to the maximum value of the loan. This option will lapse in the event that the loan is repaid.

GBST Broker Services

The strength of GBST's Australian broker services' business was demonstrated by solid performance in difficult market conditions. Revenue decreased 10.7 percent to $28.3 million in FY2009. Coexis sales of $8.9 million for the six months were also below forecast. GBST Broker Services' EBITDA was $10.0 million, down from $10.8 million following cost reductions and tight control of discretionary spending.

GBST maintained its leading market share over the year, with 44 percent of ASX equities' trading volume carried out on GBST's back office platform, Shares. In total, 94 financial institutions use GBST's broker services products.

More than 90 percent of GBST Broker Services' income in Australia comes from recurring fixed and variable fees, with variable fees based on ASX trading volumes or funds or loans under management. Coexis' revenue comprises licence sales and professional service fees, which were impacted by the market downturn.

The effects of financial innovation, regulatory change and global connectivity are transforming global capital markets. We are working closely with our clients to help them take advantage of this dynamic environment. GBST has exciting medium-term prospects in the fast-growth markets of Asia, where we are rolling out the Syn~ platform to replace back offices across multiple countries. Although Syn~ is now live in these markets it will be developed further over the next two years.

Chairman's and Managing Director's report continued

While markets are improving they remain soft. Discretionary spending by our clients is constrained. We expect improvement in FY2010, but maintain a conservative view of immediate opportunities.

We are focused on integrating our Australian broker services business with Coexis, and work has begun to combine Syn~ and GBST Shares. This will allow our Australian clients the opportunity to benefit from the Syn~ technology, and represents our largest research and development program. Research and development expensed by the Australian Broker Services Division was $2.8 million in FY2009.

GBST Wealth Management

GBST Wealth Management's Australian business is well established, but was impacted by the fall in asset values, resulting in a 4.4 percent decline in licence fee income. The decision by a major client to change its business model in the face of the global financial crisis and cancel deployment was a significant setback for our UK operations and revenue decreased substantially. GBST Wealth Management EBITDA was $3.3 million.

Our wealth management services earn revenue through licence fees and consulting, based on both fixed fees and value of funds under management. In Australia, we are broadening our business model to develop a higher level of recurring licence fees. In the UK, we gained a second UK institutional client and our medium term growth prospects appear to be on track.

We maintain tight financial controls across the division. Research and development expensed was $3.2 million in FY2009. Our focus for 2009 was the further development of ComposerWeb, the web-based enhancement to Composer which has been released in the UK market.

GBST Financial Services

GBST Financial Services made good progress in its first year, and is expected to break even in FY2010. The September 2008 acquisition of internet developer Emu Design was a significant step, providing skills to build web-based solutions. The division recently launched online financial calculators to help financial institutions, brokers and advisers manage financial products such as term deposits and loans.

Investments

While the value of our investment in Razor Risk Technologies Limited has declined since purchase, there are no plans to vary our stake and Razor Risk Technologies Limited's management has successfully refocused this business. The risk management industry is expanding, and we continue to see complementary opportunities. In addition, our companies have recently pursued business prospects together.

People

We have a great team of skilled people working for our clients around the world, and we are delighted to recognise their contribution. Since inception in 1983, GBST has amassed an enormous depth of professional expertise and domain knowledge. Across the group, over 35% of our staff have worked with us for more than five years, and we appreciate the effort and dedication of all our people.

Industry expert appointed

In April 2009 we were delighted to welcome global securities industry expert Terry Williams as Chairman of GBST Europe and as an adviser to the GBST Board of Directors. From 2002 to 2008 Terry guided the growth of Coexis, and previously led ADP Wilco. His expertise and industry knowledge will make a valuable contribution as we build an international company.

Corporate and social responsibility

We aim to create a culture that motivates and engages our staff and community, and in FY2009 supported social welfare in Australia and people with medical needs.

Through supporting organisations such as Youth Off the Streets, Lifeline Australia, the Salvation Army, Australian Red Cross, Youngcare, Hear & Say Centre and Autism Queensland GBST helped provide rehabilitation and comfort for people and their families with medical problems and disabilities, and contributed to long-term improvement in the lives of disadvantaged people.

The year ahead

We are cautiously optimistic that signs of recovery in the financial services sector will strengthen, and anticipate market improvement in FY2010.

Our businesses are sound and resilient but unavoidably subject to turmoil in financial markets. The close relationship that we enjoy with our clients has helped us grow market share and to develop leading products. There are significant medium-term opportunities in each of our key markets in Asia, Australia and Europe. As the year unfolds we expect to announce progress in all aspects of our business.

With our strong team of experienced and skilled people, we are well positioned to achieve revenue and earnings growth.

Dr John Puttick
Chairman

Mr Stephen Lake
Managing Director
& Chief Executive Officer

GBST Executive Team

Stephen Lake
Managing Director and
Chief Executive Officer

Patrick Salis
Chief Financial Officer

Isabel Sanchez
Chief Technology
Officer

Robert De Dominicis
Chief Executive, GBST
Wealth Management

Sunil Shah
Chief Executive,
Global Broker Services

Denis Orrock
Chief Executive, GBST
Financial Services

Stephen Lake

Managing Director and Chief Executive Officer

Stephen joined GBST in September 2001 after an extensive career in the capital markets industry in Australia, the United Kingdom and Asia. Stephen became a shareholder of GBST and was appointed Chief Executive Officer in 2001.

Prior to joining GBST, Stephen held senior executive positions in banking and investment banking in Australia, Hong Kong and London.

Patrick Salis

Chief Financial Officer

Patrick joined GBST in October 2007 as Chief Financial Officer. Patrick has held similar roles in the financial services industry, most recently as Chief Financial Officer of Virgin Money Australia Limited, and has extensive experience working in wealth management, equities and derivatives broking, superannuation, mortgages and unsecured lending. Patrick holds a Bachelor of Accounting and is a member of the Institute of Chartered Accountants in Australia.

Isabel Sanchez

Chief Technology Officer

Isabel was appointed as Chief Technology Officer in March 2008. Isabel has over 17 years experience in software development and has been a member of GBST's Wealth Management Division (formerly InfoComp) for 15 years, where she acted in a similar capacity since 2000. Isabel holds a Bachelor of Computing Science from the University of Wollongong.

Robert De Dominicis

Chief Executive, GBST Wealth Management

Robert is a founding partner of InfoComp, now GBST's Wealth Management Division, with over 25 years experience in the development of software applications. Robert holds a Bachelor of Mathematics. Robert has a business and technical software background having been part of the Wealth Management Division's development and professional services teams.

Sunil Shah

Chief Executive, Global Broker Services

Sunil Shah joined Coexis, now GBST's Global Broker Services Division, as Chief Operating Officer in June 2002 from ADP Wilco, a subsidiary of Automatic Data Processing, Inc., where he was in a similar capacity. He took on the mantle of Chief Executive Officer of Coexis in November 2004.

Denis Orrock

Chief Executive, GBST Financial Services

Denis joined GBST in May 2008 and manages the newly established Financial Services Division. Prior to joining GBST, Denis was General Manager of InfoChoice. Denis has worked within the Australian Financial Services industry for over 15 years. He has a broad understanding of domestic wholesale and retail markets and has held advisory and trading positions with UBS, Grange Securities and Taylor Collison.

GBST Board of Directors

Stephen Lake
Managing Director and
Chief Executive Officer

John Puttick
Non-Executive Chairman

Allan Brackin
Independent
Non-Executive Director

David Adams
Independent
Non-Executive Director

Joakim Sundell
Non-Executive Director

John Puttick

Non-Executive Chairman

John Puttick is the founder and Chairman of GBST and has 40 years' experience in the IT industry over 20 of which developing financial services solutions at GBST. John serves as a member of the QUT Council and on University of Queensland and Queensland University of Technology Faculty Advisory Committees. He is currently Adjunct Professor, School of Information Technology and Electrical Engineering at the University of Queensland and Chair of Southbank Institute of Technology Business Council.

John is a member of GBST's Audit and Risk Management Committee and is Chairman of the Nominations and Remuneration Committee.

Stephen Lake

Managing Director and Chief Executive Officer

Stephen Lake joined GBST in September 2001 after an extensive career in the capital markets industry in Australia, the United Kingdom and Asia. Stephen became a shareholder of GBST and was appointed Chief Executive Officer in 2001. Prior to joining GBST, Stephen held senior executive positions in banking and investment banking in Australia, Hong Kong and London.

Allan Brackin

Independent Non-Executive Director

Allan Brackin was appointed to the Board in April 2005. He has detailed knowledge of the IT sector having served as Director and Chief Executive Officer of Volante Group Limited, one of Australia's largest IT services companies from November 2000 to October 2004. Prior to this Allan founded a number of IT companies including Applied Micro Systems (Australia) Pty Ltd, Prion Pty Ltd and Netbridge Pty Ltd, all national organisations operating under the Group Company of AAG Technology Services Pty Ltd. Allan currently serves on the Board of the New South Wales Heart Foundation and is Chairman of IT software Company Emagine Pty Ltd. He is a former Director of Hutchisons Child Care Services Limited (November 2005 to September 2006). Allan is Chairman of GBST's Audit and Risk Management Committee and is a member of the Nominations and Remuneration Committee.

Joakim Sundell

Non-Executive Director

Joakim Sundell was appointed to the Board in 2001. Joakim has an extensive career in private equity finance, merchant banking, and management both in Sydney and London. He is Managing Director of Crown Financial Pty Ltd, a private investment Company. He was a Director of Infochoice Limited (from 13 December 2006 until 5 February 2008). Joakim is a Member of the Nominations and Remuneration Committee.

David Adams

Independent Non-Executive Director

David Adams was appointed to the Board on 1 April 2008. David has an extensive career in the funds management industry including the establishment of Australia's first cash management trust at Hill Samuel Australia in 1980 and Group Head of the Funds Management Group for Macquarie Bank. He was a Director at Macquarie Bank from 1983 until 2001.

David was Chairman of the Investment and Financial Services Association in 2000 and 2001. He was a Visiting Fellow (Management of Financial Institutions) at Macquarie University and holds a Bachelor of Science from the University of Sydney and a Masters in Business Administration from the University of New South Wales. David is a member of the Audit and Risk Management Committee and the Nominations and Remuneration Committee.

Corporate Governance Statement

Introduction

The ASX document, 'Principles of Good Corporate Governance and Best Practice Recommendations' 2nd Edition ('Guidelines') applying to listed entities was released in August 2007 by the ASX Corporate Governance Council with the aim of enhancing the credibility and transparency of Australia's capital markets. The Board has made an assessment of the company against the Guidelines.

The Board has made decisions in relation to its operations and the operations of the company that mean that it does not fully comply with all of the Guidelines but are in place to provide better performance. The Board outlines its assessment against the Guidelines below. This statement on corporate governance reflects our charter, policies and procedures on 1 September 2009.

Scope of Responsibility of Board

a. Responsibility for the Company's proper corporate governance rests with the Board. The Board's guiding principle in meeting this responsibility is to act honestly, conscientiously and fairly, in accordance with the law, in the interests of GBST's shareholders with a view to building sustainable value for them and the interests of employees and other stakeholders.

b. The Board's broad function is to:
   - i. chart strategy and set financial targets for the Company;
   - ii. monitor the implementation and execution of strategy and performance against financial targets; and
   - iii. oversee the performance of executive management and generally to take and fulfil an effective leadership role in relation to the Company.

c. Power and authority in certain areas is specifically reserved to the Board – consistent with its function as outlined above. These areas include:
   - i. composition of the Board itself including the appointment and removal of Directors and the making of recommendations to shareholders concerning the appointment and removal of Directors;
   - ii. oversight of the Company including its control and accountability system;
   - iii. appointment and removal of the Chief Executive Officer and the Company Secretary;
   - iv. reviewing and overseeing systems of risk management and internal compliance and control, codes of ethics and conduct, and legal and statutory compliance;
   - v. monitoring senior management's performance and implementation of strategy; and
   - vi. approving and monitoring financial and other reporting and the operation of committees.

d. Senior management roles are given authorities and responsibilities pursuant to both corporate policies and through directions issued from time to time. The CEO's performance is reviewed by the Chairman in consultation with the Board and the CEO takes responsibility for the review of other executives' performance. Formal reviews are conducted at least annually.

Composition of Board

The Board performs its roles and function, consistent with the above statement of its overall corporate governance responsibility, in accordance with the following principles:

a. the Board should comprise at least five Directors;

b. the Board shall be constituted by members having an appropriate range of skills and expertise; and

c. at least two Directors will be Non-Executive Directors independent from management.

Board Charter and Policy

a. The Board has adopted a charter (which will be kept under review and amended from time to time as the Board may consider appropriate) to give formal recognition to the matters outlined above. This charter sets out various other matters that are important for effective corporate governance including the following:
   - i. a detailed definition of 'independence';
   - ii. a framework for the identification of candidates for appointment to the Board and their selection;
   - iii. a framework for individual performance review and evaluation;
   - iv. proper training to be made available to Directors both at the time of their appointment and on an on-going basis;
   - v. basic procedures for meetings of the Board and its committees – frequency, agenda, minutes and private discussion of management issues among Non-Executive Directors;
   - vi. ethical standards and values – formalised in a detailed code of ethics and values;
   - vii. dealings in securities – formalised in a detailed code for securities transactions designed to ensure fair and transparent trading by Directors and senior management and their associates; and
   - viii. communications with shareholders and the market.

b. These initiatives, together with the other matters provided for in the Board's charter, are designed to 'institutionalise' good corporate governance and to build a culture of best practice in GBST's own internal practices and in its dealings with others. The Board's charter is included within the company's corporate governance charter, which is available from the company's web site.

Audit and Risk Management Committee

a. The purpose of this committee is to advise on the establishment and maintenance of a framework of internal control and appropriate ethical standards for the management of the Group. Its members are:
   i. Mr Allan Brackin, Chairman;
   ii. Mr John Puttick; and
   iii. Mr David Adams.

b. The committee performs a variety of functions relevant to risk management and internal and external reporting and reports to the Board following each meeting. Among other matters for which the committee is responsible are the following:
   i. Board and committee structure to facilitate a proper review function by the Board;
   ii. internal control framework including management information systems;
   iii. corporate risk assessment and compliance with internal controls;
   iv. internal audit function and management processes supporting external reporting;
   v. review of financial statements and other financial information distributed externally;
   vi. review of the effectiveness of the audit function;
   vii. review of the performance and independence of the external auditors;
   viii. review of the external audit function to ensure prompt remedial action by management, where appropriate, in relation to any deficiency in or breakdown of controls
   ix. assessing the adequacy of external reporting for the needs of shareholders; and
   x. monitoring compliance with the Company's code of ethics.

c. Meetings are held at least four times each year. A broad agenda is laid down for each regular meeting according to an annual cycle. The committee invites the external auditors to attend each of its meetings.

d. The company during the course of the year appointed new auditors, KPMG, in light of the increasing scale and global operations for the company and its subsidiaries.

Nominations and Remuneration Committee

a. The purpose of this committee with regard to remuneration is to review and approve the remuneration of senior executives, the remuneration policies for the group and the structure of equity based remuneration programmes.

b. The purpose of this committee with regard to nominations is to consider the structure and membership of the Board, to review the performance of the Board, to set desirable criteria for future Board members and to assess candidates against those criteria.

c. Due to the importance of people to the business of the group each Director is a member of the committee. Committee meetings are held from time to time as required by the Board. While no committee meeting has been called during the year relevant discussions on nominations and remuneration have been considered by the Board at various Board meetings as specific items of business and in general business. In particular, the Board did conduct a review of its own performance with the chair discussing performance with each director individually and then collectively with the Board.

Best Practice Commitment

The Company is committed to achieving and maintaining the highest standards of conduct and has undertaken various initiatives, as outlined in this section, which are designed to achieve this objective. GBST's corporate governance charter is intended to 'institutionalise' good corporate governance and, to build a culture of best practice both in the Company's own internal practices and in its dealings with others.

The following are a tangible demonstration of the Company's corporate governance commitment.

a. *Independent professional advice*
   With the prior approval of the Chairman, each Director has the right to seek independent legal and other professional advice concerning any aspect of the Company's operations or undertakings in order to fulfil their duties and responsibilities as Directors. Any costs incurred are borne by the Company.

b. *Code of ethics and values*
   The Company has developed and adopted a detailed code of ethics and values to guide Directors in the performance of their duties.

c. *Code of conduct for transactions in securities*
   The Company has developed and adopted a formal code to regulate dealings in securities by Directors and senior management and their associates. This is designed to ensure fair and transparent trading in accordance with both the law and best practice.

d. *Charter*
   The code of ethics and values and the code of conduct for transactions in securities (referred to above) both form part of the Company's corporate governance charter which has been formally adopted and is available for review on the Company's web site.

e. *Substantial compliance with ASX corporate governance guidelines and best practice recommendations.*

GBST Board Assessment against the Guidelines

Principle 1 – Lay solid foundations for management and oversight

The role of the Board and delegation to management have been formalised as described above in this section and will continue to be refined, in accordance with the Guidelines, in the light of practical experience gained in operating as a listed company. GBST complies with the Guidelines in this area.

Principle 2 – Structure the Board to add value

Together the Directors have a broad range of experience, skills, qualifications and contacts relevant to the business of the Company. The majority of the current Board is not independent. In particular, the Chairman is not independent in terms of the Guidelines. There are at least two independent Directors, namely Mr Allan Brackin and Mr David Adams. GBST believes that the current Board of five Directors has been appropriate for a company of GBST's size and the current Directors have been the best people to act in the interests of stakeholders and for this reason does not presently fully comply with the recommendations. The Board will consider increasing its size should suitable candidates be identified. The number of independent Directors may be increased as a result of the additional appointments. The Board calls specific meetings of the Board as a Nominations and Remuneration Committee.

Principle 3 – Promote ethical and responsible decision making

The Board has adopted a detailed code of ethics and values and a detailed code of conduct for transactions in securities as referred to above. The purpose of these codes is to guide Directors in the performance of their duties and to define the circumstances in which both they and management, and their respective associates, are permitted to deal in securities. The Board will ensure that restrictions on dealings in securities are strictly enforced. Both codes have been designed with a view to ensuring the highest ethical and professional standards, as well as compliance with legal obligations, and therefore compliance with the Guidelines.

Principle 4 – Safeguard integrity in financial reporting

The Audit and Risk Committee has its own Charter. The Committee comprises three Directors, the majority of which are independent. All the members of the Audit and Risk Committee are financially literate.

Principle 5 – Make timely and balanced disclosure

Policies and procedures for compliance with ASX Listing Rule disclosure requirements are included in the Company's corporate governance charter.

Principle 6 – Respect the rights of shareholders

The Board recognises the importance of this principle and strives to communicate with shareholders both regularly and clearly – both by electronic means and using more traditional communication methods. Shareholders are encouraged to attend and participate at general meetings. It is intended that the Company's auditors will always attend the annual general meeting and be available to answer shareholders' questions. The Company's policies comply with the Guidelines in relation to the rights of shareholders.

Principle 7 – Recognise and manage risks

The Board, together with management, has constantly sought to identify, monitor and mitigate risk. Internal controls are monitored on a continuous basis and, wherever possible improved. The company uses its quality management system and project management methodologies to identify, assess and manage risk. With the acquisition of new subsidiaries the company initiated a program of integration which involved an assessment of the adequacies of risk management in the subsidiaries to ensure they were of a sufficient standard in light of the Board's requirements in this area. The whole issue of risk management is formalised in the Company's corporate governance charter (which complies with the Guidelines in relation to risk management) and will continue to be kept under regular review. Review takes place at both committee level (Audit and Risk Committee), with meetings at least four times each year, and at Board level. The Board requires the CEO and CFO to sign all statements required to be provided under the Guidelines and Corporations Act in relation to the Company's Financial Statements and risk management generally.

Principle 8 – Remunerate fairly and responsibly

Remuneration of Directors and executives will be fully disclosed in the annual report and any changes with respect to key executives announced in accordance with continuous disclosure principles. The Board from time to time calls a specific meeting of the Board as a Nominations and Remuneration Committee. Due to the importance of people within GBST's business all Board members considered they would have a contribution to make to the meeting and as a result the committee is not independent. The Chairman will lead a review of the Directors and the independent Directors will lead a review of the Chairman. No individual will be directly involved in deciding his or her remuneration.

Directors' Report

The Directors of GBST Holdings Limited ('GBST') submit herewith the consolidated financial report for the year ended 30 June 2009.

Directors

The names of the Directors of the Company in office during the year and to the date of this report are:

Name	Period of Directorship
Dr John F Puttick	Appointed January 1984
Mr Allan J Brackin	Appointed April 2005
Mr Stephen M L Lake	Appointed September 2001
Mr Joakim J Sundell	Appointed July 2001
Mr David C Adams	Appointed April 2008

Company Secretary

The following person held the position of Company Secretary at the end of the financial year:

David M Doyle – Mr Doyle joined GBST in 1997 as an in house legal advisor and was appointed Company Secretary on 18 April 2005. Mr Doyle holds Bachelor degrees in Law and Business (Computing) from Queensland University of Technology.

Principal Activities

On 9 December 2008, GBST acquired Coexis for £18.18 ($41.19) million cash and 7,336,007 GBST shares up-front and a further deferred amount of £1.25 ($2.70) million cash and 1,414,000 shares (subject to shareholder approval) over the next 2 years. The cash component is debt funded. Coexis is a leading UK based global provider of software for the securities industry and this acquisition further extends the suite of products and services immediately available through the Group's Broker Services Division and significantly expands the scale of GBST's global operations.

The principal activities of GBST in the year, were:

- the provision of client accounting and securities transaction technology solutions for the finance, banking and securities industry in Australia, Asia, Europe and North America;
- provision of funds administration and registry software for the wealth management industry in Australia and the United Kingdom; and
- provision of independent market-leading financial product data and related services to financial advisers and institutions in Australia which is supported by the purchase of Emu Design (Qld) Pty Ltd, which GBST acquired in October 2008.

No other significant change in the nature of these activities occurred during the year.

Operating Result and Dividend

The consolidated profit after income tax for the financial year amounted to $2.13 million (2008: $6.13 million).

Dividends paid during the year were as follows:

- 2008 fully franked ordinary dividend of 4 cents per share paid on 26 September 2008, as recommended in last year's report $2.01 million.
- 2009 interim fully franked ordinary dividend of 1.5 cents per share paid on 27 March 2009 $867 thousand.

No dividend has been declared for the year ended 30 June 2009.

Review of Operations

The consolidated Group operates now in 4 business segments:

- GBST Australia Broker Services provides client accounting and securities transaction technology. Capital market participants such as banks, clearing houses, custodians, fund managers, margin lenders and institutional and retail stockbrokers use GBST's specialist market access and transaction solutions to process approximately 44% of all volume traded on the ASX every month.
- GBST Global Broker Services (Coexis) through the Syn~ platform, provides next-generation technology to process equities, derivatives, fixed income and managed funds transactions to global capital markets in Asia, Europe and North America.
- GBST Wealth Management provides funds administration and registry software to the Wealth Management industry, both in Australia and the United Kingdom. It offers an integrated system for the administration of wrap platforms, master trusts, superannuation, pensions, risk and debt, with customers in Australia and the United Kingdom.
- GBST Financial Services is a wholesale provider of independent, market-leading financial product data and related services to financial advisors and institutions. It also provides web design, development and usability services through Emu Design.

Acquisitions

Emu Design

On 1 October 2008, GBST acquired Emu Design (Qld) for $888 thousand in cash and 171,939 GBST shares. Emu Design specialises in a wide range of services including web development, graphic design, product design, corporate identity design and IT and software solutions.

The acquisition of Emu Design is a significant step to provide the web-based development and design skills for the division.

Coexis

On 9 December 2008, GBST acquired Coexis. Coexis is a leading UK based global provider of software for the securities industry.

The cornerstone of Coexis' offering is Syn~, the key technology created by Coexis and now recognised as the next generation of software development. Syn~'s strengths include componentised configurability, full multi-currency, third generation software engineering and an absence of legacy architecture. Syn~ enables modelling of business flows and the creation of financial market applications for institutional brokers, global investment banks and securities exchanges that provide true exception based processing, greater scalability and flexibility and a faster time to market.

Coexis operates in multiple locations including London, New York, Hong Kong, Singapore and Paris and has an established distribution channel comprising systems integrators, independent software vendors and correspondent clearers.

Comparative year acquisitions

In the prior comparative period, on 31 August 2007, GBST acquired InfoComp Pty Ltd, ICP Holdings Pty Ltd and its subsidiaries for $36.78 million in cash and an issue of 4,935,183 GBST shares.

Profitability

GBST Australia Broker Services

The financial year saw a significant fall in retail trading volume, that had an adverse impact on revenue, falling from $31.74 million in 2008 to $28.28 million in 2009. The Company cut back on research and development spend in the year, incurring a cost in this area of $2.26 million, compared to $4.52 million in 2008.

GBST still maintains the dominant market share of ASX trade volume at approximately 44%.

The division reported an EBITDA (earnings before interest, tax, depreciation and amortisation) result of $10.00 million compared to $10.82 million in 2008.

GBST Global Broker Services (Coexis)

The GBST Global Broker Services was formed in December 2008 with the acquisition of Coexis. The division generated $8.91 million in revenue for the period from the acquisition date to June 2009, and achieved an EBITDA result of $98 thousand.

The global credit crisis had a severe negative impact on the sales prospects for GBST's Global Broker Services over the period, resulting in the delay and cancellation of several prospective opportunities. The business made a significant reduction in discretionary expenditure as a result of this.

The integration of Coexis to GBST has progressed well, the GBST Australia Broker Services customer base have been introduced to the Syn~ technology, which has been very well received.

The project for the transition of Syn~ into Australia has commenced and is currently on schedule.

GBST Wealth Management

The Wealth Management division saw a significant fall in revenue from $28.99 million in 2008 to $23.49 million this year, and an EBITDA of $3.30 million from $6.40 million in 2008.

The UK operations of the division were impacted by the cancellation of the James Hay (Abbey) contract in December 2008. James Hay decided to change its strategic direction and business model. This meant that the set of business requirements to which the Composer software had been tailored were no longer required. This was not in any way related to the performance of the Composer software platform. GBST and James Hay reached an agreement in January 2009 to resolve this matter.

GBST is still committed to our current UK clients and prospects and is continuing to invest in enhancing the Composer platform for both the Australian and UK market.

The Australian operations are very well established and stable. The impact of the decline in asset values as a result of the fall in the market, was a fall in revenue, however this was offset by a fee structure that includes fixed licence fee minimums, providing resilience in the current market.

GBST Financial Services

GBST Financial Services was established in May 2008 to develop and distribute a range of wholesale financial product data and related services to financial advisor and wealth management professionals.

This division generated revenue of $1.20 million in the year and made a loss before interest, tax, depreciation and amortisation of $700 thousand due to the investment being made to develop and enhance its products.

The acquisition of Emu Design is a significant step to provide the web-based development and design skills for the division.

Results Summary

	FULL YEAR TO 30 JUNE		
	2009 '000	2008 '000	% Change
Group Operating Revenue	61,924	60,740	2%
Reported EBITDA	12,691	17,188	(26)%
Less: Write down of investment	(394)	(2,288)	
Less: Write down of intangible asset	(744)	–	
Less: Net Finance Cost	(2,711)	(1,093)	
Less: Depreciation	(1,071)	(932)	
Less: Amortisation	(5,745)	(3,122)	
Less: Tax	103	(3,621)	
PROFIT AFTER TAX	2,129	6,132	(65)%
BASIC EPS (CENTS)	3.90	12.44	(69)%
CASH NPAT	9,012	11,542	(22)%
CASH EPS (CENTS)	16.52	23.41	(29)%

The consolidated profit after income tax for the financial year amounted to $2.13 million (2008: $6.13 million). Revenue before interest and other income was $61.92 million (2008: $60.74 million). Basic earnings per share is 3.90 cents per share.

During the financial year, factors impacting the profitability of the consolidated entity were:

- Approximately $680 thousand in termination payments to employees were incurred (2008: $178 thousand).
- Decline in the value of the 15.4% shareholding in Razor Risk Technologies Limited (ASX Code: RZR) (formerly IT&e Limited) has been taken into account, in accordance with AASB 139 at 31 December 2008. This non-cash write down is $394 thousand. At 30 June 2009 the value of the investment increased by $394 thousand resulting from an increase in the share price of RZR. This increase was booked to the Financial Asset Reserve in the Balance Sheet. The current carrying value of the investment is $1.62 million.
- Impairment testing of customer contracts in the UK due to a change in the customer base determined that the carrying amount of the UK customer contracts relating to Wealth Management was higher than its recoverable amount and an impairment loss of $252 thousand was recognised.
- $492 thousand software expense due to the write-down to nil of the current carrying value of an acquired software asset.

Financial Position

As noted in the After Balance Sheet Events in this report, and Note 14 of the Financial Statements, GBST entered into an agreement with Crown Financial Pty Ltd on 29 June 2009 to extend the term of the $10.00 million loan facility from January 2010 to February 2012, subject to shareholder approval. This approval from the shareholders was granted at an Extraordinary General Meeting held on 21 August 2009.

Under the requirements of the Australian Accounting Standards Board, AASB 101 – Presentation of Financial Statements, paragraph 69 (d) the company is required to show this loan as a current liability at the balance sheet date of 30 June 2009, because the company did not have the unconditional right to defer settlement of the liability for a period of at least twelve months after the reporting period.

The company therefore has a current asset balance of $13.57 million, a current liability balance of $34.34 million at 30 June 2009, and a net current asset deficiency of $20.77 million. $10.00 million of this deficiency is in respect of the loan from Crown Financial Pty Ltd, of which the repayment date has been extended from January 2010 to February 2012. A further $4.01 million is in respect of current liabilities owing to vendors for business acquisitions. The balance is payable through a cash payment and the issue of additional equity as prescribed in the relevant business acquisition sale and purchase agreements.

Current loan repayments of $5.78 million under the commercial bill and GBP loan facility are payable in fixed quarterly instalments over the next twelve months and will be funded by earnings generated over that period.

Directors' Report continued

Significant Changes in State of Affairs

During the year the Company issued 7,523,120 new shares, nil new options and 15,174 options were exercised.

As previously noted, on 9 December 2008, GBST acquired Coexis for £18.18 ($41.19) million cash and 7,336,007 GBST shares and a further deferred amount of £1.25 ($2.70) million cash and 1,414,000 in shares (subject to shareholder approval) over the next 2 years. The cash consideration was sourced from debt drawn through a facility from the NAB and shareholder funded sub-ordinated debt.

A term loan facility of $8.00 million Great British Pounds was established with National Australia Bank for the purpose of the acquisition. The GBP loan facilities expire on 31 October 2010, with quarterly principal repayments from 31 March 2009. Interest rates under the facility are variable.

As previously noted on 1 October 2008, GBST acquired Emu Design (Qld) for $888 thousand in cash and 171,939 GBST shares.

No other significant changes in the state of affairs of the Company occurred during the financial year.

Future Developments, Prospects and Business Strategies

The Company is actively pursuing opportunities to expand its sources of revenue from the delivery of technology to the financial services industry. The Company will continue to invest in the internal research and development of software products and the acquisition of businesses that expand its client base and range of software products and services.

These developments, together with the current business strategies within GBST's segments, are expected to assist in the achievement of GBST's long term goals. Disclosure of further information regarding future developments and financial results is likely to result in unreasonable prejudice to the Company. Accordingly, this information has not been disclosed in this report.

After Balance Date Events

Since balance date the Group has, concluded the following:

1. The Company entered into an agreement with Crown Financial Pty Ltd on 29 June 2009, to extend the term of the $10.00 million loan facility from January 2010 to February 2012, subject to shareholder approval. This approval was received from the shareholders at an EGM (extraordinary general meeting) held on 21 August 2009 and the revised loan agreement has been executed. The loan's term has been extended in exchange for a call option issued to Crown Financial Pty Ltd to acquire ordinary shares in the Company at a price of 95 cents per share to the maximum value of the loan.
2. The Company completed a capital raising of $4.20 million on the 29 June 2009. The Company received commitments to raise approximately $4.20 million through the issue of 6.50 million shares at an issue price of 65 cents per share, subject to shareholder approval. This approval was also received from the shareholders on 21 August 2009.

   The funds raised from this issue were used to repay debt owed to the National Australia Bank.
3. As part of its capital raising initiative the Company also announced on 3 July 2009 a Share Purchase Plan (SPP). GBST raised $813 thousand following the issue of 1.25 million ordinary shares at 65 cents each.

   The funds raised from this issue were also used to repay debt owed to the National Australia Bank.

Other than for the impact (if any) of the prospects referred to in the commentary above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect operations of GBST, the results of those operations, or the state of affairs of GBST in future financial years.

Environmental Issues

GBST's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Information on Directors

John Puttick Non-Executive Chairman

John Puttick is the founder and Chairman of GBST and has 40 years' experience in the IT industry over 20 of which developing financial services solutions at GBST. John serves as a member of the QUT Council and on University of Queensland and Queensland University of Technology Faculty Advisory Committees. He is currently Adjunct Professor, School of Information Technology and Electrical Engineering at the University of Queensland and Chair of Southbank Institute of Technology Business Council.

John is a member of GBST's Audit and Risk Management Committee and is Chairman of the Nominations and Remuneration Committee.

Interest in Shares and Options

7,307,760 Ordinary Shares of GBST Holdings Limited held by Dr Puttick and associated entities.

Stephen Lake Managing Director and Chief Executive Officer

Stephen joined GBST in September 2001 after an extensive career in the capital markets industry in Australia, the United Kingdom and Asia. Stephen became a shareholder of GBST and was appointed Chief Executive Officer in 2001.

Prior to joining GBST, Stephen held senior executive positions in banking and investment banking in Australia, Hong Kong and London.

Interest in Shares and Options

500,000 Options and 3,751,423 Ordinary Shares of GBST Holdings Limited held by Mr Lake.

Allan Brackin Independent Non-Executive Director

Allan Brackin was appointed to the Board in April 2005. He has detailed knowledge of the IT sector having served as Director and Chief Executive Officer of Volante Group Limited, one of Australia's largest IT services companies from November 2000 to October 2004. Prior to this Allan founded a number of IT companies including Applied Micro Systems (Australia) Pty Ltd, Prion Pty Ltd and Netbridge Pty Ltd, all national organisations operating under the Group Company of AAG Technology Services Pty Ltd. Allan currently serves on the Board of the New South Wales Heart Foundation and is Chairman of IT software Company Emagine Pty Ltd. He is a former Director of Hutchisons Child Care Services Limited (November 2005 to September 2006). Allan is Chairman of GBST's Audit and Risk Management Committee and is a member of the Nominations and Remuneration Committee.

Interest in Shares and Options

311,943 Ordinary Shares of GBST Holdings Limited held by Mr Brackin's associated entities.

Joakim Sundell Non-Executive Director

Joakim Sundell was appointed to the Board in 2001. Joakim has an extensive career in private equity finance, merchant banking, and management both in Sydney and London. He is Managing Director of Crown Financial Pty Ltd, a private investment Company. He was a Director of Infochoice Limited (from 13 December 2006 until 5 February 2008). Joakim is a Member of the Nominations and Remuneration Committee.

Interest in Shares and Options

15,768,148 Ordinary Shares held by Mr Sundell's associated entities.

David Adams Independent Non-Executive Director

David Adams was appointed to the Board on 1 April 2008. David has an extensive career in the funds management industry including the establishment of Australia's first cash management trust at Hill Samuel Australia in 1980 and Group Head of the Funds Management Group for Macquarie Bank. He was a Director at Macquarie Bank from 1983 until 2001.

David was Chairman of the Investment and Financial Services Association in 2000 and 2001. He was a Visiting Fellow (Management of Financial Institutions) at Macquarie University and holds a Bachelor of Science from the University of Sydney and a Masters in Business Administration from the University of New South Wales. David is a member of the Audit and Risk Management Committee and the Nominations and Remuneration Committee.

Interests in Shares and Options

Nil

REMUNERATION REPORT

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

- Remuneration policies and practices
- Company performance and remuneration
- Service agreements
- Details of remuneration

The information provided in the remuneration report includes remuneration disclosures that are required under Accounting Standard AASB 124 *Related Party Disclosures*. These disclosures have transferred from the financial report and have been audited.

Remuneration Policies and Practices

The policy for determining the nature and amount of remuneration of Directors and specified Executives is as follows:

Remuneration of Non-Executive Directors is determined by the Board with reference to market rates for comparable companies and reflective of the responsibilities and commitment required of the Director. The remuneration of Directors is voted on annually at the Company's Annual General Meeting.

Executive remuneration packages are aligned with the market and properly reflect the person's duties, responsibilities and performance.

The current remuneration structure has three components: fixed remuneration, performance-related bonus and equity based remuneration. Executives are offered longer term incentives through an Employee Share Option Plan which seeks to align the Executives' performance with the interests of shareholders.

The performance of Executives is considered annually against agreed performance objectives relating to both individual performance goals and contribution to the achievement of broader Company objectives. Executive remuneration packages are reviewed annually by reference to the Company's economic performance, Executive performance and comparative information from industry sectors.

Remuneration paid to Directors and Executives is valued at the cost to the Company and expensed. The Company operates an Employee Option Scheme, comprising of two sub-schemes, being an Exempt Options Scheme for staff generally and a Deferred Options Scheme for select staff and eligible Directors. Options are valued using a Black-Scholes pricing model which includes variables such as time, volatility, risk and return. The value of equity based remuneration under the Deferred Option Scheme is recognised as an employee benefits expense.

Remuneration Principles

- The Company will use competitive remuneration packages to attract, motivate and retain talented Executives.
- The employees will be rewarded for sustained and sustainable improvement in the performance of the Company.
- Directors and Senior Executives are encouraged to make investments in the Company but only in accordance with the Company's share trading guidelines.
- Senior Executive agreements will not allow for significant termination payments if an employment agreement has to be terminated for cause.
- The Company will make full disclosure of Director and Executive remuneration.

The Board recognises the significant role played by remuneration in attracting and retaining staff.

Remuneration Structure – Non-Executive Directors

Non-Executive Directors are paid fixed annual remuneration as set out in letters of appointment. Reviews of each individual Director and Directors as a whole occur annually. Non-Executive Directors may make investments in the Company in accordance with the Company's share trading guidelines but they do not participate in the Employee Share Ownership Plan. GBST does not operate a scheme for retirement benefits to Directors.

Remuneration Structure – Senior Executives

Three elements make up the Company's remuneration structure for Senior Executives.

- Fixed remuneration of salary and superannuation.
- Bonus payments based upon Company performance and the meeting of corporate objectives – Short Term Incentive (STI).
- Equity based remuneration – Long Term Incentive (LTI).

Fixed Annual Remuneration

The fixed remuneration consists of cash salary ('Base').

To ensure that fixed remuneration arrangements remain competitive, the fixed remuneration component of Executive remuneration is reviewed annually based on performance and market data.

Benchmarking of Executive remuneration is against Executive Black-Scholes pricing remuneration practices for Executive roles having similar scope, accountability and complexity to those being reviewed. Positions may be benchmarked against:

- Other positions within the Company so that internal relativities are maintained; and/or
- Roles situated in companies listed on the Australian Stock Exchange with market capitalisation similar to that of the Company's and/or within an industry sector in which the Company has operations.

Short Term Incentive Remuneration (STI)

The Company operates a short term bonus scheme to provide competitive performance based remuneration incentives to both Executives and staff. Its objectives are to:

- Align the interests of the Executives and staff with those of shareholders;
- Provide participants with the opportunity to be rewarded with at risk remuneration where superior performance outcomes and achieved over the measurement period; and
- Reflect a strong commitment towards attracting and retaining high performing Executives and staff who are committed to the ongoing success of the Company.

Performance objectives are established for all Executives and structured to reflect each Executive's potential impact on and contribution to the business. The performance objectives comprise elements of total Company performance and individual performance and contain measures of financial, non-financial and strategic outcomes. Achievement of performance objectives would entitle an Executive to a cash bonus.

Generally, bonus arrangements are capped at a maximum of 50% of Base, however when exceptional outcomes are delivered, or where warranted by special circumstances, it can exceed this amount.

All Executive bonus amounts are determined based on the recommendation of the Managing Director, having regard to actual performance against the performance objectives.

Fixed remuneration levels are set with reference to commercial benchmark information and the individual's role, responsibility, experience and geographic location. The fixed component of Executive remuneration is reviewed annually. The Company makes superannuation contributions on fixed remuneration amounts.

Bonus and equity based schemes are designed to motivate employees for the continuing benefit of shareholders. No employee has a continuous entitlement to bonus payments. Performance objectives for each Executive are set on an annual basis and are reflective of the areas of responsibility of the Executive and the broader objectives of the Company. Performance objectives include financial and non-financial goals.

Executive performance is reviewed annually with bonuses being awarded based on an assessment of performance against agreed criteria. The payment of performance bonuses is subject to a consideration of whether or not the overall performance of the Company warrants the payment of a bonus.

Long Term Incentive Remuneration (LTI)

The Company has an employee share ownership plan. The plan involves the use of options to acquire shares. The plan is designed to reward Executives in a manner which aligns this element of remuneration with the financial performance of the Company and the interests of shareholders. Executives are also required to meet continued service conditions in order to exercise the options.

The objective of the LTI plan is to reward Executives in a manner that aligns remuneration with the creation of shareholders wealth. As such, LTI grants are only made to Executives who are able to influence the generation of shareholder wealth and thus have an impact on the Group's performance against the relevant long term performance hurdle.

LTI grants to Executives are delivered in the form of share options under the Employee Share Options Plan. The share options generally vest over a period of three years subject to meeting performance hurdles. Executives are able to exercise the share option for up to two years after vesting before the options lapse.

The Company uses Shareholder Return as a performance hurdle for the LTI plan, measured by growth in earnings per share. Details of the plan are shown in Note 31 of the Financial Statements.

On 24 October 2007, 100,000 options were issued to select Executive employees. The exercise price for each option is $3.92.

These deferred options are divided into three tranches. The first tranche of 20% vest and may be exercised after 12 months and lapse if unexercised in 36 months. The second tranche of 30% vest and may be exercised after 24 months and lapse if unexercised in 48 months. The third tranche of 50% vest and may be exercised after 36 months and lapse if unexercised after 60 months. On cessation of employment all unvested options lapse.

The shareholders of the Company at the 2007 Annual General Meeting approved the issue of 500,000 options to the Company's Chief Executive Officer and this occurred on 19 December 2007. The exercise price for each option is $3.85. The options vest 18 months after the date of grant. The options have a term of 24 months from the date of grant. On cessation of employment all unvested options lapse.

The Executive options are subject to financial performance measures being met.

The performance criteria associated with each grant of share options outstanding made under the Deferred Options Scheme is summarised below:

PERFORMANCE CRITERIA

Grant Date	Continued Employment until	Financial Performance hurdle
24 October 2007 Tranche 1 (20%)*	24 October 2008	If normalised EPS CAGR for 2008 compared to 2007 is: • Less than 10%: no options vest • Equal to 10%: 33.33% of options vest • Greater than 10% but less than 20%: pro rated vesting between 33.33% and 100% • Equal to or greater than 20%: 100% vesting.
Tranche 2 (30%)*	24 October 2009	If normalised EPS CAGR for the combined 2008 and 2009, compared to 2007 is: • Less than 10%: no options vest • Equal to 10%: 33.33% of options vest • Greater than 10% but less than 20%: pro rated vesting between 33.33% and 100% • Equal to or greater than 20%: 100% vesting.
Tranche 3 (50%)*	24 October 2010	If normalised EPS CAGR for the combined 2008, 2009 and 2010, compared to 2007 is: • Less than 10%: no options vest • Equal to 10%: 33.33% of options vest • Greater than 10% but less than 20%: pro rated vesting between 33.33% and 100% • Equal to or greater than 20%: 100% vesting.
19 December 2007	19 June 2009	The Company's financial performance in the financial year ending 30 June 2008 is when measured at the Earnings per Share level 20% greater in the financial year ending 30 June 2008 when compared to the financial year ending 30 June 2007.

* If the performance condition for Tranche 1 is not met at the first exercise date, then 50% of those options lapse and 50% are rolled into Tranche 2. If the performance condition for Tranche 2 is not met at the first exercise date for Tranche 2, then 50% of those options lapse and 50% are rolled into Tranche 3. If the performance condition for Tranche 3 is not met at the first exercise date for Tranche 3, then all remaining options will lapse.

EPS = Earnings per share

CAGR = Compound average growth rate

Company Performance and Remuneration

The table below shows the financial performance of the Company over the last four years. GBST's remuneration practices seek to align Executive remuneration with growth in profitability and shareholder value, amongst other things.

	2006	2007	2008	**2009**
EBITDA	$ 9.0m	$11.4m	$18.3m	$12.7m
Growth	127%	26%	60%	(34%)
Net profit before tax	$ 8.6m	$11.4m	$ 9.8m	$2.0m
Growth	144%	31%	(14%)	(80%)
Closing share price	$2.37	$4.00	$1.89	$0.67
Dividends paid (cents)	0	9.0	11.5	5.5

Service Agreements

Remuneration and other terms of employment for Executive Directors and Executives are formalised in service contracts. All agreements with Executives are subject to an annual review. Each of the agreements provide for base pay, leave entitlements, superannuation and performance-related bonus. The agreements also contain normal provisions relating to the protection of confidential information and intellectual property rights as well as post employment restraints.

Apart from Mr Lake's service agreements, the agreements are expressed to be open ended appointments but may generally be terminated by three months notice by either party or earlier in the event of certain breaches of terms and conditions. The contracts do allow the company to make a payment in lieu of notice. No other termination payments are applicable.

Mr Lake's service agreement has a minimum term of two years ending in August 2009 and is able to be terminated at that time or after it by either party giving the other not less than six month's notice. The agreement has subsequent to year-end been amended by extending the term a further two years.

Names and positions held of Group and Company Key Management Personnel in office at any time during the financial year are:

Key Management Person	Position
J Puttick	Director (Non-executive Chairman)
D Adams	Director (Independent)
A Brackin	Director (Independent)
S Lake	Director (Managing Director and Chief Executive Officer)
J Sundell	Director (Non-executive)
R De Dominicis	Chief Executive Wealth Management
D Orrock	Chief Executive GBST Financial Services (appointed 12 May 2008)
P Salis	Chief Financial Officer
I Sanchez	Chief Technology Officer
S Shah	Chief Executive Global Broker Services (appointed 9 December 2008)
K Sprott	Human Resource Executive (resigned 6 February 2009)

Shareholdings

The numbers of shares in the Company held (directly, indirectly or beneficially) during the financial year by Key Management Personnel, including their related parties, are set out below.

2009	Balance at 01/07/08	Received as Compensation	Options exercised	Net Change Other[i]	Balance at 30/06/09
Directors					
J Puttick	7,667,760	–	–	(360,000)	7,307,760
D Adams	–	–	–	–	–
A Brackin	231,943	–	–	80,000	311,943
S Lake	3,651,423	–	–	100,000	3,751,423
J Sundell	15,417,605	–	–	350,543	15,768,148
TOTAL DIRECTORS	26,968,731	–	–	170,543	27,139,274
Executives					
R De Dominicis	1,780,996	–	–	–	1,780,996
D Orrock	–	–	–	–	–
P Salis	–	–	–	–	–
I Sanchez	–	–	–	–	–
S Shah	–	–	–	523,596	523,596
K Sprott	–	–	–	–	–
TOTAL EXECUTIVES	1,780,996	–	–	523,596	2,304,592
GROUP TOTAL	28,749,727	–	–	694,139	29,443,866

i. Shares purchased or sold, consideration for shareholdings purchased by Group, or excluded from disclosure due to resignation.

The numbers of shares in the Company held (directly, indirectly or beneficially) during the 2008 financial year by Key Management Personnel, including their related parties, are set out below.

2008	Balance at 01/07/07	Received as Compensation	Options exercised	Net Change Other[(i)]	Balance at 30/06/08
Directors					
J Puttick	7,667,760	–	–	–	7,667,760
D Adams	–	–	–	–	–
A Brackin	169,241	–	–	62,702	231,943
S Lake	3,867,428	–	–	(216,005)	3,651,423
D Shirley	–	–	–	–	–
J Sundell	14,336,053	–	–	1,081,552	15,417,605
GBST ESOP Pty Ltd as trustee[(ii)]	36,844	–	–	(36,844)	–
TOTAL DIRECTORS	26,077,326	–	–	891,405	26,968,731
Executives					
R De Dominicis	–	–	–	1,780,996	1,780,996
P Fowler	–	–	–	–	–
P Salis	–	–	–	–	–
I Sanchez	–	–	–	–	–
K Sprott	–	–	–	–	–
K Wallis	132,578	–	1,332	(133,910)	–
TOTAL EXECUTIVES	132,578	–	1,332	1,647,086	1,780,996
GROUP TOTAL	26,209,904	–	1,332	2,538,491	28,749,727

i. Shares purchased or sold, consideration for shareholdings purchased by Group, or excluded from disclosure due to resignation.
ii. Shares held as trustee for the ESOP Trust (refer Note 31).

Details of Remuneration

The remuneration for each Director and Executive Officer (the key management personnel) of the Company and the consolidated entity receiving the highest remuneration during the year was as follows:

	SHORT-TERM BENEFITS			POST EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS	SHARE -BASED PAYMENT			
2009	**Base salary & fees $**	**Bonus $**	**Other $**	**Super-annuation $**	**Leave entitlement $**	**Equity options $**	**Total $**	**Performance Related %**	**Options Based %**
Directors									
J Puttick	95,000	–	–	–	–	–	95,000	–	–
D Adams	55,046	–	–	4,954	–	–	60,000	–	–
A Brackin	60,000	–	–	–	–	–	60,000	–	–
S Lake	590,000	–	–	53,100	–	–	643,100	–	–
J Sundell	60,000	–	–	–	–	–	60,000	–	–
TOTAL DIRECTORS	860,046	–	–	58,054	–	–	918,100	–	–
Executives									
R De Dominicis	383,394	–	–	34,505	–	–	417,899	–	–
D Orrock (appointed 12/05/08)	230,000	–	–	20,700	–	–	250,700	–	–
P Salis	264,904	–	–	23,841	–	–	288,745	–	–
I Sanchez	230,000	–	–	22,477	–	–	252,477	–	–
S Shah (appointed 09/12/08)	197,269	–	–	19,727	–	–	216,996	–	–
K Sprott (resigned 06/02/09)	31,293	–	53,846	3,553	1,765	–	90,457	–	–
TOTAL EXECUTIVES	1,336,860	–	53,846	124,803	1,765	–	1,517,274		
GROUP TOTAL	2,196,906	–	53,846	182,857	1,765	–	2,435,374		
2008									
Directors									
J Puttick	87,500	–	–	–	–	–	87,500	–	–
D Adams (appointed 01/04/08)	15,000	–	–	–	–	–	15,000	–	–
A Brackin	50,000	–	–	–	–	–	50,000	–	–
S Lake	580,385	–	–	52,235	–	3,109	635,729	0.5	0.5
D Shirley (resigned 29/04/08)	50,000	–	–	–	–	–	50,000	–	–
J Sundell	50,000	–	–	–	–	–	50,000	–	–
TOTAL DIRECTORS	832,885	–	–	52,235	–	3,109	888,229		
Executives									
R De Dominicis (appointed 31/08/07)	321,688	–	–	13,014	–	–	334,702	–	–
P Fowler (resigned 07/02/08)	166,967	–	6,302	–	–	2,209	175,478	1.3	1.3
P Salis (appointed 01/10/07)	179,077	40,000	–	16,118	–	1,328	236,523	17.5	0.6
I Sanchez (appointed 03/03/08)	66,667	80,000	–	4,803	–	–	151,470	52.8	–
K Sprott	169,387	40,000	–	15,245	–	1,842	226,474	18.5	0.8
K Wallis (resigned 12/10/07)	83,744	–	60,000	5,850	32,308	–	181,902	–	–
TOTAL EXECUTIVES	987,530	160,000	66,302	55,030	32,308	5,379	1,306,549		
GROUP TOTAL	1,820,415	160,000	66,302	107,265	32,308	8,488	2,194,778		

Option Holdings

Options issued as part of Remuneration for the year ended 30 June 2009

There were no options issued as remuneration to Key Management Personnel in the 30 June 2009 financial year.

The cost of equity options is reported in accordance with accounting standard AASB 2 Share-based Payments, which has the effect of reporting the cost of the options over the period between the grant date and exercise date.

Options granted as remuneration to key management personnel

There were no options granted as remuneration to Key Management Personnel in the 30 June 2009 financial year.

Shares issued on exercise of compensation options

There were no options exercised during the 30 June 2009 financial year that were granted as compensation in previous financial years as remuneration to Key Management Personnel.

The numbers of options in the Company held (directly, indirectly or beneficially) during the financial year by Key Management Personnel, including their related parties, are set out below.

2009	Balance 01/07/08	Granted as Compensation	Options Exercised or Sold	Options Cancelled/ Forfeited	Balance 30/06/09	Total Vested 30/06/09	Total Exercisable 30/06/09	Total Unexercisable 30/06/09
Directors								
J Puttick	–	–	–	–	–	–	–	–
D Adams	–	–	–	–	–	–	–	–
A Brackin	–	–	–	–	–	–	–	–
S Lake	500,000	–	–	–	500,000	–	–	500,000
J Sundell	–	–	–	–	–	–	–	–
TOTAL DIRECTORS	500,000	–	–	–	500,000	–	–	500,000
Executives								
R De Dominicis	–	–	–	–	–	–	–	–
D Orrock	–	–	–	–	–	–	–	–
P Salis	100,000	–	–	–	100,000	–	–	100,000
I Sanchez	–	–	–	–	–	–	–	–
S Shah	–	–	–	–	–	–	–	–
K Sprott	100,000	–	–	(100,000)	–	–	–	–
TOTAL EXECUTIVES	200,000	–	–	(100,000)	100,000	–	–	100,000
GROUP TOTAL	700,000	–	–	(100,000)	600,000	–	–	600,000

The numbers of options in the Company held (directly, indirectly or beneficially) during the financial year by key management personnel, including their related parties, are set out below.

2008	Balance 01/07/07	Granted as Compensation	Options Exercised or Sold	Options Cancelled/ Forfeited	Balance 30/06/08	Total Vested 30/06/08	Total Exercisable 30/06/08	Total Unexercisable 30/06/08
Directors								
J Puttick	–	–	–	–	–	–	–	–
D Adams	–	–	–	–	–	–	–	–
A Brackin	–	–	–	–	–	–	–	–
S Lake	–	500,000	–	–	500,000	–	–	500,000
D Shirley	–	–	–	–	–	–	–	–
J Sundell	–	–	–	–	–	–	–	–
TOTAL DIRECTORS	–	500,000	–	–	500,000	–	–	500,000
Executives								
R De Dominicis	–	–	–	–	–	–	–	–
P Fowler	100,000	100,000	–	(100,000)	100,000	100,000	100,000	–
P Salis	–	100,000	–	–	100,000	–	–	100,000
I Sanchez	–	–	–	–	–	–	–	–
K Sprott	–	100,000	–	–	100,000	–	–	100,000
K Wallis	1,332	120,000	(1,332)	(120,000)	–	–	–	–
TOTAL EXECUTIVES	101,332	420,000	(1,332)	(220,000)	300,000	100,000	100,000	200,000
GROUP TOTAL	101,332	920,000	(1,332)	(220,000)	800,000	100,000	100,000	700,000

Meetings of Directors

During the financial year, 19 meetings of Directors (including committees of Directors) were held. Attendances by each Director during the year were as follows:

	DIRECTORS' MEETINGS		AUDIT AND RISK COMMITTEE	
Directors' Names	**Number eligible to attend**	**Number attended**	**Number eligible to attend**	**Number attended**
J Puttick	15	15	4	4
D Adams	15	15	4	4
A Brackin	15	15	4	4
S Lake	15	15	–	4*
J Sundell	15	15	–	2**

* At the request of the Audit and Risk Committee Mr S Lake (CEO) attends the Audit and Risk Committee meetings even though not a member of the committee.

** Mr J Sundell attends the Audit and Risk Committee meetings as a guest even though not a member of the committee.

Indemnifying Directors and Officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and all Executive Officer of the Company against a liability incurred as such a Director, Secretary or Executive Officer to the extent permitted by the *Corporations Act 2001*. The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses' insurance contracts, as such disclosure is prohibited under the terms of the contract.

In addition, the Company has entered into a Deed of Indemnity which ensures that generally the Directors and Officers of the Company will incur no monetary loss as a result of defending the actions taken against them as Directors and Officers.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an Officer or Auditor of the Company against a liability incurred as such an Officer or Auditor.

Options

The Company established the GBST Employee Option Plan on 9 March 2005.

The number of options over ordinary shares outstanding at 30 June 2009 are as follows:

Grant Date	Expiry and Exercise Date	Exercise Price	Number
09.03.05	08.03.10	$0.00	22,644
25.07.07	24.07.10	$3.90	48,719
24.10.07	23.10.10	$3.92	100,000
19.12.07	18.12.09	$3.85	500,000
			671,363

In addition 15,174 new shares were issued to meet the exercise of employee options (no amounts are unpaid on any of the shares).

Grant Date	Number
09.03.05	1,332
25.07.07	13,842
	15,174

No further employee shares or options have been issued since 30 June 2009.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Proceedings on behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the Company or 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 any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit Services

The Board of Directors, in accordance with advice from the Audit Committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for Auditors imposed by the *Corporations Act 2001*.

Refer to Note 22 in the financial report for details of fees for non-audit services paid/payable to the external Auditors during the year.

Lead Auditor's Independence Declaration

The lead Auditor's independence declaration for the year ended 30 June 2009 has been received and can be found on the page following this Directors' report, and forms part of the Directors' report.

Rounding off

The Company is an entity to which ASIC Class Order 98/100 dated 10 July 1998 applies and, accordingly, amounts in the financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Board of Directors:

Dr J F Puttick
Chairman

S M L Lake
Managing Director and Chief Executive Officer

Brisbane
Dated this 28th day of August 2009

Auditor’s Independence Declaration

KPMG

Lead Auditor’s Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of GBST Holdings Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

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

KPMG

KPMG

Chris Hollis
Partner

Sydney

28 August 2009

Directors' Declaration

The Directors of the Company declare that:

1. The financial statements and notes and the remuneration disclosures that are contained in the Remuneration report in the Directors' report, are in accordance with the *Corporations Act 2001* and:
   a. Give a true and fair view of the Company's and the Group's financial position as at 30 June 2009 and of their performance for the year ended on that date; and
   b. Comply with Australian Accounting Standards and the Corporations Regulations 2001.
2. The Chief Executive Officer and Chief Financial Officer have each declared that:
   a. The financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   b. The financial statements and notes for the financial year give a true and fair view; and
   c. The financial statements and notes for the financial year comply with the Accounting Standards.
3. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

There are reasonable grounds to believe that the Company and its subsidiaries identified in Note 23 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those Group entities pursuant to ASIC Class Order 98/1418.

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

Dr J F Puttick
Chairman

S M L Lake
Managing Director and Chief Executive Officer

Brisbane
Dated this 28th day of August 2009

Consolidated Income Statements

FOR THE YEAR ENDED 30 JUNE 2009

		GBST GROUP		GBST HOLDINGS	
	Note	**30 Jun 2009 $'000**	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Revenue		61,924	60,740	28,258	31,741
Other income		720	85	1,823	1,290
		62,644	60,825	30,081	33,031
Product delivery and support expenses		(41,348)	(32,902)	(11,301)	(14,379)
Cost of third party product sold		(2,402)	(901)	(1,619)	(779)
Property and equipment expenses		(6,993)	(5,288)	(3,718)	(3,224)
Corporate and administrative expenses		(5,438)	(8,232)	(4,376)	(4,692)
Impairment charges		(1,138)	(2,288)	(886)	(2,288)
Finance costs	3	(3,408)	(1,825)	(5,388)	(2,017)
Finance income	3	109	364	7,929	1,735
PROFIT BEFORE INCOME TAX		2,026	9,753	10,722	7,387
Income tax benefit/(expense)	4	103	(3,621)	(1,790)	(2,721)
PROFIT FOR THE PERIOD		2,129	6,132	8,932	4,666
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY		2,129	6,132	8,932	4,666
Basic earnings per share (cents)	32	3.90	12.44		
Diluted earnings per share (cents)	32	3.90	12.37		

The accompanying notes are all an integral part of these consolidated financial statements.

Consolidated Balance Sheets

AS AT 30 JUNE 2009

		GBST GROUP		GBST HOLDINGS	
	Note	**30 Jun 2009 $'000**	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
CURRENT ASSETS					
Cash and cash equivalents	6	2,314	1,492	8	228
Trade and other receivables	7	9,498	9,712	3,662	3,835
Inventories	8	370	471	132	419
Other assets	12	1,389	711	907	631
TOTAL CURRENT ASSETS		13,571	12,386	4,709	5,113
NON-CURRENT ASSETS					
Trade and other receivables	7	–	–	76,559	60,650
Financial assets	9	1,622	1,622	53,993	1,622
Property, plant and equipment	10	3,102	2,518	1,489	1,363
Intangible assets	11	93,443	53,808	4,985	4,944
Deferred tax assets	15	3,335	2,835	1,205	1,178
Other assets	12	180	231	180	231
TOTAL NON-CURRENT ASSETS		101,682	61,014	138,411	69,988
TOTAL ASSETS		115,253	73,400	143,120	75,101
CURRENT LIABILITIES					
Trade and other payables	13	6,968	6,284	3,114	4,249
Loans from related parties	14	10,000	–	10,000	–
Financial liabilities	14	7,946	4,486	7,192	4,422
Current tax liabilities	15	486	368	294	791
Unearned income	17	4,927	4,049	2,749	2,501
Liabilities on business acquisition	18	4,009	750	3,259	–
TOTAL CURRENT LIABILITIES		34,336	15,937	26,608	11,963
NON-CURRENT LIABILITIES					
Trade and other payables	13	457	–	36,788	7,748
Financial liabilities	14	27,516	16,260	27,390	16,136
Deferred tax liabilities	15	7,056	176	–	143
Provisions	16	1,552	1,467	973	1,046
Unearned income	17	111	192	111	192
Liabilities on business acquisition	18	580	–	580	–
TOTAL NON-CURRENT LIABILITIES		37,272	18,095	65,842	25,265
TOTAL LIABILITIES		71,608	34,032	92,450	37,228
NET ASSETS		43,645	39,368	50,670	37,873
EQUITY					
Issued capital	19	31,819	25,499	31,819	25,499
Reserves	20	(1,156)	136	505	80
Retained earnings		12,982	13,733	18,346	12,294
TOTAL EQUITY		43,645	39,368	50,670	37,873

The accompanying notes are all an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2009

GBST GROUP	Issued Capital $'000	Treasury Shares[(a)] $'000	Retained Earnings $'000	Foreign Currency Translation[(b)] $'000	Financial Asset Reserve[(c)] $'000	Equity Remuneration Reserve[(d)] $'000	Total $'000
Balance at 1 July 2007	6,808	(31)	13,365	–	–	68	20,210
Profit for the year	–	–	6,132	–	–	–	6,132
Share based payments-exempt shares	108	–	–	–	–	(64)	44
Share based payments-options	–	–	–	–	–	127	127
Share Issues	18,260	–	–	–	–	–	18,260
Exercise of options	272	31	–	–	–	–	303
Translation of foreign controlled subsidiary	–	–	–	56	–	–	56
Transfer to/from ordinary capital	51	–	–	–	–	(51)	–
SUBTOTAL	25,499	–	19,497	56	–	80	45,132
Dividends paid (Note 5)	–	–	(5,764)	–	–	–	(5,764)
BALANCE AT 30 JUNE 2008	25,499	–	13,733	56	–	80	39,368
Balance at 1 July 2008	25,499	–	13,733	56	–	80	39,368
Profit for the year	–	–	2,129	–	–	–	2,129
Share based payments-exempt shares	–	–	–	–	–	36	36
Share based payments-options	–	–	–	–	–	49	49
Share Issues	6,266	–	–	–	–	–	6,266
Translation of foreign controlled subsidiary	–	–	–	(3,487)	–	–	(3,487)
Translation of foreign loan	–	–	–	1,770	–	–	1,770
Transfer to financial asset reserve	–	–	–	–	394	–	394
Transfer to/from ordinary capital	54	–	–	–	–	(54)	–
SUBTOTAL	31,819	–	15,862	(1,661)	394	111	46,525
Dividends paid (Note 5)	–	–	(2,880)	–	–	–	(2,880)
BALANCE AT 30 JUNE 2009	31,819	–	12,982	(1,661)	394	111	43,645

Consolidated Statements of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2009 CONTINUED

GBST HOLDINGS	Issued Capital $'000	Treasury Shares[(a)] $'000	Retained Earnings $'000	Foreign Currency Translation[(b)] $'000	Financial Asset Reserve[(c)] $'000	Equity Remuneration Reserve[(d)] $'000	Total $'000
Balance at 1 July 2007	6,808	–	13,393	–	–	68	20,269
Profit for the year	–	–	4,666	–	–	–	4,666
Share based payments-exempt shares	108	–	–	–	–	(64)	44
Share based payments-options	–	–	–	–	–	127	127
Share Issues	18,260	–	–	–	–	–	18,260
Exercise of options	272	–	–	–	–	–	272
Transfer to ordinary capital	51	–	–	–	–	(51)	–
SUBTOTAL	25,499	–	18,059	–	–	80	43,638
Dividends paid (Note 5)	–	–	(5,765)	–	–	–	(5,765)
BALANCE AT 30 JUNE 2008	25,499	–	12,294	–	–	80	37,873
Balance at 1 July 2008	25,499	–	12,294	–	–	80	37,873
Profit for the year	–	–	8,932	–	–	–	8,932
Share based payments-exempt shares	–	–	–	–	–	36	36
Share based payments-options	–	–	–	–	–	49	49
Share Issues	6,266	–	–	–	–	–	6,266
Translation of foreign controlled subsidiary	–	–	–	–	–	–	–
Translation of foreign loan	–	–	–	–	–	–	–
Transfer to financial asset reserve	–	–	–	–	394	–	394
Transfer to ordinary capital	54	–	–	–	–	(54)	–
SUBTOTAL	31,819	–	21,226	–	394	111	53,550
Net Dividends paid (Note 5)	–	–	(2,880)	–	–	–	(2,880)
BALANCE AT 30 JUNE 2009	31,819	–	18,346	–	394	111	50,670

a. During the year ended 30 June 2009, nil (2008: 36,844) shares were issued from the Trust to meet the exercise of employee options. GBST ESOP Pty Ltd held nil shares in GBST at 30 June 2009 (2008: nil). The Trust is treated as a special purpose entity and consolidated. The Trust's shareholding in the company is disclosed as treasury shares and deducted from equity.

b. The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations as well as from the translation of liabilities that hedge the Company's net investment in a foreign subsidiary.

c. The financial assets reserve records the revaluation of financial assets, classified as available for sale.

d. The equity remuneration reserve records items recognised as expenses on valuation of employee share/options granted. When options are exercised, the amount in the reserve relating to those options is transferred to issued capital.

The accompanying notes are all an integral part of these consolidated financial statements.

Consolidated Cash Flow Statements

FOR THE YEAR ENDED 30 JUNE 2009

	Note	GBST GROUP		GBST HOLDINGS	
		30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		74,695	49,929	31,230	36,578
Payments to suppliers and employees		(51,906)	(37,015)	(19,257)	(23,585)
Interest income		109	364	84	232
Sundry income		681	89	7	3
Finance costs		(3,382)	(1,533)	(3,310)	(1,665)
Income tax paid		(1,577)	(5,451)	(1,577)	(5,563)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES		18,620	6,383	7,177	6,000
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of plant & equipment		40	3	40	2
Purchase of plant & equipment		(1,103)	(680)	(630)	(406)
Purchase of software intangibles		(1,184)	(168)	(1,170)	(50)
Acquisition of businesses (net of cash acquired)	25(d)	(39,032)	(31,235)	(42,081)	–
Proceeds/(payments) of related entity receivables		–	–	13,513	(32,528)
Proceeds from other entity receivables		17	22	17	21
Purchase of investments		–	(3,127)	–	(3,127)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		(41,262)	(35,185)	(30,311)	(36,088)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of finance leases		(153)	(64)	(59)	(10)
Exercise of options/sale of treasury shares		–	31	–	–
Proceeds from issue of ordinary shares		–	273	–	273
Proceeds from borrowings		53,497	20,000	53,497	20,000
Repayment of borrowings		(27,480)	(1,000)	(27,480)	(1,000)
Dividends paid		(2,880)	(5,764)	(2,880)	(5,765)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES		22,984	13,476	23,078	13,498
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		342	(15,326)	(56)	(16,590)
Cash and cash equivalents at beginning of the financial year		129	15,455	(1,135)	15,455
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	25(b)	471	129	(1,191)	(1,135)

The balance for the purpose of the statement comprises cash and cash equivalents as well as bank overdrafts (see Note 14).

The accompanying notes are all an integral part of these consolidated financial statements.

Note 1. Statement of Significant Accounting Policies

Reporting entity

GBST Holdings Limited (the "Company") is a public Company limited by shares, incorporated and domiciled in Australia. The financial report covers the consolidated entity of GBST Holdings Limited and its controlled entities, and GBST Holdings Limited as an individual parent entity.

Basis of preparation

The financial report is a general purpose financial report prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB).

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

Basis of measurement

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Current ratio

As noted in the After Balance Sheet Events in the Directors' report, and Note 14 of the Financial Statements, GBST entered into an agreement with Crown Financial Pty Ltd on 29 June 2009 to extend the term of the $10.00 million loan facility from January 2010 to February 2012, subject to shareholder approval. This approval from the shareholders was granted at an Extraordinary General Meeting held on 21 August 2009.

Under the requirements of the Australian Accounting Standards Board, AASB 101 – Presentation of Financial Statements, paragraph 69 (d) the company is required to show this loan as a current liability at the balance sheet date of 30 June 2009, because the company did not have the unconditional right to defer settlement of the liability for a period of at least twelve months after the reporting period.

The company therefore has a current asset balance of $13.57 million, and a current liability balance of $34.34 million at 30 June 2009, a net current asset deficiency of $20.77 million. $10.00 million of this deficiency is in respect of the loan from Crown Financial Pty Ltd, of which the repayment date has been extended from January 2010 to February 2012. A further $4.01 million is in respect of current liabilities owing to vendors for business acquisitions. The balance is payable through a cash payment and the issue of additional equity as prescribed in the relevant business acquisition sale and purchase agreements.

Total current loan repayments of $5.78 million under the commercial bill and GBP loan facility are payable in fixed quarterly instalments over the next twelve months and will be funded by earnings generated over that period.

Principles of consolidation

A controlled entity is any entity over which GBST Holdings Limited has the power to control the financial and operating policies, so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 23 of the financial statements. All controlled entities have a June financial year end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

This consolidated financial report was authorised for issue in accordance with a resolution of Directors on 28 August 2009.

The Company is an entity to which ASIC Class Order 98/100 dated 10 July 1998 applies and, accordingly, amounts in the financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Business combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control, together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially as the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated Group. As a consequence, all members of the tax-consolidated Group are taxed as a single entity. The head entity within the tax-consolidated group is GBST Holdings Limited. The implementation date of the tax-consolidation group was 1 July 2003.

The current and deferred tax amounts for the tax-consolidated group are allocated among the entities in the group using a 'stand-alone taxpayer' approach whereby each entity in the tax-consolidated group measures its current and deferred taxes as if it continued to be a separately taxable entity in its own right. Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in the Company's balance sheet and their tax values applying under tax consolidation.

Note 1. Statement of Significant Accounting Policies continued

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses assumed by the head entity from the subsidiaries in the tax-consolidated group are recognised in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution to or distribution from the subsidiary. Distributions firstly reduce the carrying amount of the investment in the subsidiary are then recognised as revenue.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated Group to the extent that it is probable that future taxable profits of the tax-consolidated Group will be available against which the asset can be utilised. Any subsequent period adjustments to deferred tax assets arising from unused tax losses assumed from subsidiaries are recognised by the head entity only.

The members of the tax-consolidated Group have entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated Group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity. The members of the tax-consolidated Group have also entered into a valid Tax Sharing Agreement under the tax consolidation legislation which sets out the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations and the treatment of entities leaving the tax consolidated Group.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within financial liabilities on the balance sheet.

Inventories

Inventories are measured at the lower of cost and net realisable value.

Work in progress is stated at the aggregate of long term project development contract costs incurred to date plus recognised profits less any recognised losses and progress billings.

Contract costs include all costs directly related to specific contracts, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with the consolidated entity's activities in general.

Plant and equipment

Plant and equipment are carried at cost, less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount of an asset is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The depreciable amount of all fixed assets including capitalised lease assets, is depreciated over their useful lives to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of fixed asset	Depreciation rate	Basis
Owned plant, equipment	10–67%	Straight-Line
Leased plant, equipment	10–40%	Straight-Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

Asset retirement obligations

The cost of plant and equipment includes an initial estimate of the cost of make good allowances, and a corresponding provision for these future costs is raised. The Company has a number of lease agreements over office premises which include an obligation to make good the premises at the conclusion of the lease term. The Company recognises a liability and an asset for the estimated cost of making good at the time of entering a lease agreement. The resulting asset is amortised over the term of the premises lease.

Leases and hire purchase

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated entity, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period. Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Intangible assets

The Group's major intangible assets are software systems, customer contracts and goodwill.

Acquired both separately and from a business combination

Software systems and customer contracts acquired are capitalised at cost. Intangible assets acquired from a business combination are recognised separately from goodwill and capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to the class of intangible assets.

The useful lives of these intangible assets are assessed and the asset is amortised over its useful life on a straight-line basis, ranging from five to ten years.

Intangible assets are tested for impairment where an indicator of impairment exists. Useful lives are also examined on an annual basis and adjustments, where applicable, are made on a prospective basis.

Internally developed

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are expensed in the year in which they are incurred when future economic benefits are uncertain or the future economic benefits cannot be measured reliably. Development costs are capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The cost capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Capitalised development costs are amortised over their useful life and are measured at cost less accumulated amortisation.

Externally acquired

Software systems externally acquired are recognised at cost of acquisition. Software systems have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Software systems are amortised over their useful life on a straight-line basis, ranging from one to ten years.

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business acquisition exceeds the fair value attributed to its net assets at date of acquisition. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised.

Goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is allocated to cash generating units for the purpose of impairment testing.

Impairment of assets

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

Note 1. Statement of Significant Accounting Policies continued

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and initial measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets (investments) are reflected at fair value. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. Fair value is determined with reference to market prices. Unrealised gains and losses arising from changes in fair value are taken directly to equity other than for impairment (see below).

Financial liabilities

Non-derivative financial liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire.

Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related oncosts. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Contributions are made by the Group to defined contribution superannuation funds and are charged as expenses when incurred.

Equity-settled compensation

The Group operates equity-settled share-based payment employee share and option schemes. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense over the vesting period, with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price. The fair value of options is ascertained using a Black–Scholes pricing model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at each reporting date such that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Revenue and other income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Software license fee revenue

Revenue received in advance for software usage rental is recognised over the period of the usage. However, to the extent that GBST has fulfilled all its obligations under the contract, the license income is recognised as being earned at the time when all GBST's obligations under the contract have been fulfilled.

Maintenance/support revenue for licensed software

Unearned income is recognised upon receipt of payment for maintenance/support contracts. Revenue is brought to account over time as it is earned.

However, to the extent that GBST has fulfilled all its obligations under the contract, the income is recognised as being earned at the time when all GBST's obligations under the contract have been fulfilled.

Implementation and consulting services revenue

Revenue for implementation and consulting services is recognised in proportion to the stage of completion.

Project services revenue

Revenue received in advance for long-term project development contracts (depending on the terms of individual contracts) is deferred. This revenue is recognised over the period in which expenditure is incurred in relation to the development of the project. When the outcome of a long-term service contract can be estimated reliably, contract revenue and expenses are recognised in the profit and loss account by reference to the stage of completion of the contract activity at the balance sheet date. The stage of completion is assessed by reference to the completion of a physical proportion of the contract work to date for each contract. When the outcome of a long-term service contract cannot be estimated reliably, revenue is recognised

Note 1. Statement of Significant Accounting Policies continued

only to the extent of contract costs incurred that are probable to be recoverable and contract costs are recognised as an expense in the period in which they are incurred. An expected loss on a contract is recognised immediately in profit or loss.

Sale of goods

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

All revenue is stated net of the amount of goods and services tax (GST).

Interest revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Dividend revenue

Dividend revenue is recognised when the right to receive a dividend has been established.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns that are different from those of other segments. Segment information is presented in respect of the Group's business and geographical segments. The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure.

Inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment, and intangible assets other than goodwill.

Foreign currency transactions and balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

a. Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

b. Income and expenses are translated at average exchange rates for the period; and

c. Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

Hedge of net investment in foreign operation

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognised directly in equity, in the foreign currency translation reserve, to the extent that the hedge is effective. To the extent that the hedge is ineffective, such differences are recognised in the profit or loss. When the hedged part of a net investment is disposed of, the associated cumulative amount in equity is transferred to profit or loss as an adjustment to the profit or loss on disposal.

Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. Actual results may differ from these estimates. The key estimates and judgements made in this financial report concern:

- classification of financial liabilities;
- revenue recognition;
- assessment of the fair value of assets and liabilities acquired in the Emu and Coexis acquisitions (Note 25);
- impairment testing of the consolidated entity's cash-generating units containing goodwill (Note 11);
- share based payments (Note 31); and
- determination on whether contingent consideration will be achieved.

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial period. Details of any such changes are included in the financial report.

Note 2. Revenue

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
a. Revenue				
Sales revenue				
Revenue from licence and service sales	58,414	59,691	26,238	30,827
Revenue from sale of third party product	3,510	1,049	2,020	914
	61,924	60,740	28,258	31,741
b. Other income				
Net profit on sale of plant & equipment	19	(4)	19	1
Other revenue	701	89	148	62
Management fee income from controlled entity	–	–	1,656	1,227
	720	85	1,823	1,290

Note 3. Profit for the Year

Profit before income tax expense includes the following items of revenue and expense:

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
a. Expenses				
Cost of third party product sold	2,402	901	1,619	779
Finance costs[(b)]	3,408	1,825	5,388	2,017
Depreciation & amortisation[(c)]	6,816	4,054	1,139	940
Operating lease rentals	2,512	1,913	1,458	1,277
Research & developments costs	5,539	8,045	2,261	4,522
Employee benefits expense[(d)]	32,374	24,618	11,924	13,057
b. Finance costs				
Foreign currency losses	273	292	–	–
Interest paid to external entities	1,542	1,438	1,541	1,408
Interest paid to director related entities	600	–	600	–
Interest paid to controlled entities	–	–	2,324	529
Finance lease charges	33	18	16	3
Facility fees	960	77	907	77
	3,408	1,825	5,388	2,017
c. Depreciation & amortisation				
Depreciation of plant & equipment	1,071	932	465	455
Amortisation of tangible & intangible leased assets	83	9	52	8
Amortisation of intangibles (excluding leased assets)	5,662	3,113	622	477
	6,816	4,054	1,139	940
d. Employee benefits expense				
Monetary based expense	32,289	24,447	11,839	12,886
Share based payments expense	85	171	85	171
	32,374	24,618	11,924	13,057
e. Significant items				
The following significant expense items are relevant in explaining the financial performance:				
Impairment charge on investment in listed shares	394	2,288	394	2,288
Impairment of software intangible	492	–	492	–
Impairment charge on customer contract intangible	252	–	–	–
Amortisation of intangibles	5,677	3,116	637	480
Termination payments to employees	680	178	342	178
	7,495	5,582	1,865	2,946
f. Finance income				
Foreign currency gains	–	–	2,986	–
Other entities	109	364	921	234
Controlled entities	–	–	4,022	1,501
	109	364	7,929	1,735

Note 4. Income Tax Expense

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
a. The components of tax expense comprise				
Current tax	1,606	4,713	2,544	2,778
Deferred tax (Note 15)	(1,180)	(1,135)	(218)	(119)
Under/(over) provision in respect of prior years	(529)	43	(537)	62
	(103)	3,621	1,790	2,721
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows				
Operating profit	2,026	9,753	10,722	7,387
Prima facie tax payable at 30%	608	2,926	3,217	2,216
Adjust for tax effect of:				
Amortisation of customer contracts	551	405	–	–
Impairment charge on investment in listed shares	118	686	118	686
Research & development expenditure claim	(452)	(489)	(190)	(256)
Capital Investment Allowance	(47)	–	(45)	–
Under/(over) provision in respect of prior years	(509)	43	(537)	62
Tax losses carried back (Note 15)	(1,003)	–	–	–
Current year losses for which no deferred tax asset was recognised (Note 15)	655	–	–	–
Other non-allowable items (net)	(54)	29	(773)	13
Effect of different tax rates of subsidiaries operating in other jurisdictions	30	21	–	–
INCOME TAX ATTRIBUTABLE TO ENTITY	(103)	3,621	1,790	2,721
Weighted average effective tax rates:	(5%)	37%	17%	37%

The 42% decrease compared to 2008 in the weighted average effective consolidated tax rate has resulted primarily from the tax losses carried back from an acquired subsidiary $1.00 million (2008: nil).

The 20% decrease compared to 2008 in the weighted average effective company rate has resulted primarily from the non-allowable foreign exchange gains and losses ($2.66 million : tax effect $798 thousand); and impairment of investment in listed shares ($394 thousand : tax effect $118 thousand – refer (i) below).

i. The consolidated group and the company have not brought to account a deferred tax asset relating to the tax benefit on the impairment of the investment in listed shares due to the uncertainty of realisation of this capital loss.

Note 5. Dividends

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Provision for dividend on ordinary shares	–	–	–	–
Dividend paid in the period:				
Interim fully franked ordinary dividend of 1.5 cents (2008: 5.5 cents)	867	2,766	867	2,766
2008 final fully franked ordinary dividend of 4 cents (2007: 6 cents) per share paid in 2008	2,013	2,999	2,013	2,999
TOTAL DIVIDENDS PAID	2,880	5,765	2,880	5,765
Dividend received on Treasury Shares	–	(1)	–	–
NET DIVIDEND PAID	2,880	5,764	2,880	5,765
Franking credit balance:				
Balance of franking account at year end	7,733	6,644	7,733	6,644
Franking credits arising from payment of provision for income tax as at the end of the financial year	294	368	294	368
Impact of estimated final dividend not recognised during the period	–	(862)	–	(862)
FRANKING CREDITS AVAILABLE FOR FUTURE REPORTING PERIODS	8,027	6,150	8,027	6,150

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

a. franking credits that will arise from the payment of the current tax liabilities;

b. franking debits that will arise from the payment of dividends recognised as a liability at the year end;

c. franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year end; and

d. franking credits that the entity may be prevented from distributing in subsequent years.

Note 6. Cash and Cash Equivalents

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Cash at bank and on hand	2,314	1,492	8	228
	2,314	1,492	8	228

Note 7. Trade and Other Receivables

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Current				
Trade receivables[a]	9,358	9,207	3,526	3,231
Controlled entities	–	–	32	210
Other amounts receivable	140	505	104	394
	9,498	9,712	3,662	3,835
Non-Current receivables				
Controlled entities[a]	–	–	76,559	60,650
Other amounts receivable	–	–	–	–
	–	–	76,559	60,650

a. Trade debtor terms range between 14 to 30 days. Included in the Group's trade receivable balance are debtors with a carrying amount of $3.51 million (2008: $1.98 million) which are past due at the reporting date for which the Group has not provided as there has not been a significant change in the credit quality and the Group believes that the amounts are still considered recoverable. The weighted average age of these receivables is 85 days (2008: 86 days).

Included in the company's trade receivable balance are debtors with a carrying amount of $907 thousand (2008: $244 thousand) which are past due at the reporting date for which the company has not provided as there has not been a significant change in the credit quality and the Group believes that the amounts are still considered recoverable. The weighted average age of these receivables is 79 days (2008: 65 days).

b. Non-current intercompany balances are long term and interest bearing using the average overdraft rate of 9.69% p.a. (2008: 8.94% p.a.). Except for one, short term balances are non-interest bearing and repayable on demand.

Note 8. Inventories

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Current – at cost				
Inventory on hand	15	25	–	25
Work in progress	355	446	132	394
	370	471	132	419

Note 9. Financial Assets

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Non-Current				
Investment in controlled entities at cost (Note 23)	–	–	52,371	–
Investment in listed shares at fair value[a]	1,622	1,622	1,622	1,622
	1,622	1,622	53,993	1,622

a. At 31 December 2008 the fair value of the investment shareholding in Razor Risk Technologies Limited (formerly IT&e Limited) resulted in an impairment charge of $394 thousand to the profit and loss. At 30 June 2009 fair valuing this investment resulted in a credit of $394 thousand to the Financial Asset Reserve in equity.

Note 10. Plant and Equipment

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Owned plant and equipment at cost	9,668	7,644	4,063	3,441
Provision for depreciation	(6,804)	(5,287)	(2,679)	(2,220)
	2,864	2,357	1,384	1,221
Leased plant and equipment at cost	313	168	148	148
Provision for amortisation	(75)	(7)	(43)	(6)
	238	161	105	142
TOTAL PLANT AND EQUIPMENT	3,102	2,518	1,489	1,363

a. Movement in plant and equipment

GBST GROUP	**Owned $'000**	**Leased $'000**	**Total $'000**
Year ended 30 June 2008			
Balance at the beginning of the year	1,290	–	1,290
Additions	850	168	1,018
Additions through the acquisition of controlled entities	1,193	–	1,193
Disposals	(43)	–	(43)
Depreciation expense	(933)	(7)	(940)
Effect of movements in exchange rates	–	–	–
CARRYING AMOUNT AT THE END OF THE YEAR	2,357	161	2,518
Year ended 30 June 2009			
Balance at the beginning of the year	2,357	161	2,518
Additions	1,103	145	1,248
Additions through the acquisition of controlled entities	533	–	533
Disposals	(20)	–	(20)
Depreciation expense	(1,071)	(68)	(1,139)
Effect of movements in exchange rates	(38)	–	(38)
CARRYING AMOUNT AT THE END OF THE YEAR	2,864	238	3,102

Note 10. Plant and Equipment continued

a. Movement in plant and equipment continued

GBST HOLDINGS	Owned $'000	Leased $'000	Total $'000
Year ended 30 June 2008			
Balance at the beginning of the year	1,290	–	1,290
Additions	419	148	567
Disposals	(33)	–	(33)
Depreciation expense	(455)	(6)	(461)
CARRYING AMOUNT AT THE END OF THE YEAR	1,221	142	1,363
Year ended 30 June 2009			
Balance at the beginning of the year	1,221	142	1,363
Additions	630	–	630
Disposals	(2)	–	(2)
Depreciation expense	(465)	(37)	(502)
CARRYING AMOUNT AT THE END OF THE YEAR	1,384	105	1,489

Note 11. Intangible Assets

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
At Cost				
Software systems	39,321	18,190	3,704	3,026
Accumulated amortisation	(6,915)	(2,757)	(2,091)	(1,469)
NET CARRYING VALUE	32,406	15,433	1,613	1,557
Customer contracts	13,487	8,100	–	–
Accumulated amortisation	(3,570)	(1,350)	–	–
NET CARRYING VALUE	9,917	6,750	–	–
Goodwill	51,098	31,588	3,350	3,350
NET CARRYING VALUE	51,098	31,588	3,350	3,350
Leased software	39	39	39	39
Provision for amortisation	(17)	(2)	(17)	(2)
	22	37	22	37
TOTAL INTANGIBLES	93,443	53,808	4,985	4,944

Note 11. Intangible Assets continued

a. Movement in intangibles

GBST GROUP	Software Systems $'000	Customer Contracts $'000	Goodwill $'000	Leased Software $'000	Total $'000
Year ended 30 June 2008					
Balance at the beginning of the year	1,989	–	3,350	–	5,339
Additions	168	–	–	39	207
Additions through the acquisition of controlled entities	15,044	8,100	28,238	–	51,382
Disposals	(5)	–	–	–	(5)
Amortisation charge	(1,763)	(1,350)	–	(2)	(3,115)
Effect of movements in exchange rates	–	–	–	–	–
CARRYING AMOUNT AT THE END OF THE YEAR	15,433	6,750	31,588	37	53,808
Year ended 30 June 2009					
Balance at the beginning of the year	15,433	6,750	31,588	37	53,808
Additions	1,184	–	–	–	1,184
Additions through the acquisition of controlled entities	21,394	6,168	25,949	–	53,511
Remeasurement of contingent consideration	–	–	(4,695)	–	(4,695)
Disposals	–	–	–	–	–
Write down	(492)	(252)	–	–	(744)
Amortisation charge	(3,382)	(2,280)	–	(15)	(5,677)
Effect of movements in exchange rates	(1,731)	(469)	(1,744)	–	(3,944)
CARRYING AMOUNT AT THE END OF THE YEAR	32,406	9,917	51,098	22	93,443

GBST HOLDINGS	Software Systems $'000	Customer Contracts $'000	Goodwill $'000	Leased Software $'000	Total $'000
Year ended 30 June 2008					
Balance at the beginning of the year	1,989	–	3,350	–	5,339
Additions	50	–	–	39	89
Disposals	(5)	–	–	–	(5)
Amortisation charge	(477)	–	–	(2)	(479)
CARRYING AMOUNT AT THE END OF THE YEAR	1,557	–	3,350	37	4,944
Year ended 30 June 2009					
Balance at the beginning of the year	1,557	–	3,350	37	4,944
Additions	1,170	–	–	–	1,170
Disposals	–	–	–	–	–
Write down	(492)	–	–	–	(492)
Amortisation charge	(622)	–	–	(15)	(637)
CARRYING AMOUNT AT THE END OF THE YEAR	1,613	–	3,350	22	4,985

Note 11. Intangible Assets continued

a. Movement in intangibles continued

Intangible assets, other than goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the income statement. Goodwill has an infinite life.

Impairment Disclosures

Impairment testing of customer contracts in the UK due to a change in the customer base determined that the carrying amount of the UK customer contracts relating to Wealth Management was higher than its recoverable amount and an impairment loss of $252 thousand was recognised at December 2008.

Goodwill is allocated to cash-generating units (CGU) which are based on the group's reporting segments.

	30 Jun 2009 $'000	30 Jun 2008 $'000
Broker segment	3,350	3,350
Wealth Management segment	28,238	28,238
Coexis segment	18,624	–
Financial Services segment	886	–
TOTAL GOODWILL	51,098	31,588

Broker Services segment goodwill relates to the 2005 Palion acquisition which has been fully integrated within the Broker segment.

The Wealth Management segment goodwill relates to the InfoComp acquisition – see Note 25 (d).

The Coexis segment goodwill relates to the Coexis acquisition – see Note 25 (d).

The Financial Services segment goodwill relates to the Emu acquisition – see Note 25 (d).

The recoverable amount of goodwill has been assessed using value in use calculations for each CGU.

Key assumptions used for value-in-use calculations

Value-in-use

The cash-generating unit impairment tests are based on value in use calculations, using discounted cash flow projections based on actual operating results, the budgets and five-year strategic plans, approved by the Board and updated where appropriate. For the financial year ending 2010, management has used the 2010 financial budget approved by the Board. For future financial years, forecast projections or the current business strategic plan have been used. The assumptions are generally consistent with past performance or are based upon the Group's view of future market activity.

Growth and Discount Rates

Growth rates used were generally determined by factors such as industry sector, the market to which the CGU is dedicated, the size of the business, geographic location, past performance and other industry factors. In particular for the emerging UK market for Coexis and Wealth Management segment's existing products, successful penetration into the market is assumed. The long term growth rate used to extrapolate the cash forecasts beyond the five year period is 3%. Discount rates are pre-tax and are adjusted to incorporate the risks associated with the industries and countries the business operates in and are as follows:

	CONSOLIDATED PRE–TAX DISCOUNT RATE	
	AUST	**UK**
Broker	15%	–
Wealth Management	15%	20%
Coexis	–	20%
Financial Services	20%	–

Note 11. Intangible Assets continued

Impact of possible changes to assumptions

With regard to the assessment of the value-in-use of the CGUs, management has conducted sensitivity analysis on the effect of a change in the respective key assumptions on the carrying value of each CGU.

For all the CGUs, management believe that as the recoverable amount exceeds the carrying amount of the CGU assets, any reasonable possible change in the assumptions would not have a material impact on the recoverable amount of the goodwill.

Impairment

There is no impairment loss to any of the cash generating units containing goodwill in the 2009 financial year.

Note 12. Other Assets

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Current				
Prepaid expenditure	1,389	711	907	631
Non-Current				
Prepaid expenditure	180	231	180	231
	180	231	180	231

Note 13. Trade and Other Payables

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Current (unsecured)				
Trade payables & accruals	6,968	6,284	3,114	2,268
Controlled entities	–	–	–	1,981
	6,968	6,284	3,114	4,249
Non-Current (unsecured)				
Trade payables & accruals	457	–	457	–
Controlled entities	–	–	36,331	7,748
	457	–	36,788	7,748

Note 14. Financial Liabilities

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Loan from Related Parties				
Current				
Loan from director related entity (secured)	10,000	–	10,000	–
Other Financial Liabilities				
Current				
Bank overdraft (secured)	1,843	1,363	1,199	1,363
Commercial bill facility (secured)	2,700	–	2,700	–
Loan of GBP £7,500,000 (secured)	3,080	–	3,080	–
Commercial loan facility (secured)	147	3,000	147	3,000
Finance lease liability (Note 21)	176	123	66	59
	7,946	4,486	7,192	4,422
Non-Current				
Commercial bill facility (secured)	15,000	–	15,000	–
Loan of GBP £7,500,000 (secured)	12,320	–	12,320	–
Commercial loan facility (secured)	–	16,000	–	16,000
Finance lease liability (Note 21)	196	260	70	136
	27,516	16,260	27,390	16,136
TOTAL SECURED LIABILITIES	45,090	20,363	44,446	20,363

The bank overdraft, Commercial Bill, GBP loan facility and commercial loan facility are provided by National Australia Bank Limited. The facilities are secured by fixed and floating charges over the operating companies within the group. The commercial bill and GBP loan facilities expire on 31 October 2010, with quarterly principal repayments. Interest rates under the facility are variable. At 30 June 2009 the interest rate for the commercial bill was 6.45% p.a. and the GBP Loan was 5.01% p.a.

The covenants within the bank borrowings require that the National Australia Bank debt to earnings before interest, tax, depreciation and amortisation (Senior Operating Leverage) is not greater than 2 to 1 in the first twelve months of the facility and not greater than 1.5 to 1 going forward; dividend payout is 50% or less and debt service cost to earnings before interest, tax, depreciation and amortisation is to exceed 1.5 to 1. In respect of the bank facilities, totalling $35.09 million at 30 June 2009, the company failed to meet the Senior Operating Leverage Ratio for the period ended 30 June 2009 and therefore has a breach of the covenant. The bank has indicated no action will be taken at this time other than to renegotiate the liabilities after year end.

The carrying amount of group non-current assets secured is $101.68 million.

The loan from a director related entity is sub-ordinated debt provided by Crown Financial Pty Ltd, an entity related to Mr J Sundell. The loan facility expires on the 1 January 2010. The terms of the loan including interest rates are on arm's length terms. Interest is payable at a rate of 10% p.a. The company entered into an agreement with Crown Financial Pty Ltd to extend the term of the loan to February 2012, subject to shareholder approval that was granted on 21 August 2009.

Note 15. Tax

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
a. Liabilities				
Current				
Income tax	486	368	294	791
Non-Current				
Deferred tax liability comprises:				
Tax allowances relating to property, plant and equipment	61	176	–	143
Tax allowances relating to intangibles	6,995	–	–	–
Other	–	–	–	–
	7,056	176	–	143
b. Assets				
Non-Current				
Deferred tax assets comprise:				
Unused tax losses	588	588	–	–
Provisions and prepaid income	2,463	2,139	1,164	1,070
Other items	284	60	41	60
Transaction costs on equity issue	–	48	–	48
	3,335	2,835	1,205	1,178
c. Reconciliations				
i. Gross Movement				
The overall movement in the deferred tax account is as follows:				
Opening balance	2,660	964	1,035	964
Additions through the acquisition of controlled entities	(8,251)	609	–	–
Charged to income statement	1,180	1,135	218	119
Translation	737	–	–	–
Charge to equity	(47)	(48)	(47)	(48)
CLOSING BALANCE	(3,721)	2,660	1,205	1,035
ii. Deferred Tax Liability				
a. The movement in deferred tax liability for each temporary difference during the year is as follows:				
Tax allowances relating to property, plant and equipment				
Opening balance	176	174	143	174
Additions through the acquisition of controlled entities	8,251	–	–	–
Charged to income statement	(633)	2	(143)	(31)
Translation	(737)	–	–	–
CLOSING BALANCE	7,056	176	–	143

Note 15. Tax continued

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
c. Reconciliations continued				
iii. Deferred Tax Assets				
a. The movement in deferred tax asset for each temporary difference during the year is as follows:				
Provisions and prepaid income				
Opening balance	2,140	903	1,071	903
Additions through the acquisition of controlled entities	–	308	–	–
Charged to income statement	323	929	93	168
CLOSING BALANCE	2,463	2,140	1,164	1,071
Other Items				
Opening balance	60	140	60	140
Charged to income statement	224	(80)	(19)	(80)
CLOSING BALANCE	284	60	41	60
Transaction costs on equity issue				
Opening balance	47	95	47	95
Charged directly to equity	(47)	(48)	(47)	(48)
CLOSING BALANCE	–	47	–	47
Unused tax losses				
Opening balance	588	–	–	–
Additions through the acquisition of controlled entities	–	301	–	–
Charged to income statement	–	287	–	–
CLOSING BALANCE	588	588	–	–
b. Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1: Income Tax occur:				
– tax losses: operating losses	655	–	–	–
– tax losses: capital losses	118	1,029	118	686
– temporary differences	–	–	–	–

Note 16. Provisions

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Long-Term				
Employee benefits	974	1,000	656	738
Asset retirement provision	578	467	317	308
	1,552	1,467	973	1,046

Note 16. Provisions continued

GBST GROUP	Long-term Employee benefits $'000	Asset Retirement $'000	Total $'000
Balance at the beginning of the year	1,000	467	1,467
Additional provisions	332	111	443
Transfer to payables	(197)	–	(197)
Amounts used	(69)	–	(69)
Unused amounts reversed	(92)	–	(92)
BALANCE AT 30 JUNE 2009	974	578	1,552

GBST HOLDINGS	Long-term Employee benefits $'000	Asset Retirement $'000	Total $'000
Balance at the beginning of the year	738	308	1,046
Additional provisions	124	9	133
Transfer to payables	(78)	–	(78)
Amounts used	(60)	–	(60)
Unused amounts reversed	(68)	–	(68)
BALANCE AT 30 JUNE 2009	656	317	973

Note 17. Unearned Income

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Current				
Non-trade amounts payable to:				
Revenue received in advance for software usage and support services	4,927	4,049	2,749	2,501
	4,927	4,049	2,749	2,501
Non-Current				
Revenue received in advance for software usage and support services	111	192	111	192
	111	192	111	192

Note 18. Liabilities on Business Acquisition

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Current				
Amount owing to vendors in respect of acquisition	4,009	750	3,259	–
	4,009	750	3,259	–
Non-Current				
Amount owing to vendors in respect of acquisition	580	–	580	–
	580	–	580	–

Note 19. Issued Capital

		GBST GROUP		GBST HOLDINGS	
		30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
57,819,853 (June 2008: 50,296,733) fully paid ordinary shares		31,819	25,499	31,819	25,499
		31,819	25,499	31,819	25,499
Movements in issued capital:					
Opening balance		25,499	6,808	25,499	6,808
Transfer from options reserve		–	51	–	51
*Various dates	Employee zero exercise options scheme	54	–	54	–
Share issues during the year:					
31 July 2007	Employee exempt share scheme	–	108	–	108
31 August 2007	Acquisition of InfoComp	–	18,260	–	18,260
1 October 2008	Acquisition of Emu	250	–	250	–
9 December 2008	Acquisition of Coexis	6,016	–	6,016	–
*Various dates	Employee deferred options scheme	–	272	–	272
*Various dates	Employee exempt options scheme	–	–	–	–
		31,819	25,499	31,819	25,499

Ordinary Shares		**No.**	No.	**No.**	No.
Opening balance		50,296,733	45,013,562	50,296,733	45,013,562
Share issues during the year:					
31 July 2007	Employee exempt share scheme	–	27,432	–	27,432
31 August 2007	Acquisition of InfoComp	–	4,935,183	–	4,935,183
1 October 2008	Acquisition of Emu	171,939	–	171,939	–
9 December 2008	Acquisition of Coexis	7,336,007	–	7,336,007	–
*Various dates	Employee zero exercise options scheme	13,842	–	13,842	–
*Various dates	Employee deferred options scheme	–	210,000	–	210,000
*Various dates	Employee exempt options scheme	1,332	110,556	1,332	110,556
		57,819,853	50,296,733	57,819,853	50,296,733

* There were numerous share issues during the year as employees exercised options.

Note 19. Issued Capital continued

Ordinary shares participate in dividends and the proceeds of winding up of the parent entity in proportion to the number of shares held. At shareholders' meetings each ordinary share is entitled to one vote.

The Company does not have an amount of authorised capital.

Options

For details on options over ordinary shares, see Note 31.

Capital Management

The Board and Management controls the capital of the group in order to ensure that the group can fund its operations and continue as a going concern as well as provide the shareholders with optimal returns. The group also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. The Board's policy is to build and maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the capital mix, share price, as well as the return on capital.

The group's capital includes ordinary share capital, reserves and retained earnings, bank facilities, other financial liabilities; supported by financial assets.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues. During the 2009 year, the group paid dividends of $2.88 million (2008: $5.76 million). The entity currently has a target dividend payout ratio of up to 50%. This is subject to regular review depending on the current circumstances of the entity.

The group took on additional debt in the current year to finance its acquisition activity and the current gearing ratio (net debt/total debt and equity) of 50% (2008: 33%) is within the target range of between 30% and 50%. The gearing ratios for the year ended 30 June 2009 and 30 June 2008 are as follows:

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Total borrowings	45,462	20,746	44,582	20,558
Less cash and cash equivalents	2,314	1,492	8	228
NET DEBT	43,148	19,254	44,574	20,330
Total equity	43,645	39,368	50,670	37,873
TOTAL DEBT AND EQUITY	86,793	58,622	95,244	58,203
Gearing ratio	50%	33%	47%	35%

The group is not subject to any externally imposed capital requirements, other than the facility covenants set out in Note 14.

Note 20. Reserves

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Equity Remuneration Reserve[(a),(b)]	111	80	111	80
Foreign Currency Translation Reserve[(c)]	(1,661)	56	–	–
Financial Asset Reserve[(d)]	394	–	394	–
	(1,156)	136	505	80

a. The option reserve records the amount recognised as an expense on valuation of employee share options granted. When options are exercised, the amount in the reserve relating to those options is transferred to issued capital.

b. The share remuneration reserve records total cost of share issues less amortisation expense, based on a vesting period of three years and employee employment status. The actual shares were issued at grant date.

c. The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary and Great British Pound loan.

d. The financial asset reserve records revaluation of financial assets.

Note 21. Capital, Leasing and Other Commitments

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
a. Finance leasing commitments				
Payable on leases:				
Not later than one year	202	150	75	75
Later than one year but not later than five years	205	281	74	149
	407	431	149	224
Less future finance charges	(35)	(48)	(13)	(29)
TOTAL LIABILITY	372	383	136	195
Lease liabilities are included in the Balance Sheet as:				
Current (Note 14)	176	123	66	59
Non-current (Note 14)	196	260	70	136
	372	383	136	195

Finance leases relate to items of plant and equipment and have options to acquire the items on termination.

b. Non-cancellable operating leases				
Lease amounts are payable:				
Not later than one year	2,912	1,759	1,644	1,268
Later than one year but not later than five years	5,980	5,293	5,186	4,865
Later than five years	–	1,008	–	1,008
	8,892	8,060	6,830	7,141

Non-cancellable leases include rental premises with original lease terms up to eight years. The lease agreements require that the minimum lease payments shall be increased by incremental contingent rentals based on market or CPI. Certain leases contain options to renew at the end of their term.

Note 21. Capital, Leasing and Other Commitments continued

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
c. Capital and other expenditure commitments				
Contracted for:				
Capital and other operating purchases	56	495	26	495
Payable				
Not later than one year	56	495	26	495
Later than one year but not later than five years	–	–	–	–
Later than five years	–	–	–	–
	56	495	26	495

Note 22. Auditors' Remuneration

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $	30 Jun 2008 $	**30 Jun 2009 $**	30 Jun 2008 $
Audit Services				
KPMG Australia				
Audit & review of financial reports	222,542	–	222,542	–
Other regulatory audit services	–	–	–	–
Overseas KPMG firms				
Audit & review of financial reports	52,091	–	–	–
Other Auditors				
Audit & review of financial reports	–	172,833	–	73,183
	274,633	172,833	222,542	73,183
Other Services				
KPMG Australia				
Other assurance services	24,500	–	24,500	–
Taxation services	82,620	–	39,200	–
	107,120	–	63,700	–
Other Auditors				
Taxation services	–	9,359	–	6,120

Note 23. Other Group Entities

a. Controlled Entities Consolidated

Group entity	Country of Incorporation	Percentage owned
GBST Pty Ltd	Australia	100% (June 2008: 100%)
Emu Design (Qld) Pty Ltd	Australia	100% (June 2008: nil)
GBST ESOP Pty Ltd	Australia	100% (June 2008: 100%)
Coexis Limited	United Kingdom	100% (June 2008: nil)
GBST Australia Pty Ltd	Australia	100% (June 2008: 100%)
Subsidiaries of Coexis Limited:		
Coexis Inc	United States of America	100% (June 2008: nil)
Coexis Software Ltd	United Kingdom	100% (June 2008: nil)
Subsidiaries of GBST Australia Pty Ltd:		
GBST Hong Kong Limited	Hong Kong	100% (June 2008: 100%)
InfoComp Pty Ltd	Australia	100% (June 2008: 100%)
ICP Holdings Pty Ltd	Australia	100% (June 2008: 100%)
Subsidiaries of ICP Holdings Pty Ltd:		
InfoComp UK Limited	Australia	95.9% (June 2008: 95.9%)
GBST UK Holdings Limited	United Kingdom	100% (June 2008: nil)
Subsidiaries of GBST UK Holdings Ltd:		
GBST Hosting Limited	United Kingdom	100% (June 2008: nil)
ICP London Limited	United Kingdom	100% (June 2008: nil)

b. Acquisition of Controlled Entities

On 1 October 2008 GBST Holdings Limited acquired 100% of 'Emu Design (Qld) Pty Ltd', with GBST Holdings Limited entitled to all profits earned from purchase date, for a purchase consideration of $1.30 million. On 9 December 2008 GBST Holdings Limited acquired 100% of 'Coexis Limited', with GBST Holdings Limited entitled to all profits earned from purchase date, for a purchase consideration of $51.07 million.

c. Controlled Entities which ceased trading

One of the subsidiaries of InfoComp ceased trading on 31 March 2009.

d. Deed of Cross Guarantee

Pursuant to ASIC Class Order 98/1418 (as amended), a number of wholly-owned controlled entities as listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports and Directors' Report.

It is a condition of the class order that the Company and each of the controlled entities enter into a Deed of Cross Guarantee ("Deed"). The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up any of the controlled entities under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the *Corporations Act 2001*, the Company will only be liable in the event that after six months any creditor has not been paid in full. The controlled entities have also given similar guarantees in the event that the Company is wound up.

Note 23. Other Group Entities continued

d. Deed of Cross Guarantee continued

The controlled entities subject to the Deed are:

- GBST Pty Ltd
- GBST Australia Pty Ltd
- InfoComp Pty Ltd
- GBST ESOP Pty Ltd
- ICP Holdings Pty Ltd
- Emu Design (Qld) Pty Ltd

A consolidated income statement and consolidated balance sheet, comprising the Company and controlled entities which are party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, at 30 June 2009 is set out as follows:

	CLOSED GROUP AND PARTIES TO DEED OF CROSS GUARANTEE	
	30 Jun 2009 $'000	30 Jun 2008 $'000
Financial information in relation to:		
i. Income Statement		
Profit before income tax	3,098	6,860
Income tax expense	(773)	(4,111)
PROFIT AFTER INCOME TAX	2,325	2,749
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT ENTITY	2,325	2,749
ii. Retained Earnings		
Retained profits at the beginning of the year	12,096	13,365
Retained profits of subsidiaries acquired	–	1,746
Profit after income tax	2,325	2,749
Dividends provided for or paid	(2,880)	(5,764)
RETAINED EARNINGS AT THE END OF THE YEAR	11,541	12,096

Note 23. Other Group Entities continued

d. Deed of Cross Guarantee continued

	CLOSED GROUP AND PARTIES TO DEED OF CROSS GUARANTEE	
	30 Jun 2009 $'000	30 Jun 2008 $'000
iii. Balance Sheet		
CURRENT ASSETS		
Cash and cash equivalents	1,535	1,045
Trade and other receivables	6,825	8,829
Inventories	270	419
Other assets	941	674
TOTAL CURRENT ASSETS	9,571	10,967
NON-CURRENT ASSETS		
Trade and other receivables	3,009	–
Financial assets	1,622	1,644
Property, plant and equipment	2,466	2,513
Intangible assets	51,357	53,604
Investment	42,039	–
Deferred tax assets	2,502	2,247
Other assets	180	231
TOTAL NON-CURRENT ASSETS	103,175	60,239
TOTAL ASSETS	112,746	71,206
CURRENT LIABILITIES		
Trade and other payables	5,017	6,390
Loans from related parties	10,000	–
Financial liabilities	7,946	4,486
Current tax liabilities	294	368
Unearned income	4,320	4,049
Liabilities on business acquisition	4,009	–
TOTAL CURRENT LIABILITIES	31,586	15,293
NON-CURRENT LIABILITIES		
Trade and other payables	457	–
Financial liabilities	27,516	16,260
Deferred tax liabilities	7,056	176
Provisions	1,491	1,467
Unearned income	111	192
Liabilities on business acquisition	580	–
TOTAL NON-CURRENT LIABILITIES	37,211	18,095
TOTAL LIABILITIES	68,797	33,388
NET ASSETS	43,949	37,818

Note 23. Other Group Entities continued

d. Deed of Cross Guarantee continued

	CLOSED GROUP AND PARTIES TO DEED OF CROSS GUARANTEE	
	30 Jun 2009 $'000	30 Jun 2008 $'000
iii. Balance Sheet continued		
EQUITY		
Issued capital	31,819	25,499
Reserves	589	223
Retained earnings	11,541	12,096
	43,949	37,818

Note 24. Financing Arrangements

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Financing facilities[a]	50,011	23,669	49,665	23,467
Amount utilised	(44,016)	(21,049)	(44,586)	(20,847)
UNUSED CREDIT FACILITIES	5,995	2,620	5,079	2,620

a. This amount comprises bank loans, a multi-option facility and a fully utilised loan from related parties of $10.00 million. The bank loans and multi-option facility are secured by a registered charge over the assets of the group. The bank loan facility has a two year term, with quarterly principal repayments. Interest rates under the facility are variable. The multi-option facility includes an overdraft, bill facility, letter of credit, bank guarantees, purchasing card and revolving lease limit. The multi-option facility is subject to annual review and has a number of other commercial terms and conditions. The revolving lease limit is a "revolving asset finance facility" to enable equipment financing, required for business operations. Each draw on the lease facility creates a rental agreement for a 36 month period. There are no conditions/covenants in place and drawdown is subject to the bank's acceptance of assets proposed for financing under the facility.

The loan from related parties is sub-ordinated debt provided by Crown Financial Pty Ltd, an entity related to Mr J Sundell, a director of the Company. The loan facility expires on the 1 January 2010. The terms of the loan including interest rates are on arm's length terms. Interest is payable at a rate of 10% p.a. The company entered into an agreement with Crown Financial Pty Ltd to extend the term of the loan to February 2012, subject to shareholder approval that was granted on 21 August 2009.

Note 25. Cash Flow Information

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
a. Reconciliation of net cash provided by operating activities to profit after income tax				
Profit after income tax	2,129	6,132	8,932	4,666
Non-cash flows in operating profit:				
Depreciation and amortisation	6,816	4,054	1,139	940
Write down of assets	252	–	–	–
Write down on investments	886	2,288	886	2,288
(Profit)/loss on sale of plant & equipment	(39)	4	(39)	(1)
Share based payments expensed	85	171	85	171
Changes in assets and liabilities:				
(Increase)/decrease in receivables	13,166	(2,994)	(1,955)	(84)
(Increase)/decrease in other assets	(255)	(112)	(225)	(334)
Increase/(decrease) in unearned income	203	(2,560)	167	127
(Increase)/decrease in inventories	372	440	287	(419)
(Increase)/decrease in deferred tax balances	(1,483)	763	(170)	(71)
Increase/(decrease) in tax provision	(1,969)	(2,609)	(497)	(1,289)
Increase/(decrease) in trade and other payables	(1,597)	738	1,303	89
Increase/(decrease) in provisions	54	68	(73)	(83)
Unrealised gains/losses	–	–	(2,663)	–
CASH FLOW FROM OPERATIONS	18,620	6,383	7,177	6,000
b. Reconciliation of cash				
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to items in the Balance Sheet as follows:				
Cash at bank (Note 6)	2,314	1,492	8	228
Bank overdraft (Note 14)	(1,843)	(1,363)	(1,199)	(1,363)
	471	129	(1,191)	(1,135)

c. Non-cash financing activities

During the 2009 financial year the group acquired plant and equipment and software with an aggregate value of $145 thousand (2008: $207 thousand) by means of finance leases; $294 thousand (2008: $nil) by means of equipment loan and the company acquired plant and equipment and software with an aggregate value of $nil (2008: $187 thousand) by means of finance leases; $294 thousand (2008: $nil) by means of equipment loan.

During the year the following ordinary shares were issued as non-cash consideration:

	Number	Issue Price
Coexis acquisition	7,336,007	$0.8200
Emu acquisition	171,939	$1.4540
Employee zero exercise options scheme	13,842	$3.9000
Employee exempt options scheme	1,332	$0.7505

These items are not reflected in the Statement of Cash Flows.

Note 25. Cash Flow Information continued

d. Acquisition of Business

The group acquired 'Coexis', a leading global provider of software for the securities industry, on 9 December 2008.

The purchase was allocated as follows:

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Purchase consideration	49,866	–	–	–
Transaction costs	1,200	–	–	–
TOTAL PURCHASE CONSIDERATION	51,066	–	–	–
This was funded by:				
7,336,007 ordinary shares[a]	6,016	–	–	–
Cash consideration	41,193	–	–	–
CONSIDERATION PAID	47,209	–	–	–
Amounts yet to be paid[b]	2,698	–	–	–
1,414,000 ordinary shares to be issued[a]	1,159	–	–	–
	51,066	–	–	–

a. Market price at purchase date $0.82
b. At acquisition date there were contingent consideration payments estimated at $4.2 million which have been subsequently remeasured to zero.

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Assets and liabilities acquired at acquisition date:				
Intellectual property – software systems	21,336	–	–	–
Intellectual property – customer contracts	6,168	–	–	–
Deferred tax liability on intangible property	(8,251)	–	–	–
Property, plant and equipment	494	–	–	–
Cash	2,943	–	–	–
Other assets	12,413	–	–	–
Payables and provisions	(4,405)	–	–	–
	30,698	–	–	–
Goodwill	20,368	–	–	–
TOTAL	51,066	–	–	–

The goodwill is attributable to the significant synergies expected to arise after the acquisition of software systems. The transaction will significantly increase GBST's global reach and expansion via Coexis' existing international customers, prospects and distribution channels.

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to their carrying value.

Since its acquisition on 9 December 2008 Coexis has incurred a loss before tax amounting to $130 thousand which is included in the consolidated income statement for the year.

Note 25. Cash Flow Information continued

d. Acquisition of Business continued

The group acquired 'Emu Design (Qld)', a specialist in a wide range of services including web development, graphic design, product design, corporate identity design and IT and software solutions, on 1 October 2008.

The purchase was allocated as follows:

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Purchase consideration	1,173	–	–	–
Transaction costs	131	–	–	–
TOTAL PURCHASE CONSIDERATION	1,304	–	–	–
This was funded by:				
171,939 ordinary shares[(a)]	250	–	–	–
Cash consideration	888	–	–	–
CONSIDERATION PAID	1,138	–	–	–
Amounts yet to be paid[(b)]	166	–	–	–
	1,304	–	–	–

a. Market price at purchase date $1.45

b. At acquisition date there were contingent consideration payments estimated at $500 thousand which have been subsequently remeasured to zero.

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Assets and liabilities acquired at acquisition date:				
Property, plant and equipment	97	–	–	–
Cash	107	–	–	–
Trade and other receivables	789	–	–	–
Payables and provisions	(575)	–	–	–
	418	–	–	–
Goodwill	886	–	–	–
TOTAL	1,304	–	–	–

The goodwill recognised on the acquisition is attributable mainly to the skills and technical talent of the acquired business' workforce and the synergies expected to be achieved from integrating the Company into the Group's existing Financial Services business.

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to their carrying value.

Since its acquisition on 1 October 2008 Emu has incurred a loss before tax amounting to $422 thousand which is included in the consolidated income statement for the year.

Had the results of Emu and Coexis been consolidated for the full year, consolidated revenue would have been $71.32 million and consolidated profit before tax $2.61 million.

Note 25. Cash Flow Information continued

d. Acquisition of Business continued

In the prior comparative year the group acquired 'InfoComp Pty Ltd, ICP Holdings Pty Ltd and its subsidiaries', a software developer of highly regarded and advanced funds administration and registry software for the wealth management industry, and the dominant provider to Australian wrap and master trusts, on 31 August 2007.

The purchase was allocated as follows:

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Purchase consideration	–	54,849	–	–
Transaction costs	–	945	–	–
TOTAL PURCHASE CONSIDERATION	–	55,794	–	–
This was funded by:				
4,935,183 ordinary shares[a]	–	18,260	–	–
Cash consideration	–	36,784	–	–
CONSIDERATION PAID AT 31 AUGUST 2007	–	55,044	–	–
Amounts yet to be paid	–	750	–	–
	–	55,794	–	–

a. Market price at purchase date $3.70

	GBST GROUP		GBST HOLDINGS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Assets and liabilities acquired at acquisition date:				
Intellectual property – software systems	–	15,000	–	–
Intellectual property – customer contracts	–	8,100	–	–
Cash	–	5,549	–	–
Future income tax benefit	–	609	–	–
Other assets	–	6,643	–	–
Payables and provisions	–	(8,131)	–	–
Borrowings	–	(214)	–	–
	–	27,556	–	–
Goodwill	–	28,238	–	–
TOTAL	–	55,794	–	–

The goodwill is attributable to the high profitability of the acquired business and significant synergies expected to arise after the acquisition of software systems.

The assets and liabilities arising from the acquisition are recognised at fair value which is equal to their carrying value.

Profit before tax amounting to $2.33 million is included in the consolidated income statement for the year 30 June 2008. Had the results of InfoComp been consolidated for the full year, consolidated revenue would have been $65.68 million and consolidated profit $9.79 million for the year 30 June 2008.

Note 26. Segment Reporting

The Broker Services division supports and provides software solutions to stockbrokers and banks in connection with share trading, margin lending and option trading in Australia, Hong Kong and New Zealand.

The Wealth Management division supports and provides software solutions to fund managers, superannuation providers and wrap account providers in connection with client and investment management in Australia and the United Kingdom. The Wealth Management division also provides a Union membership management system for use in Australia and New Zealand.

Financial Services is a wholesale provider of independent, market-leading financial product data and related services to financial advisors and institutions.

The Coexis division through the Syn~ platform, provide next-generation technology to process equities, derivatives, fixed income and managed funds transactions to global capital markets.

Primary Reporting – Business Segments

	BROKER SERVICES		WEALTH MANAGEMENT		FINANCIAL SERVICES		COEXIS		ELIMINATIONS		GBST GROUP	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
REVENUE												
Sales to external customers	28,276	31,741	23,485	28,999	1,251	–	8,912	–	–	–	61,924	60,740
Inter-segment revenues	–	–	–	42	267	–	121	–	(388)	(42)	–	–
TOTAL SEGMENT REVENUE	28,276	31,741	23,485	29,041	1,518	–	9,033	–	(388)	(42)	61,924	60,740
RESULT												
Segment result	8,044	7,350	(442)	3,864	(792)	–	(1,485)	–	–	–	5,325	11,214
Unallocated expenses net of unallocated revenue											–	–
NET FINANCE COSTS											(3,299)	(1,461)
Profit before income tax											2,026	9,753
Income tax expense											103	(3,621)
PROFIT AFTER INCOME TAX											2,129	6,132
ASSETS												
Segment assets	13,363	14,506	55,016	58,894	690	–	46,184	–	–	–	115,253	73,400
Unallocated assets											–	–
TOTAL ASSETS											115,253	73,400
LIABILITIES												
Segment liabilities	12,908	8,922	23,356	25,110	365	–	34,979	–	–	–	71,608	34,032
Unallocated liabilities											–	–
TOTAL LIABILITIES											71,608	34,032
OTHER												
Capital Expenditure	1,801	759	445	51,676	1,084	–	44,469	–	–	–	47,799	52,435
Depreciation and amortisation of segment assets	1,139	940	3,602	3,115	59	–	2,016	–	–	–	6,816	4,054
Other non-cash segment expenses	973	2,459	252	–	–	–	–	–	–	–	1,225	2,459

Note 26. Segment Reporting continued

Secondary Reporting – Geographical Segments

	SEGMENT REVENUES FROM EXTERNAL CUSTOMERS		CARRYING AMOUNT OF SEGMENT ASSETS		ACQUISITIONS OF NON-CURRENT SEGMENT ASSETS	
	30 Jun 2009 $'000	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000	**30 Jun 2009 $'000**	30 Jun 2008 $'000
Geographical Location:						
Australia	54,765	49,146	67,698	70,548	3,014	51,002
United Kingdom	7,159	11,594	47,555	2,852	44,785	1,433
	61,924	60,740	115,253	73,400	47,799	52,435

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do include deferred income taxes.

Intersegment Transfers

Segment revenues, expenses and results include transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the consolidated group at an arm's length. These transfers are eliminated on consolidation.

Business and Geographical Segments

The consolidated group has the following four business segments:

- Broker Services division provides client accounting and securities transaction technology solutions for the finance, banking and securities industry in Australia and South East Asia. Major product lines of the division include: Shares, Palion, Margin Lending, Business Continuity Service, Business Interface and CMT.
- Wealth Management division provides funds administration and registry software for the wealth management industry in Australia and the United Kingdom. Major product lines of the division include: Composer, Unison and ASP Access. A controlled entity within the division ceased trading during the year.
- Financial Services is a wholesale provider of independent, market-leading financial product data and related services to financial advisors and institutions. It also provides web design, development and usability services through the Emu Design business unit.
- Coexis through the Syn~ platform, provides next-generation technology to process equities, derivatives, fixed income and managed funds transactions to global capital markets in Asia, Europe and North America.

Geographical segments

The consolidated group's business segments are located in Australia with the Wealth Management and Coexis division also having operations in the United Kingdom.

The Broker Services division has a customer base in South East Asia from sales to Australian entities.

Note 27. Financial Risk Management

a. Financial Risk Management Policies

The Group's principal financial instruments comprise of accounts receivable and payable, bank accounts, loans and overdrafts, investments and finance leases. The Company's principal financial instruments include these items and inter-company receivables/payables.

The main purpose of these financial instruments is to provide operating finance to the Group.

It is, and has been throughout the period under review, the Group's policy that no trading in financial instruments shall be undertaken.

The Company and the Group have exposure to the following risks from their use of financial instruments – credit risk, liquidity risk and market risk. This note presents information about the exposure to each of the above risks. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the Company and the Group's risk management framework. Management is responsible for developing and monitoring the risk management policies, and reports to the Board.

The risk management policies are established to identify and analyse the risks faced, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Board of Directors meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

The Executive Management Team's overall risk management strategy seeks to assist the consolidated Group in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board on a regular basis.

b. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, share prices and interest rates will affect income or the value of holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The exposure to market risk for the changes in interest rates relates primarily to borrowing obligations. The policy at the present is to manage interest cost using a combination of fixed and variable rate debt.

Australian variable interest rate risk

At balance date, the Group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk.

	GBST GROUP		GBST HOLDINGS	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Financial assets				
Cash	1,533	1,492	8	228
Loans other entities	–	16	–	16
Loans controlled entities	–	–	76,559	60,650
	1,533	1,508	76,567	60,894
Financial liabilities				
Bank overdraft	1,280	1,363	636	1,363
Bank loan	17,847	19,000	17,847	19,000
Loans controlled entities	–	–	36,331	9,729
	19,127	20,363	54,814	30,092

Lease liabilities have fixed rates, all other items are variable rate. The exposure to market interest rates relates primarily to long and short term debt obligations.

Note 27. Financial Risk Management continued

b. Market Risk continued

Great British Pound variable interest rate risk

At balance date, the Group had the following mix of financial assets and liabilities exposed to Great British Pound variable interest rate risk.

	GBST GROUP		GBST HOLDINGS	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Financial assets				
Cash	779	–	–	–
	779	–	–	–
Financial liabilities				
Bank overdraft	563	–	563	–
Bank loan	15,400	–	15,400	–
	15,963	–	15,963	–

Foreign currency risk

The Group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's measurement currency.

The Group constantly monitors its foreign currency exposure, and consideration is given to alternative hedging positions.

At balance sheet date the Group had exposure to movements in the exchange rate for Great British Pounds in cash and receivables of $2.77 million (2008: $2.51 million) and payables and loans of $17.79 million (2008: $644 thousand).

The Company's exposure to movements in the exchange rate for Great British Pounds is for payables and loans of $15.96 million (2008: nil) and inter-company payables of $17.64 million (2008: $1.98 million).

At balance sheet date the Group had exposure to movements in the exchange rate for US Dollars in cash and receivables of $638 thousand (2008: nil) and payables of $129 thousand (2008: nil).

Share price risk

The Company and Group have an investment in an ASX listed Company, Razor Risk Technologies Limited (formerly IT&e Limited), (see Note 9). This is a long term shareholding, however exposure exists to movements in the market price.

c. Liquidity Risk

Liquidity risk is the risk that the Company and the Group will not be able to meet its financial obligations as they fall due. The approach to managing liquidity is to ensure, as far as possible, that there will always be sufficient liquidity to meet liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company and the Group's reputation.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and finance leases. The liquidity risk is managed by monitoring forecast cash flows, the collection of trade receivables and payment of trade payables, use of borrowing facilities and ensuring that adequate unutilised borrowing facilities are maintained.

d. 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 sheet and notes to the financial statements. The Company's and Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Credit risk arises primarily from exposures to customers. The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. In addition, receivables balances are monitored on an ongoing basis with the result that apart from the risks noted below, there are no other material credit risks to the Company.

Note 27. Financial Risk Management continued

d. Credit Risk continued

In respect of the parent entity, credit risk also incorporates the exposure of GBST Holdings Limited to the liabilities of all members of the closed Group under the deed of cross-guarantee. Refer to Note 23 for further information.

Except for the following concentrations of credit risks, the Group does not have any material credit risk exposure to any single debtor or Group of debtors under financial instruments entered into. Approximately 29% (2008: 46%) of the Group's revenue is derived from five customers providing financial services in Australia and the United Kingdom. Approximately 51% (2008: 57%) of the Company's revenue is derived from five customers providing financial services in Australia.

The carrying amount of the financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

	GBST GROUP CARRYING AMOUNT		GBST HOLDINGS CARRYING AMOUNT	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Cash and cash equivalents	2,314	1,492	8	228
Trade and other receivables	9,498	9,712	80,221	64,485
Other financial assets	1,622	1,622	1,622	1,622
	13,434	12,826	81,851	66,335

The maximum exposure to credit risk for trade and other receivables at reporting date by geographic region was:

	GBST GROUP CARRYING AMOUNT		GBST HOLDINGS CARRYING AMOUNT	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Australia	6,521	7,857	80,221	64,485
UK	2,352	1,855	–	–
USA	625	–	–	–
	9,498	9,712	80,221	64,485

e. Financial Instruments

i. Financial instrument composition and maturity analysis

The following table reflects the undiscounted contractual settlement terms for Group financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

Note 27. Financial Risk Management continued

e. Financial Instruments continued

GBST Group	0–1 YEARS 2009 $'000	0–1 YEARS 2008 $'000	1–2 YEARS 2009 $'000	1–2 YEARS 2008 $'000	2–5 YEARS 2009 $'000	2–5 YEARS 2008 $'000	OVER 5 YEARS 2009 $'000	OVER 5 YEARS 2008 $'000	TOTAL 2009 $'000	TOTAL 2008 $'000
FINANCIAL ASSETS										
Cash[i]	2,314	1,492	–	–	–	–	–	–	2,314	1,492
Trade and other receivables	9,498	9,712	–	–	–	–	–	–	9,498	9,712
Available for sale financial assets	1,622	1,622	–	–	–	–	–	–	1,622	1,622
TOTAL FINANCIAL ASSETS	13,434	12,826	–	–	–	–	–	–	13,434	12,826
FINANCIAL LIABILITIES										
Bank loan and overdraft[i]	17,770	4,363	27,320	4,000	–	12,000	–	–	45,090	20,363
Lease facilities[ii]	202	150	184	150	21	131	–	–	407	431
Liabilities on acquisition	4,009	750	580	–	–	–	–	–	4,589	750
Trade & other payables	6,968	6,284	320	–	137	–	–	–	7,425	6,284
TOTAL FINANCIAL LIABILITIES	28,949	11,547	28,404	4,150	158	12,131	–	–	57,511	27,828

i. These items have variable interest rates.
ii. These items have fixed interest rates. All other items are non-interest bearing.

For further discussion on current ratio refer Note 1 Current Ratio.

The table below reflects the undiscounted contractual settlement terms for Parent Entity financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

GBST Holdings	0–1 YEARS 2009 $'000	0–1 YEARS 2008 $'000	1–2 YEARS 2009 $'000	1–2 YEARS 2008 $'000	2–5 YEARS 2009 $'000	2–5 YEARS 2008 $'000	OVER 5 YEARS 2009 $'000	OVER 5 YEARS 2008 $'000	TOTAL 2009 $'000	TOTAL 2008 $'000
FINANCIAL ASSETS										
Cash[i]	8	228	–	–	–	–	–	–	8	228
Trade and other receivables	3,630	3,625	–	–	–	–	–	–	3,630	3,625
Amounts receivable related parties	32	210	–	–	–	–	76,559	60,650	76,591	60,860
Available for sale financial assets	1,622	1,622	–	–	–	–	–	–	1,622	1,622
TOTAL FINANCIAL ASSETS	5,292	5,685	–	–	–	–	76,559	60,650	81,851	66,335
FINANCIAL LIABILITIES										
Bank loan and overdraft[i]	17,126	4,363	27,320	4,000	–	12,000	–	–	44,446	20,363
Lease facilities[ii]	75	75	74	75	–	74	–	–	149	224
Liabilities on acquisition	3,259	–	580	–	–	–	–	–	3,839	–
Trade & other payables	3,114	2,268	320	–	137	–	–	–	3,571	2,268
Amounts payable Controlled entities	–	1,981	–	–	–	–	36,331	7,748	36,331	9,729
TOTAL FINANCIAL LIABILITIES	23,574	8,687	28,294	4,075	137	12,074	36,331	7,748	88,336	32,584

i. These items have variable interest rates.
ii. These items have fixed interest rates. All other items are non-interest bearing.

For further discussion on current ratio refer Note 1 Current Ratio.

Note 27. Financial Risk Management continued

e. Financial Instruments continued

ii. Net fair values

The fair value of investments traded on active liquid markets is determined with reference to quoted market prices.

Term receivables and other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar items, to their present value. Other financial assets and financial liabilities net fair value approximates their carrying value. Loans payable are determined by discounting the cashflow at market interest rates of similar items, to their present value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Financial assets where the carrying amount exceeds net fair values have not been written down as the Group intends to hold these assets to maturity.

Aggregate net fair values and carrying amounts of Group financial assets and financial liabilities at balance date.

	2009		2008	
	Carrying Amount $'000	**Net Fair Value $'000**	Carrying Amount $'000	Net Fair Value $'000
Financial assets				
Cash and cash equivalents	2,314	2,314	1,492	1,492
Trade and other receivables	9,498	9,498	9,712	9,712
Available-for-sale financial assets at fair value	1,622	1,622	1,622	1,622
	13,434	13,434	12,826	12,826
Financial liabilities				
Trade and other payables	7,425	7,425	6,284	6,284
Bank loans and overdrafts	45,090	44,684	20,363	20,363
Lease facilities	372	372	383	383
Liabilities on business acquisition	4,589	4,589	750	750
	57,476	57,070	27,780	27,780

Fair values are materially in line with carrying values. A discount rate of 7.15% (2008: 8.66%) has been applied to all non-current borrowings to determine fair value.

Note 27. Financial Risk Management continued

e. Financial Instruments continued

Aggregate net fair values and carrying amounts of Company financial assets and financial liabilities at balance date.

	2009		2008	
	Carrying Amount $'000	**Net Fair Value $'000**	Carrying Amount $'000	Net Fair Value $'000
Financial assets				
Cash and cash equivalents	8	8	228	228
Trade and other receivables	3,630	3,630	3,625	3,625
Loans controlled entities	76,591	76,591	60,860	60,860
Available-for-sale financial assets at fair value	1,622	1,622	1,622	1,622
	81,851	81,851	66,335	66,335
Financial liabilities				
Trade and other payables	3,571	3,571	2,268	2,268
Loans controlled entities	36,331	36,331	9,729	9,729
Bank loans and overdrafts	44,446	44,040	20,363	20,363
Lease facilities	136	136	195	195
Liabilities on business acquisition	3,839	3,839	–	–
	88,323	87,917	32,555	32,555

Fair values are materially in line with carrying values. A discount rate of 7.15% (2008: 8.66%) has been applied to all non-current borrowings to determine fair value.

iii. Sensitivity analysis

Interest Rate Risk, Foreign Currency Risk and Price Risk

The Group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest rate sensitivity analysis

At 30 June 2009, the net effect on full year profit and equity as a result of changes in the interest rate on variable rate financial instruments, with all other variables remaining constant would be as follows:

	GBST GROUP		GBST HOLDINGS	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Increase/(decrease) in profit				
Increase in interest rate by 1%	(451)	(204)	42	(204)
Decrease in interest rate by 1%	451	204	(42)	204

Note 27. Financial Risk Management continued

e. Financial Instruments continued

Foreign Currency Risk Sensitivity Analysis

At 30 June 2009, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the Great British Pound, with all other variables remaining constant is as follows:

	GBST GROUP		GBST HOLDINGS	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Increase/(decrease) in profit				
Improvement in AUD to GBP by 10%	27	191	32	198
Decline in AUD to GBP by 10%	(27)	(191)	(32)	(198)
Change in Equity				
Improvement in AUD to GBP by 10%	233	191	5,283	198
Decline in AUD to GBP by 10%	(233)	(191)	(5,283)	(198)

At 30 June 2009, the effect on profit and equity as a result of changes in the value of the Australian Dollar to the US Dollar, with all other variables remaining constant is as follows:

	GBST GROUP		GBST HOLDINGS	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Increase/(decrease) in profit				
Improvement in AUD to USD by 10%	85	–	–	–
Decline in AUD to USD by 10%	(70)	–	–	–
Change in Equity				
Improvement in AUD to USD by 10%	85	–	–	–
Decline in AUD to USD by 10%	(70)	–	–	–

Price risk

At 30 June 2009 the net effect on profit and equity of a 1 cent (27%) change in share price in the Group's and the Company's listed investment, with all other variables remaining constant is $438 thousand up/down (2008: $438 thousand up/down).

Note 28. Contingent liabilities

As at 30 June 2009, GBST has with its clients a variety of software supply agreements, each of which contain service and performance warranties and indemnities. These warranties and indemnities are of the standard type used in the industry and the liabilities are considered remote.

Note 29. Key Management Personnel Disclosures

a. Names and positions held of Group and Company Key Management Personnel in office at any time during the financial year are:

Key Management Person	Position
J Puttick	Director (Non-executive Chairman)
D Adams	Director (Independent)
A Brackin	Director (Independent)
S Lake	Director (Managing Director and Chief Executive Officer)
J Sundell	Director (Non-executive)
R De Dominicis	Chief Executive Wealth Management
D Orrock	Chief Executive GBST Financial Services (appointed 12 May 2008)
P Salis	Chief Financial Officer
I Sanchez	Chief Technology Officer
S Shah	Chief Executive Global Broker Services (appointed 9 December 2008)
K Sprott	Human Resource Executive (resigned 6 February 2009)

b. Key Management Personnel compensation

	GBST GROUP		GBST HOLDINGS	
	2009 $	2008 $	**2009 $**	2008 $
Short-term employee benefits	2,250,752	2,046,717	720,045	979,149
Post-employment benefits	182,857	107,265	53,963	47,126
Other long-term benefits	1,765	32,308	883	32,308
Share-based payments	–	8,488	–	5,349
	2,435,374	2,194,778	774,891	1,063,932

Detailed disclosures on compensation for Key Management Personnel are set out in the Remuneration Report included in the Directors' Report.

c. Equity instrument disclosures relating to Key Management Personnel

Details of options provided as compensation and shares issued on the exercise of such options, together with terms and conditions of the options, can be found in the remuneration report section of the Directors' report.

Note 29. Key Management Personnel Disclosures continued

d. Shareholdings

The numbers of shares in the Company held (directly, indirectly or beneficially) during the financial year by Key Management Personnel, including their related parties, are set out below.

2009	Balance at 01/07/08	Received as Compensation	Options exercised	Net Change Other(i)	Balance at 30/06/09
Directors					
J Puttick	7,667,760	–	–	(360,000)	7,307,760
D Adams	–	–	–	–	–
A Brackin	231,943	–	–	80,000	311,943
S Lake	3,651,423	–	–	100,000	3,751,423
J Sundell	15,417,605	–	–	350,543	15,768,148
TOTAL DIRECTORS	26,968,731	–	–	170,543	27,139,274
Executives					
R De Dominicis	1,780,996	–	–	–	1,780,996
D Orrock	–	–	–	–	–
P Salis	–	–	–	–	–
I Sanchez	–	–	–	–	–
S Shah	–	–	–	523,596	523,596
K Sprott	–	–	–	–	–
TOTAL EXECUTIVES	1,780,996	–	–	523,596	2,304,592
GROUP TOTAL	28,749,727	–	–	694,139	29,443,866

i. Shares purchased or sold, consideration for shareholdings purchased by Group, or excluded from disclosure due to resignation.

The numbers of shares in the Company held (directly, indirectly or beneficially) during the 2008 financial year by Key Management Personnel, including their related parties, are set out below.

2008	Balance at 01/07/07	Received as Compensation	Options exercised	Net Change Other(i)	Balance at 30/06/07
Directors					
J Puttick	7,667,760	–	–	–	7,667,760
D Adams	–	–	–	–	–
A Brackin	169,241	–	–	62,702	231,943
S Lake	3,867,428	–	–	(216,005)	3,651,423
D Shirley	–	–	–	–	–
J Sundell	14,336,053	–	–	1,081,552	15,417,605
GBST ESOP Pty Ltd as trustee(ii)	36,844	–	–	(36,844)	–
TOTAL DIRECTORS	26,077,326	–	–	891,405	26,968,731
Executives					
R De Dominicis	–	–	–	1,780,996	1,780,996
P Fowler	–	–	–	–	–
P Salis	–	–	–	–	–
I Sanchez	–	–	–	–	–
K Sprott	–	–	–	–	–
K Wallis	132,578	–	1,332	(133,910)	–
TOTAL EXECUTIVES	132,578	–	1,332	1,647,086	1,780,996
GROUP TOTAL	26,209,904	–	1,332	2,538,491	28,749,727

i. Shares purchased or sold, consideration for shareholdings purchased by Group, or excluded from disclosure due to resignation.
ii. Shares held as trustee for the ESOP Trust (refer Note 31).

Note 29. Key Management Personnel Disclosures continued

e. Option holdings

The numbers of options in the Company held (directly, indirectly or beneficially) during the financial year by Key Management Personnel, including their related parties, are set out below.

2009	Balance 01/07/08	Granted as Compensation	Options Exercised or Sold	Options Cancelled/ Forfeited	Balance 30/06/09	Total Vested 30/06/09	Total Exercisable 30/06/09	Total Unexercisable 30/06/09
Directors								
J Puttick	–	–	–	–	–	–	–	–
D Adams	–	–	–	–	–	–	–	–
A Brackin	–	–	–	–	–	–	–	–
S Lake	500,000	–	–	–	500,000	–	–	500,000
J Sundell	–	–	–	–	–	–	–	–
TOTAL DIRECTORS	500,000	–	–	–	500,000	–	–	500,000
Executives								
R De Dominicis	–	–	–	–	–	–	–	–
D Orrock	–	–	–	–	–	–	–	–
P Salis	100,000	–	–	–	100,000	–	–	100,000
I Sanchez	–	–	–	–	–	–	–	–
S Shah	–	–	–	–	–	–	–	–
K Sprott	100,000	–	–	(100,000)	–	–	–	–
TOTAL EXECUTIVES	200,000	–	–	(100,000)	100,000	–	–	100,000
GROUP TOTAL	700,000	–	–	(100,000)	600,000	–	–	600,000

The numbers of options in the Company held (directly, indirectly or beneficially) during the financial year by Key Management Personnel, including their related parties, are set out below.

2008	Balance 01/07/07	Granted as Compensation	Options Exercised or Sold	Options Cancelled/ Forfeited	Balance 30/06/08	Total Vested 30/06/08	Total Exercisable 30/06/08	Total Unexercisable 30/06/08
Directors								
J Puttick	–	–	–	–	–	–	–	–
D Adams	–	–	–	–	–	–	–	–
A Brackin	–	–	–	–	–	–	–	–
S Lake	–	500,000	–	–	500,000	–	–	500,000
D Shirley	–	–	–	–	–	–	–	–
J Sundell	–	–	–	–	–	–	–	–
TOTAL DIRECTORS	–	500,000	–	–	500,000	–	–	500,000
Executives								
R De Dominicis	–	–	–	–	–	–	–	–
P Fowler	100,000	100,000	–	(100,000)	100,000	100,000	100,000	–
P Salis	–	100,000	–	–	100,000	–	–	100,000
I Sanchez	–	–	–	–	–	–	–	–
K Sprott	–	100,000	–	–	100,000	–	–	100,000
K Wallis	1,332	120,000	(1,332)	(120,000)	–	–	–	–
TOTAL EXECUTIVES	101,332	420,000	(1,332)	(220,000)	300,000	100,000	100,000	200,000
GROUP TOTAL	101,332	920,000	(1,332)	(220,000)	800,000	100,000	100,000	700,000

Note 30. Related Party Transactions

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

a. Transactions with Directors and Key Management Personnel

Compensation and equity interests are set out in Note 29 and the Remuneration Report.

	GBST GROUP		GBST HOLDINGS	
	2009 $	2008 $	**2009 $**	2008 $
Occupancy fees paid to entities of which Mr R De Dominicis has a beneficial interest.	285,216	299,554	–	–
Maximum deferred consideration payable on InfoComp acquisition to Mr R De Dominicis and associates.	250,000	250,000	–	–
Interest paid on a loan to an entity of which Mr J Sundell is a Director.	599,580	–	599,580	–
Maximum deferred consideration payable on Coexis acquisition to Mr S Shah and associates. 255,861 ordinary shares are to be issued.	350,715	–	350,715	–

b. Transactions with Controlled Entities

Details of transactions & balances with controlled entities are set out in Notes 2, 3, 7, 13 and 23.

c. A loan existed at 30 June 2009 with Crown Financial Pty Ltd, of which Mr Sundell is a Director

Refer to further discussion at Note 14.

Note 31. Share Based Payments

On 9 March 2005, GBST established the GBST Employee Option Plan. The plan comprised two sub-schemes, being an Exempt Options Scheme for staff generally and a Deferred Options Scheme for select staff and eligible Directors. During the 2008 financial year two further schemes were established, an Exempt Shares Plan and a Zero Exercise Price Option Scheme. A total of 671,363 (2008: 1,002,178) share options remain outstanding at 30 June 2009 under these schemes.

GBST ESOP Pty Ltd, in its capacity as trustee of the GBST Employee Share Trust, held shares in GBST for subsequent allocation under the GBST Employee Option Plan. GBST ESOP Pty Ltd held nil shares in GBST at 30 June 2009 (2008: nil). During the year ended 30 June 2009, nil (2008: 36,844) shares were issued from the trust to meet the exercise of employee options. The Trust was treated as a special purpose entity and consolidated. The trust's shareholding in the Company has been disclosed as treasury shares and deducted from equity.

Exempt Options Scheme

Under this Scheme employees were offered the right to acquire $1,000 worth of shares in GBST. There was no performance or vesting criteria which needed to be satisfied before employees had the benefit from holding the share options.

Divestiture of the shares is restricted for a period of 3 years, subject to cessation of employment. No share options were granted during the year under this scheme (2008: nil), and 22,644 share options (2008: 23,976) remain outstanding at 30 June 2009. The options lapse on 8 March 2010.

Deferred Options Scheme

Under this Scheme select staff are made individual offers of specific numbers of share options at the discretion of the Board. The Board may determine the number of share options, issue price, vesting conditions, vesting period, exercise price and expiry date. Share options may be granted at any time, subject to the Corporations Act and ASX Listing Rules.

In the 2008 financial year there were four separate issues of options outstanding under this scheme, and a total of 400,000 options were outstanding. During the year in respect three of those issues, 200,000 options lapsed due cessation of employment and 100,000 options lapsed as they were unexercised by 19 July 2008. The status of the other issue under this scheme at 30 June 2009 is as follows:

On 24 October 2007, 100,000 options were issued to select Executive employees. The exercise price for each option is $3.92.

Note 31. Share Based Payments continued

These deferred options are divided into three tranches. The first tranche of 20% vest and may be exercised after 12 months and lapse if unexercised in 36 months. The second tranche of 30% vest and may be exercised after 24 months and lapse if unexercised in 48 months. The third tranche of 50% vest and may be exercised after 36 months and lapse if unexercised after 60 months. On cessation of employment all unvested options lapse.

In addition to continuity of employment, the vesting of options is conditional upon the Company's financial growth rate exceeding certain thresholds.

Executive Options

The shareholders of the Company at the 2007 Annual General Meeting approved the issue of 500,000 options to the Company's Chief Executive Officer and this occurred on 19 December 2007. The exercise price for each option is $3.85. The options vest 18 months after the date of grant. The options have a term of 24 months from the date of grant. On cessation of employment all unvested options lapse.

The Executive options are subject to financial performance measures being met.

Exempt Shares Plan

Under this Plan employees were offered $1,000 worth of ordinary shares. There was no payment or performance criteria that was required to be met prior to receiving the shares. Divestiture of the shares is restricted to the earlier of 3 years from the date of issue of the shares and cessation of employment. 27,432 shares were issued under the exempt scheme. At the Company's 2007 Annual General Meeting the issue of these shares was ratified and the exempt employee share plan was approved by shareholders.

Employee Share Option Plan Zero Exercise Price Option Scheme

Under this scheme select staff are made individual offers of specific numbers of share options at the discretion of the Board. There is no price to be paid to exercise the options and convert the options into shares but the options cannot be exercised until continuity of employment tests have been passed.

85,894 Zero exercise price options (ZEPOs) were granted on 20 July 2007. At the beginning of the year there were a total of 78,202 options were outstanding. The ZEPOs are divided into three tranches. The first tranche of 20% vest and may be exercised after 12 months and lapse if unexercised in 36 months. The second tranche of 30% vest and may be exercised after 24 months and lapse if unexercised in 48 months. The third tranche of 50% vest and may be exercised after 36 months and lapse if unexercised after 60 months. During the year 13,842 options were exercised, 15,641 options were forfeited and 48,719 options remain outstanding at balance date. On cessation of employment all unvested options lapse.

At the Company's 2007 Annual General Meeting the issue of these ZEPOs was ratified and the Employee Share Option Plan Zero Exercise Price Option Scheme was approved by shareholders.

Note 31. Share Based Payments continued

Employee Share Option Plan Zero Exercise Price Option Scheme continued

The performance criteria associated with each grant of share options outstanding made under the Deferred Options Scheme is summarised below:

	PERFORMANCE CRITERIA	
Grant Date	**Continued Employment until**	**Financial Performance hurdle**
24 October 2007 Tranche 1 (20%)*	24 October 2008	If normalised EPS CAGR for 2008 compared to 2007 is: • Less than 10%: no options vest • Equal to 10%: 33.33% of options vest • Greater than 10% but less than 20%: pro rated vesting between 33.33% and 100% • Equal to or greater than 20%: 100% vesting.
Tranche 2 (30%)*	24 October 2009	If normalised EPS CAGR for the combined 2008 and 2009, compared to 2007 is: • Less than 10%: no options vest • Equal to 10%: 33.33% of options vest • Greater than 10% but less than 20%: pro rated vesting between 33.33% and 100% • Equal to or greater than 20%: 100% vesting.
Tranche 3 (50%)*	24 October 2010	If normalised EPS CAGR for the combined 2008, 2009 and 2010, compared to 2007 is: • Less than 10%: no options vest • Equal to 10%: 33.33% of options vest • Greater than 10% but less than 20%: pro rated vesting between 33.33% and 100% • Equal to or greater than 20%: 100% vesting.
19 December 2007	19 June 2009	The Company's financial performance in the financial year ending 30 June 2008 is when measured at the Earnings per Share level 20% greater in the financial year ending 30 June 2008 when compared to the financial year ending 30 June 2007.

* If the performance condition for Tranche 1 is not met at the first exercise date, then 50% of those options lapse and 50% are rolled into Tranche 2. If the performance condition for Tranche 2 is not met at the first exercise date for Tranche 2, then 50% of those options lapse and 50% are rolled into Tranche 3. If the performance condition for Tranche 3 is not met at the first exercise date for Tranche 3, then all remaining options will lapse.

EPS = Earnings per share

CAGR = Compound average growth rate

The fair value of the options at the 24 October 2007 grant date is determined using Black-Scholes formula. The model inputs were: the share price $3.92, the exercise price of $3.92, expected volatility of 33 percent, expected dividends of 2.9 percent, a term of three years and a risk-free interest rate of 6.59 percent.

The fair value of the options at the 19 December 2007 grant date is determined using Black-Scholes formula. The model inputs were: the share price $3.92, the exercise price of $3.85, expected volatility of 33 percent, expected dividends of 3.4 percent, a term of two years and a risk-free interest rate of 6.76 percent.

The following table illustrates the number (No.), weighted average exercise price (WAEP) and movement in share options under these schemes issued during the period.

	Jun 2009 No.	**Jun 2009 WAEP**	Jun 2008 No.	Jun 2008 WAEP
Outstanding at the beginning of the period	1,002,178	$3.21	481,376	$0.92
Granted during the period	–	–	1,205,894	$3.60
Forfeited during the period	215,641	$3.58	327,692	$3.83
Exercised during the period	15,174	$0.00	357,400	$0.88
Expired during the period	100,000	$1.25	–	–
Outstanding at the end of the period	671,363	$3.45	1,002,178	$3.21
Exercisable at the end of the period	24,181	$0.08	123,976	$1.01

Note 31. Share Based Payments continued

Employee Share Option Plan Zero Exercise Price Option Scheme continued

The options outstanding at 30 June 2009 had a weighted average exercise price of 8 cents and a weighted average remaining contractual life of 8 months. The exercise price for share options outstanding under the Exempt and Zero Exercise Price Options Schemes is nil, the exercise prices for share options outstanding under the Deferred Options Scheme and Executive Scheme is $3.85 to $3.92 in respect of options outstanding at 30 June 2009.

The expense recognised in the income statement in relation to share-based payments is disclosed in Note 3.

No person entitled to exercise any option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Note 32. Earnings per share

	GBST GROUP	
	2009	2008
Basic earnings per share (cents)	3.90	12.44
Diluted earnings per share (cents)	3.90	12.37

	GBST GROUP	
	2009 $'000	2008 $'000
a. Reconciliation of earnings to Net Profit or Loss		
Net Profit	2,129	6,132
Earnings used in the calculation of basic EPS	2,129	6,132
Earnings used in the calculation of dilutive EPS	2,129	6,132
b. Weighted average number of ordinary shares		
Weighted average number of ordinary shares outstanding during the year used in calculation of basic EPS	54,535,390	49,308,236
Weighted average number of options outstanding or exercised during the year[i]	67,455	268,810
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING DURING THE YEAR USED IN CALCULATION OF DILUTIVE EPS	54,602,845	49,577,046

i. Options issued under the GBST Employee Option Plan are not included in the basic or dilutive EPS to the extent that the issue of shares is contingent upon future events and, as at reporting date, conditions which would result in the issue of shares had not been obtained (refer to Note 31).

Note 33. Subsequent Events

The financial report was authorised for issue on 28 August 2009 by the Board of Directors.

Since balance date the Group has, concluded the following:

1. The Company entered into an agreement with Crown Financial Pty Ltd on 29 June 2009, to extend the term of the $10.00 million loan facility from January 2010 to February 2012, subject to shareholder approval. This approval was received from the shareholders at an EGM (extraordinary general meeting) held on 21 August 2009 and the revised loan agreement has been executed. The loan's term has been extended in exchange for a call option issued to Crown Financial Pty Ltd to acquire ordinary shares in the Company at a price of 95 cents per share to the maximum value of the loan.
2. The Company completed a capital raising of $4.20 million on the 29 June 2009. The Company received commitments to raise approximately $4.20 million through the issue of 6.50 million shares at an issue price of 65 cents per share, subject to shareholder approval. This approval was also received from the shareholders on 21 August 2009.

   The funds raised from this issue were used to repay debt owed to the National Australia Bank.

3. As part of its capital raising initiative the Company also announced on 3 July 2009 a Share Purchase Plan (SPP). GBST raised $813 thousand following the issue of 1.25 million ordinary shares at 65 cents each.

   The funds raised from this issue were also used to repay debt owed to the National Australia Bank.

Other than for the impact (if any) of the prospects referred to in the commentary above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect operations of GBST, the results of those operations, or the state of affairs of GBST in future financial years.

Note 34. Change in Accounting Policy

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied preparing this financial report:

- Revised AASB 3 *Business Combinations* (2008) incorporates the following changes that are likely to be relevant to the Group's operations:
  - The definition of a business has been broadened, which is likely to result in more acquisitions being treated as business combinations
  - Contingent consideration will be measured at fair value, with subsequent changes therein recognised in profit or loss
  - Transaction costs, other than share and debt issue costs, will be expensed as incurred
  - Any pre-existing interest in the acquiree will be measured at fair value with the gain or loss recognised in profit or loss
  - Any non-controlling (minority) interest will be measured at either fair value, or at its proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis. Revised AASB 3, which becomes mandatory for the Group's 30 June 2010 financial statements, will be applied prospectively and therefore there will be no impact on prior periods in the Group's 2010 consolidated financial statement.
- Amended AASB 127 *Consolidated and Separate Financial Statements* (2008) requires accounting for changes in ownership interests by the Group in a subsidiary, while maintaining control, to be recognised as an equity transaction. When the Group loses control of subsidiary, any interest retained in the former subsidiary will be measured at fair value with the gain or loss recognised in profit or loss. The amendments to AASB 127, which become mandatory for the Group's 30 June 2010 financial statements, are not expected to have a significant impact on the consolidated financial statements.
- AASB 8 *Operating Segments* introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Group's 30 June 2010 financial statements, will require a change in the presentation on and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Group presents segment information in respect of its business and geographical segments (see Note 26). The Group has not yet determined the potential effect of the new standard on the Group's disclosures.
- Revised AASB 101 *Presentation of Financial Statements* (2007) introduces the term total comprehensive income, which represents changes in equity during a period other than those changes resulting from transactions with owners in their capacity as owners. Total comprehensive income may be presented in either a single statement of comprehensive income (effectively combining both the income statement and all non-owner changes in equity in a single statement) or, in an income statement and a separate statement of comprehensive income. Revised AASB 101, which becomes mandatory for the Group's 30 June 2010 financial statements, is expected to have a

significant impact on the presentation of the consolidated financial statements. The Group plans to provide total comprehensive income in a single statement for its 2010 consolidated financial statements.

- Revised AASB 123 *Borrowing Costs* removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the Group's 30 June 2010 financial statements and will constitute a change in accounting policy for the Group. In accordance with the transitional provisions the Group will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. Therefore there will be no impact on prior periods in the Group's 30 June 2010 financial statements.
- AASB 2008-1 *Amendments to Australian Accounting Standard – Share-based Payment: Vesting Conditions and Cancellations* clarifies the definition of vesting conditions, introduces the concept of non-vesting conditions, requires non-vesting conditions to be reflected in grant-date fair value and provides the accounting treatment for non-vesting conditions and cancellations. The amendments to AASB 2 will be mandatory for the Group's 30 June 2010 financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment.
- AASB 2008-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Process and 2008-6 Further Amendments to Australian Accounting Standards arising from The Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.
- AASB 2008-7 *Amendments to Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate* changes the recognition and measurement dividend receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statements. The amendments become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the amendments.
- AASB 2008-8 *Amendments to Australian Accounting Standard – Eligible Hedged Items* clarifies the effect of using options as hedging instruments and the circumstances in which inflation risk can be hedged. The amendments become mandatory for the Group's 30 June 2010 financial statements, with retrospective application. The Group has not yet determined the potential effect of the amendment.
- AI 16 *Hedges of a Net Investment in a Foreign Operation* clarifies that net investment hedging can only be applied when the net assets of the foreign operation are recognised in the entity's consolidated financial statements. AI 16 will become mandatory for the Group's 30 June 2010 financial statements. The Group has not yet determined the potential effect of the Interpretation.
- AI 17 *Distributions of Non-Cash Assets to Owners* provides guidance in respect of measuring the value of distributions of non-cash assets to owners. AI 17 will become mandatory for the Group's 30 June 2010 consolidated financial statements. The Group has not yet determined the potential effect of the Interpretation.
- AI 18 *Transfers of Assets from Customers* provides guidance on the accounting for contributions from customers in the form of transfers of property, plant and equipment (or cash to acquire or construct it). AI 18 will become mandatory for the Group's 30 June 2010 consolidated financial statements. The Group has not yet determined the potential effect of the Interpretation.

Note 35. Company Details

The registered office of the Company is:

GBST Holdings Limited
c/- McCullough Robertson
Level 11, Central Plaza Two
66 Eagle Street
BRISBANE QLD 4000

The Group's principal places of business are:

5 Cribb Street
MILTON QLD 4064

Suite 1, Level 26
259 George Street
SYDNEY NSW 2000

Level 2
63 Market Street
WOLLONGONG NSW 2530

Second Floor (Right)
Victoria House
64 Paul Street
LONDON EC2A 4NA

KPMG

Independent auditor's report to the members of GBST Holdings Limited

Report on the financial report

We have audited the accompanying financial report of GBST Holdings Limited (the company), which comprises the balance sheets as at 30 June 2009, and the income statements, statements of changes in equity and cash flow statements for the year ended on that date, a description of significant accounting policies and other explanatory notes 1 to 35 and the directors' declaration set out on pages 28 to 84 of the Group 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 Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control 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, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control 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 control. 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 performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's and the Group's financial position and of their performance.

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

KPMG

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of GBST Holdings Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's and the Group's financial position as at 30 June 2009 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.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Report on the remuneration report

We have audited the Remuneration Report included on pages 17 to 25 of the directors' report for the year ended 30 June 2009. 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 auditing standards.

Auditor's opinion

In our opinion, the remuneration report of GBST Holdings Limited for the year ended 30 June 2009, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Chris Hollis
Partner

Sydney

28 August 2009

Additional Information

Shareholding Information as at 1 September 2009

a. Distribution of Shareholders

Category (size of holding)	Number ordinary
1 to 1,000	241
1,001 to 5,000	307
5,001 to 10,000	149
10,001 to 100,000	187
100,001 and over	50
TOTAL	934

b. The number of shareholdings in less than marketable parcels is 189

c. The names of the substantial shareholders listed in the company's register are:

Shareholder	Number ordinary
Crown Financial Pty Ltd	16,264,148
Perpetual Limited	9,075,430
John Francis Puttick	7,667,760
Stephen Lake	3,567,428

d. Voting rights

The company only has ordinary shares on issue. There are 65,569,319 ordinary shares on issue.

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

e. 20 Largest Shareholders – Ordinary Shares

Name	No of ordinary shares	% Held of Issued Ordinary Capital
1. CROWN FINANCIAL PTY LTD	14,754,464	22.50%
2. RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	5,024,266	7.66%
3. JOHN F PUTTICK	4,771,020	7.28%
4. STEPHEN MAURICE LINTON LAKE	3,562,428	5.43%
5. NATIONAL NOMINEES LIMITED	3,221,610	4.91%
6. RBC DEXIA INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED	3,103,927	4.73%
7. DEKACROFT PTY LTD	2,536,740	3.87%
8. TERENCE JOHN WILLIAMS	2,297,919	3.50%
9. SMITH HAMILTON LIMITED	2,045,471	3.12%
10. MR JOAKIM SUNDELL + MRS SHARA SUNDELL	1,563,462	2.38%
11. J P MORGAN NOMINEES AUSTRALIA LIMITED	897,237	1.37%
12. BARRY BECAREVIC	872,408	1.33%
13. HANK UBEROI	865,706	1.32%
14. THREE CROWNS INVESTMENTS PTY LIMITED	863,684	1.32%
15. BERISLAV BECAREVIC + IVANKA BECAREVIC	751,553	1.15%
16. MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	725,000	1.11%
17. KEY IP LTD	720,321	1.10%
18. ROBERT DEDOMINICIS	707,839	1.08%
19. RAYMOND TUBMAN	707,839	1.08%
20. TIMENOW PTY LTD	703,594	1.07%

Corporate Directory

Registered Office

c/- McCullough Robertson, Lawyers
Level 11, Central Plaza Two
66 Eagle Street
BRISBANE QLD 4000

Ph 07 3233 8888
Fax 07 3229 9949

Principal Place of Business

5 Cribb Street
MILTON QLD 4064

Ph 07 3331 5555
Fax 07 3367 0181

www.gbst.com

Postal Address

PO Box 1511
MILTON QLD 4064

Directors

John Francis Puttick
Stephen Maurice Linton Lake
Joakim James Sundell
Allan James Brackin
David Campbell Adams

Company Secretary

David Michael Doyle

Share Registry

Link Market Services
Level 19, 324 Queen Street
BRISBANE QLD 4000

Ph 02 8280 7454

Stock Exchange Listing

GBST Holdings Limited shares are quoted on the Australian Stock Exchange under the code GBT.

Voluntary Restrictions

Details of shares that are held in voluntary escrow:

Ordinary fully paid shares escrowed until 1 October 2009	171,939
Ordinary fully paid shares escrowed until 9 December 2009	3,668,004
Ordinary fully paid shares escrowed until 31 August 2010	1,645,061
Ordinary fully paid shares escrowed until 9 December 2010	3,668,003

Unquoted Securities

A total of 656,233 options are on issue to 49 employees under the GBST Holdings Limited Employee Option Plan. 10,526,316 options are on issue to Crown Financial Pty Ltd.

Auditors

KPMG
10 Shelley St
SYDNEY NSW 2000

Ph 02 9335 7000
Fax 02 9335 7001

www.gbst.com

Designed and produced by FCR