DWS
Excellence

ANNUAL REPORT 2018

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BUSINESS PROFILE

DWS Limited (DWS) is a leading Australian IT services Group, delivering excellence and innovation in our IT solutions since 1992. Following the acquisition of Projects Assured, a leading Strategic Management and IT Consulting business based in Canberra, DWS has in excess of 800 employees with offices in Melbourne, Sydney, Adelaide, Brisbane and Canberra, providing services to a broad range of blue-chip corporate clients and State and Federal Government agencies. DWS provides a wide ranging and flexible suite of services including IT Consulting Services, Digital Solutions, Business Analytics, Strategic Sourcing and Productivity Services, Managed Application Services and Robotics Process Automation.

CORPORATE DIRECTION

The DWS Group strives to be our clients' premier innovation, business and technology partner. We achieve this by consistently delivering excellent outcomes that make us the first choice for our clients. We understand our clients' businesses are dynamic and we are responding with a comprehensive offering of 'new world' solutions designed to meet their needs.

CHAIRMAN'S REPORT

DWS has put in place a strategy that will see DWS continue to be a leading Australian IT Services Group with a wide range of services that evolve and adapt to meet the needs of our clients.

To the DWS Shareholders

2018 has been another year of change for the DWS Group as we adapted to changing market conditions. During the year, the Board worked with the Executive Management Team to review the DWS Group's operations and to put in place a strategy that will see DWS continue to be a leading Australian IT Services Group. To that end, the Board was pleased to announce in June 2018 the acquisition of Projects Assured, a leading Strategic Management and IT Consulting business based in Canberra.

The acquisition of Projects Assured diversifies the DWS Group earnings, significantly expands our foot print in Canberra and increases our exposure to Federal Government and other Canberra based clients. Continuing on from the prior acquisitions of Symplicit and Phoenix, the acquisition of Projects Assured expands the range of services the DWS Group can offer to our clients. The number of consultants employed by the DWS Group nationally now exceeds 800.

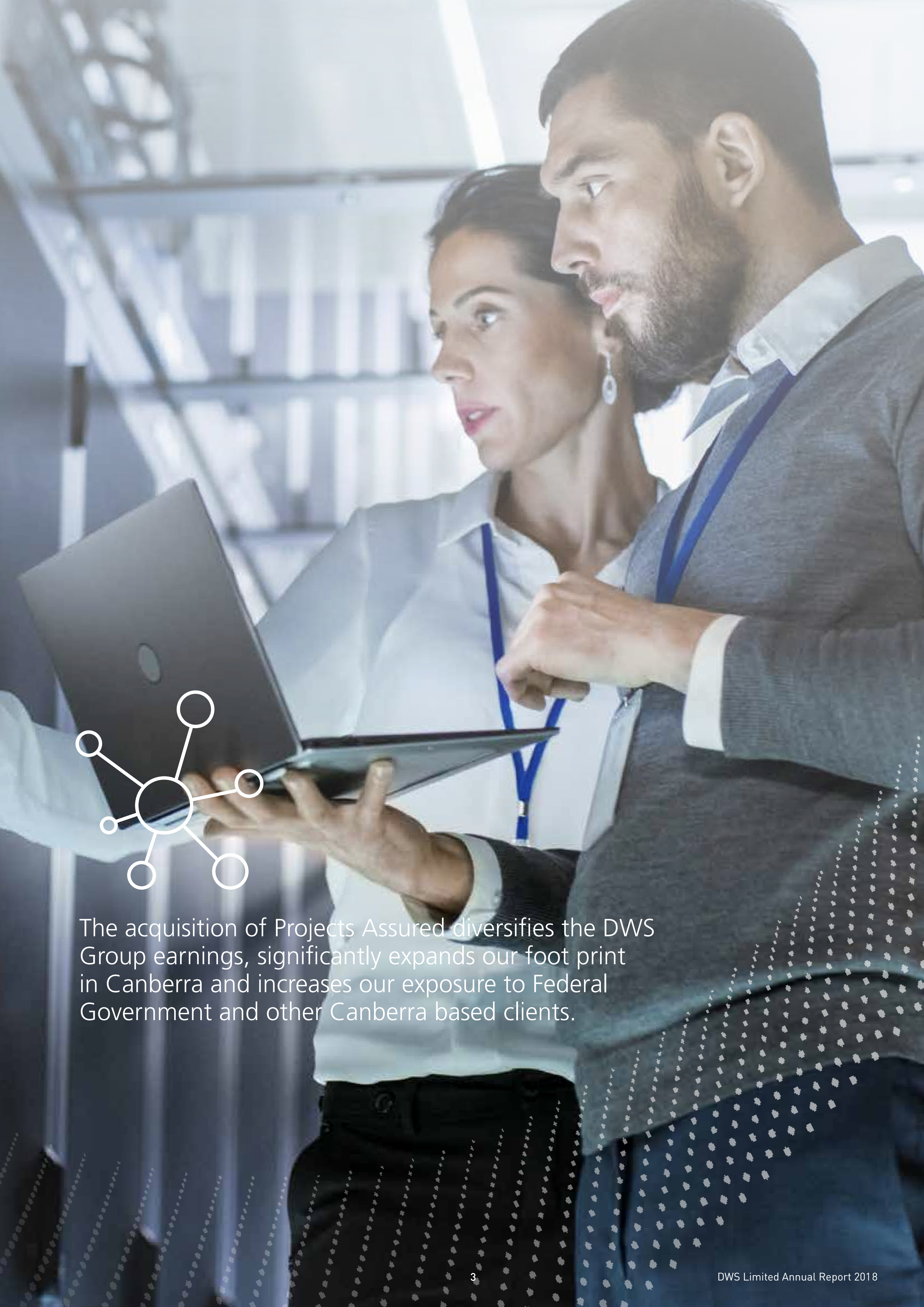
Once again DWS has delivered strong financial discipline during the 2018 financial year. The financial performance of the DWS Group further strengthened the Group's balance sheet with gross debt reduced from $15 million as at 30 June 2017 to $10 million as at 30 June 2018 and net debt reduced from $4.13 million as at 30 June 2017 to $1.87 million as at 30 June 2018. This has enabled the Board of Directors to declare fully franked dividends of $0.10 cents per share for the year ended 30 June 2018 providing consistency in the level of dividends paid by DWS and matching the level of dividends paid for the year ended 30 June 2017.

In the absence of M&A activity or other appropriate investments, DWS will aim to maintain current levels of dividends and to pay down bank debt with the surplus cash generated over and above that required to pay dividends. The DWS Limited Board is committed to working with the DWS Executive Management Team to ensure the DWS operations grow both organically and through appropriate acquisitions and to ensure that they continue to match our clients' needs and provide a challenging and rewarding career for our staff.

As in prior years, I would like to thank the DWS shareholders for supporting the DWS Group. We are grateful for the loyalty of our shareholders and we look forward to sharing the next exciting chapter of DWS with you. In addition, I would like to thank our clients, my fellow directors, the DWS Executive Management Team and our staff who continue to amaze and impress with their dedication and commitment to ensuring that the DWS Group is well placed for a successful future.

Dated 17 September 2018

Martin Ralston
Non-Executive Chairman



The acquisition of Projects Assured diversifies the DWS Group earnings, significantly expands our foot print in Canberra and increases our exposure to Federal Government and other Canberra based clients.

CEO & MANAGING DIRECTOR'S REPORT

In 2018, DWS continued to execute its successful operating model and to focus on a growth strategy of depth and breadth. In addition to the introduction of new services such as Robotics Process Automation (RPA), DWS expanded operations in Canberra with the successful acquisition of Projects Assured a leading Strategic Management and IT Consulting business.

2018 was a challenging year for the DWS Group. With a tight labour market for IT consultants and clients looking to manage and reduce IT costs, DWS focused on managing its IT consultant community to meet client demand and to protect margins. As a consequence, revenue fell from $137.4 million in 2017 to $126.1 million in 2018 and EBITDA decreased from $26.2 million to $22.8 million. NPAT decreased from $17.39 million to $15.92 million.

DWS finished the year with approximately 700 consultants as we managed staffing levels to maintain productivity and match client demand. With the acquisition of Projects Assured, consultants exceeded 800 and we will look to maintain and increase consultant numbers during 2019 subject to client demand and industry conditions.

Strong financial discipline saw DWS continue to pay down the acquisition debt taken on to fund the acquisitions of Symplicit and Phoenix with a further $5.0 million repaid during 2018. As a result, net debt as at 30 June 2018 was reduced to $1.87 million and DWS was able to pay dividends of approximately $13.2 million ($0.10 per share) during the period and to debt fund the acquisition of Projects Assured which is forecast to deliver Earnings Per Share (EPS) accretion in the first year following the acquisition in excess of 3.5 cents (after funding costs).

The Australian IT industry continues to evolve with strong demand for customer led innovation and digital design services supplementing demand for more traditional IT services. DWS continues to be well placed to be the partner of choice for many Australian based businesses looking for digital IT strategies and traditional IT services and we are continually reviewing our services to ensure we are keeping up with market trends and meeting client demand. To that end, to ensure that DWS continues to have a successful and relevant operating model, DWS has started a Robotic Process Automation ("RPA") practice and is working on a potential new licenced product to supplement our successful automated forms product, iApply. With our acquisition of Projects Assured, DWS has diversified earnings to ensure DWS continues to be financially successful and returns to shareholders are maintained.

Once again, I would like to thank our clients for their continued support and for choosing DWS as their partner of choice. I would also like to thank our staff for their commitment and hard work during 2018. DWS continues to be well placed to meet the needs of its clients and to provide a challenging and rewarding career for our staff. The DWS Executive Team is committed to maintaining DWS's position as a leading Australian IT Services Group and to ensuring the DWS business model continues to be successful and financially resilient.

Dated: 17 September 2018

Danny Wallis
CEO & Managing Director

In 2019, the DWS Executive Team will continue to review, adapt and evolve the DWS Group operating model to meet client demand, to provide opportunities and a long-term career for DWS employees and to ensure a successful and financially resilient business model.

YEAR IN REVIEW

Total Revenue From Continuing Operations

2018

$126.10M

$137.44M 2017	$144.49M 2016
$94.63M 2015	$94.40M 2014

EBITDA

2018

$22.86M

$26.99M 2017	$25.81M 2016
$15.87M 2015	$18.21M 2014

Evolving and adapting to the Market

For over 25 years DWS has been providing clients with high-quality IT services. As the IT industry continues to evolve and the growing demand for digital strategies increases, DWS has positioned itself to be a strategic innovation partner for its clients. DWS is maintaining its operational focus coupled with strong financial discipline which will enable DWS to continually deliver high-quality IT services in 2019 and beyond. Where appropriate, DWS has undertaken earnings accretive acquisitions to diversify earnings and increase the range of services it offers its clients.

The Operating Environment

FY18 was a challenging year with a focus on costs by clients putting pressure on margins. Client demand increased in H2 FY18 across all States and Territories that DWS operates in with continued demand for customer-centred design and digital services from Symplicit and the broader DWS Group. The industry remains highly competitive with customers putting downward pressure on rates as they refresh contracts. To offset downward pressure on rates, DWS will look to increase employee numbers and to increase scale of operations as well as focussing on areas of IT in high demand such as digital services and Robotic Process Automation (“RPA”).

Moving Forward

DWS will continue to leverage its enhanced service offering to meet the demand of its existing and new clients. DWS’s growth strategy will be realised through the expansion of its suite of integrated solutions and service offerings and successfully growing its footprint in digital and in State and Federal Government following the acquisition of Projects Assured. DWS will continue to provide a positive and inspiring environment for our employees while maintaining a strong focus on quality and being our clients’ partner of choice.

DWS continues to evolve and to adapt to the Australian IT industry conditions and to deliver high quality, cost effective solutions for our clients.

Financial Highlights

	2014	2015	2016	2017	2018
Revenue ($ million)	94.40	94.63	144.49	137.44	126.10
NPAT ($ million)	12.90	10.40	16.79	17.39	15.92
Operating cash flow (before interest and tax) ($ million)	24.74	15.17	23.92	32.83	21.71
Earnings per share (cents)	9.74	7.87	12.74	13.19	12.07
Cash balance ($ million)	16.45	10.37	10.16	10.87	8.13
Net assets ($ million)	60.36	59.62	65.20	69.41	72.15
Total dividend attributable to the year (cents)	8.75	7.50	9.75	10.00	10.00

REVENUE

$126.10M

DOWN 8.3%

NPAT

$15.92M

DOWN 8.5%

UNDERLYING EBITDA

$22.86M

DOWN 15.3%

DIVIDENDS PER SHARE

10.00¢

TOTAL EARNINGS PER SHARE

12.07¢

CASH AT BANK

$8.13M

PROJECTS ASSURED ACQUISITION

To ensure the success and growth of the DWS Group, DWS continually reviews and adapts its service offering to ensure a viable and resilient business model is achieved. To this end, DWS has identified three key areas as part of its Growth Strategy. The first area for growth is an increase in scale of existing and traditional IT services. To offset downward pressure on rates, DWS will look to increase employee numbers and to increase the scale of operations in traditional IT services. Secondly, DWS will focus on services and industry sectors where there is high demand for digital and strategic management services. Thirdly, DWS will look to diversify earnings by introducing new services such as Robotic Process Automation (RPA) and making earnings accretive acquisitions such as the acquisition of Projects Assured.

The recent acquisition of Projects Assured is expected to provide DWS with the following key benefits:

- A leading and growing Canberra based Strategic Management and IT Consulting business with an established brand and key Federal Government and other Canberra based clients;
- An experienced Canberra based leadership team committed to growing the Projects Assured business within the DWS Limited Group; and
- The opportunity to diversify the DWS Limited Group earnings and increase exposure to Canberra based and Federal Government clients.

DWS is excited by the addition of the Projects Assured business to the DWS Group and will continue to look for other earnings accretive acquisitions that will enhance the services offered to DWS clients and further diversify the earnings of the DWS Group.

IT CONSULTING SERVICES

DWS is one of Australia's leading IT services groups and has been delivering end-to-end IT solutions for over 25 years. During 2018, the DWS Group has built on its strengths, particularly in the banking and finance, IT&C, and Government and utilities sectors.

The Australian IT services industry continues to be competitive. The quality of IT specialists in the DWS Group and the unique DWS delivery model are both highly regarded and ensure that DWS retains its long-term customers as well as winning new work against its peers in the industry.

DWS projects of note during FY18 included:

- working with one of Australia's leading logistics organisations to conduct a review of their parcel delivery system which identified improvement opportunities in their processes which if remedied would increase the expediency of delivery to customers. DWS analysed and identified improvements and is continuing to deliver enhancements to four separate systems across web-based portals, data centres, cloud platforms and real-time dashboards to ensure stability of the logistics service prior to the commencement of the peak parcel processing period;
- working with a major utilities company to integrate an enterprise self-service portal for its customers. Symplicit undertook behavioural observations, research and concept testing to help guide and scope the priorities of the project whilst also creating a feasible portal interface design. This work resulted in the delivery of a service desk portal that gave staff confidence, control and a consistent experience, clear and simple user interfaces for customers and a significant improvement of portal requests through user-centred change activities; and
- partnering with a major travel group to support their $30m transition program of core operations systems which included assisting with the strategy, planning and deployment to over 1,000 stores. Through focussing on program outcomes and proactively providing the right delivery approach, the client now has a world leading system that has dramatically improved both the customer experience and sales consultant productivity which is able to quickly be adapted to a changing business landscape and take advantage of new opportunities.

Revenue by Industry Sector

BANKING & FINANCE	GOVT & DEFENCE	FMCG & RETAIL	HEALTHCARE
44%	14%	2%	1%
2017: 40%	2017: 13%	2017: 3%	2017: 2%

IT&C	UTILITIES	TRANSPORT	OTHER
20%	7%	5%	7%
2017: 21%	2017: 12%	2017: 5%	2017: 5%

Delivering Critical Business Solutions at Scale

Client Issue

The Chubb Group of Insurance companies operates in 54 countries, with approximately 30,000 employees worldwide and is the largest publicly traded property and casualty insurer.

With an objective of offering superior insurance products to the market, Chubb Australia (CHUBB) recognised an opportunity to gain significant business benefits through a new core insurance platform; one that would provide a flexible, responsive foundation for policy administration and underwriting workflow automation for key product offerings.

DWS Solution

CHUBB engaged DWS to recover a flagging in-flight project, then to continue to build a service-oriented architecture platform that would allow CHUBB to invest incrementally in adding and improving business functionality over time. This was a major undertaking involving co-ordination across multiple countries, with a core team of DWS personnel working closely with CHUBB Executives, IT, and Business representatives. DWS worked hand-in-hand with CHUBB to develop the solution and to progressively roll the solution out over multiple releases throughout 2017 and in to 2018.

Having established a strong delivery track record with CHUBB, DWS was also engaged to provide application support and maintenance services for the newly-deployed solution, as well as being asked to take on support for a major legacy application being used in 6 countries.

The DWS-CHUBB relationship is based on a foundation of effective delivery performance and trust and continues to grow in partnership with the engagement model evolving around our respective organisational strengths.

Client Benefits

The benefits that CHUBB has been able to derive from the successful completion of this project include:

- Delivery of a modern, sophisticated underwriting platform;
- Improved business efficiencies achieved via high levels of automation across business processes;
- Improved operational reporting & status tracking capability; and
- Direct business-to-business (B2B) integration with their broker systems.

"Our Personal Lines division have an extremely sophisticated application going live, which will have material business benefits to the organisation.

The president of the APAC region has just called me to express his personal thanks for a job well done, and I've made it clear that this has been a team effort all-round and that DWS has been a significant contributor.

On behalf of Chubb, please thank the whole DWS team."

Russell Hodey – Asia Pacific Strategic Delivery Manager

Delivering Customer Centred Design and business critical technology solutions

Client Issue

A multinational oil and gas company went to market seeking a solution to their current online application portal which enabled prospective businesses to apply for and obtain fleet cards to assist with the management of fleet operations.

The client's goal was an improved customer experience whilst at the same time decreasing the time from application to approval as the current process could be in excess of 30 days with numerous interactions from various internal departments.

DWS & Symplicit Solution

A multi-disciplinary team made up of DWS and Symplicit employees was engaged to understand the current state of the application process and benchmark against other best practice online applications. Furthermore, the team was tasked with the design and build of an MVP (Minimum Viable Product) prototype in order to validate the proposed solution prior to final delivery and the implementation of an online automated application process using DWS's iApply product.

With multiple stakeholder groups, establishing a clear communication protocol was essential to ensure project success. With the provision of dedicated DWS and Symplicit resources, the project ran smoothly with all stakeholder groups having input into the final build. The project manager also helped the stakeholders to understand the technology to support the complex business requirements.

Symplicit worked with 8 different third party providers to streamline the online application process and automate a previously manual process. DWS and Symplicit were able to provide a highly automated solution and supplied a key integration between the client's customers and the backend data sources that drive the business.

Client Benefits

The benefits that the client has been able to derive from the successful completion of this project include:

- A significantly enhanced customer experience through a highly automated online application form;
- A reduction of the time to deliver fleet cards to customers and a reduced administrative burden on the business;
- The delivery of a technology solution that allows integration of third party providers to automate previously manual processes; and
- Allowing for a staged approach to project development assisting the client to manage the scalability of the project.

End-to-end training platform

Client Issue

One of Australia's largest specialist medical colleges that is responsible for the training, examination and specialist accreditation of medical professionals was going through a transformation of its training requirements and required several changes to its current IT systems that monitored each trainees progress towards meeting their training requirements.

DWS Solution

DWS consultants worked onsite in a blended team whilst engaging closely with the client. The team held workshops with the client's key stakeholders and the outcome was to design and test the useability of various dashboards that graphically summarised a trainee's progress in a way that enables the client to track and monitor progress of trainees and ensure that the professional standards of the client are upheld via the training programs.

Client Benefits

Having a blend of experienced and skilled resources on the client's site facilitated communication and allowed immediate feedback between DWS and the client enabling the required changes to the systems to represent the needs of the client. With the new graphical dashboards and enhanced systems, the client's trainees and supervisors are able to quickly assess progress and plan future training and patient care.

EXECUTIVE MANAGEMENT TEAM

Danny Wallis

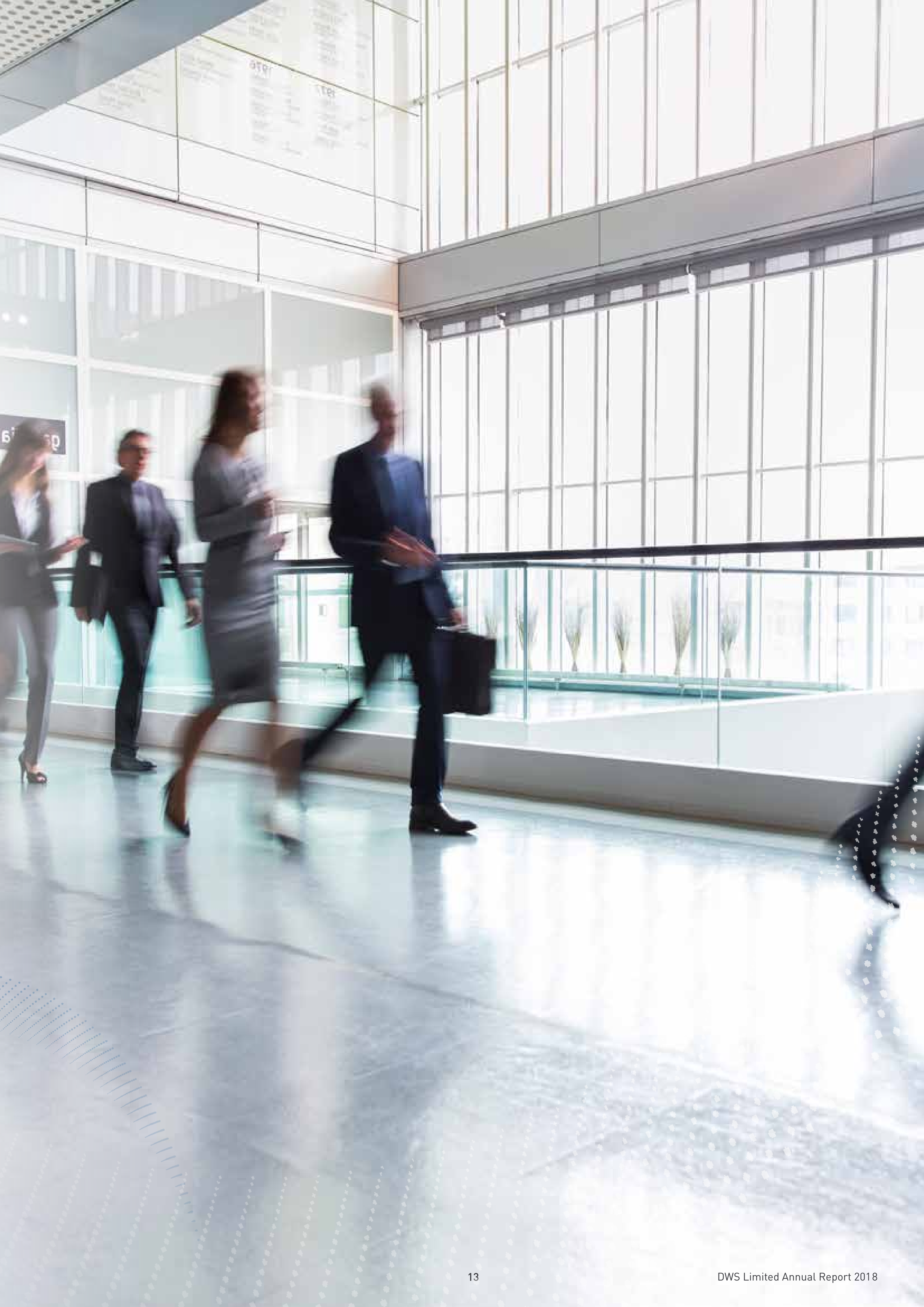
Managing Director and
Chief Executive Officer

Danny founded DWS in 1992 and is the Managing Director and Chief Executive Officer. He identified the market opportunity for a high-quality, professional, client-focused IT services organisation and in true entrepreneurial spirit set about building DWS into the success story it has become today. From humble beginnings in a one-room operation in Melbourne, DWS now has a national presence and employs over 800 staff. DWS has been built on a philosophy of honesty, ethics and transparency and a thorough appreciation by all staff of the importance of the client-centric focus of the business model and services. As Managing Director and Chief Executive Officer, Danny draws on his over 30 years of skills and experience in the IT industry to lead DWS.

Stuart Whipp

Chief Financial Officer
and Company Secretary

Stuart Whipp joined DWS in January 2016 and is the Chief Financial Officer and Company Secretary. Stuart leads the finance and support functions within DWS and plays a key role in the review and execution of business acquisition opportunities. In addition, Stuart is responsible for investor relations and capital management for the Group including managing the Group's finance facilities. Prior to joining DWS Stuart held several senior finance and management roles including, CFO and Company Secretary at Estia Health Pty Ltd, CFO at ASG Group Limited and Acting CFO at AWB Limited. Stuart holds a BA and MA in Economics and is a member of the Institute of Chartered Accountants in England and Wales and a Member of the Australian Institute of Company Directors.



MANAGEMENT TEAM

Campbell Johnston

National Sales Manager

Campbell joined DWS in September of 2017 and continues to build on a 27 year career in technology. Campbell has a strong background in professional services having worked in a number of IT Consulting organisations in senior management roles. Campbell has experience as CEO of Progility Technologies, and MD of Koukia (a division of Wesfarmers) as well as a background in banking and financial services. Campbell has a focus on continuing to grow the market presence of DWS and meeting clients' current and future needs by ensuring that business development and customer engagement activities help to add value to DWS' clients as well as growing the strong reputation of the business overall.

Malcolm Sheehan

National Operations Manager

Malcolm joined DWS in August 2017 and has over 20 years experience spanning digital media, advertising, sales and business systems and process implementation. Malcolm is a commercially focused leader in Technology and Digital Operations and the roles held have seen him bridge technology and business goals to successfully implement change with sustainable business benefit, productivity uplift and continuous improvement across the end to end business value chain. Malcolm is customer focused with strong stakeholder management and business partnering skills, with a proven ability to set a vision and bring others along the journey.

Scott Sheldon

National Delivery Lead

Scott joined DWS in March 2015, having spent 23 years with Accenture in various international locations. Through his career with Accenture, Scott experienced all facets of large scale IT delivery and consulting. As a Senior Executive at Accenture, Scott led an industry-focused Delivery Centre in Australia with ground-breaking major projects in the early 2000's. In his later years at Accenture, Scott was instrumental in various 'high-touch' programs that changed the Accenture way of working, including oversight of a global program to build solution planning and delivery leadership capabilities.

Jodie Moule

Co-founder – Symplicit Pty Ltd

Jodie co-founded Symplicit in 2002 and built the company into one of Australia's leading user experience, digital strategy and design and innovation consultancy businesses. Prior to the world of customer-led innovation, Jodie worked in the service industry, the retail world and in clinical and organisational psychology. As a registered psychologist, Jodie believes that understanding human behaviour allows you to change the customer experience, and that change happens through great design.

Mark Thomas

General Manager
New South Wales

Mark joined DWS in 2013 continuing a 25-year career in the ICT sector which has included the previous roles as CIO for the Australian subsidiary of a multinational company, NSW General Manager of a tier-two Australian-based ICT consulting company, and a number of 'hands-on' consulting assignments within a variety of industries. Being a qualified accountant, Mark brings a commercial focus, Sydney market knowledge and a solutions selling background to DWS.

Rowan Patterson

General Manager
Queensland

Rowan joined DWS in 2016. He has previously held positions in a variety of professional services businesses including SMS Management and Technology, Snowden Technologies, and TSWG. Rowan has considerable knowledge and experience in sales, consultancy, ICT delivery, management and business improvement. Rowan holds a Bachelor of Applied Science (Computing) and Project Management Professional (PMP) accreditation, and is currently completing a Master of Business Administration (MBA). Rowan brings twenty-nine years of local Brisbane ICT industry knowledge and has a focus on sustainable professional service solutions.

Jason Dreimanis

General Manager
South Australia

Jason joined DWS in 2014 and prior to this held senior positions in a range of ICT businesses including TechnologyOne, Esri Australia and EDS. He has considerable practical experience in sales, management and business improvement, coupled with formal qualifications having completed a Master of Business Administration (MBA) and a Bachelor of Computer and Information Science. Jason brings significant knowledge of the local industries in the South Australian marketplace, with a focus on achieving commercial IT solutions for clients.

Sally Cullinane

General Manager
Human Resources

Sally has over 20 years' experience in human resources in a variety of operational, organisational development and learning and development roles in both financial services and professional services. Sally has had the unique opportunity of working with DWS since its beginnings and to see the organisation develop. Sally has established strong working relationships with the consulting community at DWS and part of her focus is to ensure that everyone at DWS works to their fullest potential with the appropriate level of support from the consultant support centre. Sally holds a Bachelor's Degree in Social Science and an Associate Diploma in Business.

BOARD OF DIRECTORS

Danny Wallis

Managing Director and Chief Executive Officer

Danny founded DWS in 1992 and is the Managing Director and Chief Executive Officer. He identified the market opportunity for a high-quality, professional, client-focused IT services organisation and in true entrepreneurial spirit set about building DWS into the success story it has become today. From humble beginnings in a one-room operation in Melbourne, DWS now has a national presence and employs over 800 staff. DWS has been built on a philosophy of honesty, ethics and transparency and a thorough appreciation by all staff of the importance of the client-centric focus of the business model and services. As Managing Director and Chief Executive Officer, Danny draws on his over 30 years of skills and experience in the IT industry, leading DWS and providing support to the executive and management team.

Martin Ralston

Chairman and Independent Non-Executive Director

A veteran of the information technology sector, Martin has been involved in the IT industry since 1970. Over the span of his career, he worked in various roles with BHP Billiton, Computer Accounting Services and Accenture (previously Andersen Consulting) where he became a Partner in 1985. Filling a number of senior management positions during his tenure with Accenture, Martin held roles of Managing Partner – Technology Competence, Managing Partner – Government Services, and Managing Partner – Business Outsourcing. He retired from Accenture in August 2001. Martin holds a Bachelor of Economics from Monash University. He is a Trustee of the Royal Melbourne Hospital Neurological Science Foundation.

Ken Barry

Independent Non-Executive Director

With over 40 years of corporate, commercial, legal and compliance experience with listed and unlisted companies, Ken provides valuable insights to the DWS Board. Ken previously held positions as Chairman of national law firm Deacons (now called Norton Rose Fulbright Australia), Director of the National Electricity Market Management Company Limited and Yallourn Energy Limited and Chairman of Ausdoc Group Limited and Freightways Express Limited (NZ). In addition to being a Non-Executive Director of DWS, Ken is currently the Chairman of the Advisory Board of leading thoroughbred stud Coolmore Australia and a Director of Thoroughbred Breeders Australia Ltd and Next Generation Australia Pty Ltd.

Gary Ebeyan

Independent Non-Executive Director

Gary has more than 25 years' experience in the IT industry following his graduation from the University of Melbourne with a Bachelor of Science degree. He established his first IT business at the age of 23, developing software products for the building industry. The business gained reputable customers such as Jennings Industries, Pioneer Group, BP Australia and BHP Melbourne Research Laboratories. After eight years of success, Gary established Expert Information Services to focus on the growing IT services market. Gary's focus on business excellence was recognised by The Age/D&B Awards with Expert Information Services being awarded Best Victorian IT Business in 2001 and 2002, and Best Overall Victorian Business in 2001. In recognition of his achievements and personal contribution to Australian business, Gary was awarded the Centenary Medal for services to business by the Prime Minister and the Governor General. He also became a finalist in the 2003 Victorian region Entrepreneur of the Year Award.

Selina Lightfoot

Independent Non-Executive Director

Selina is a company director and consultant, joining the DWS Board in December 2016. Selina has extensive experience as a commercial and legal adviser, including as a Partner of Freehills (now Herbert Smith Freehills) for over 10 years in the Mergers & Acquisitions and TMT teams. Selina's experience includes advising on private M&A, restructuring and business integration, technology outsourcing and procurement as well as risk and corporate governance, across a range of industries including health, financial services, consumer goods and professional services. Other roles held by Selina include directorships with JDRF Australia, Nuchev Pty Ltd, Hydro Tasmania and The Reject Shop Limited as well as an advisory board role with TLC Aged Care.

Hayden Kelly

Non-Executive Director

Hayden Kelly purchased Phoenix IT&T Consulting in 2006 and was instrumental in the double digit growth of the company year on year. From 2006 until the acquisition of Phoenix IT&T Consulting by the DWS Limited Group, Hayden oversaw the business and IT consulting, productivity and sourcing and the technical services of the company. Prior to purchasing Phoenix IT&T Consulting, Hayden was a senior executive in Telstra with a variety of roles and responsibilities including responsibility for procurement, fleet, properties and supply chain as well as running significant cost reduction projects.

Jodie Moule

Executive Director

Jodie co-founded Symplicit in 2002 and built the company into one of Australia's leading user experience, digital strategy and design and innovation consultancy businesses. Prior to the world of customer-led innovation, Jodie worked in the service industry, the retail world and clinical and organisational psychology. As a registered psychologist, Jodie believes that understanding human behaviour allows you to change the customer experience, and that change happens through great design.

Resigned 10 September 2018.

FINANCIAL REPORT

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2018

The Directors present their report together with the financial report of DWS Limited (the Company) and of the consolidated entity (or the Group or DWS), being the Company and the entities it controlled during the year ended 30 June 2018 and the auditor's report thereon.

Directors

The names of the Directors of the Company at any time during or since the end of the financial year are:

Name, Qualifications and Independence Status	Experience, Special Responsibilities, and Other Directorships
Danny Wallis, BCS Managing Director and Chief Executive Officer Elected 28 December 1998 Re-elected 24 October 2006	Danny Wallis founded DWS in 1992 when he identified the market opportunity for a high quality, professional, client-focused IT services organisation and has led the Company through its various growth and development initiatives. Immediately prior to forming DWS, Danny worked with ANZ Bank.
Martin Ralston B. Economics Chairman and Independent Non-Executive Director Elected 5 November 2008 Re-elected 16 November 2017	Martin Ralston has over 30 years' experience in the IT sector and has held senior roles at BHP Billiton, Computer Accounting Services and Accenture (previously Andersen Consulting), where he was the Managing Partner of numerous business divisions until his retirement in 2001. Martin is a Trustee of the Royal Melbourne Hospital Neurological Science Foundation and was previously Non-Executive Chairman of Transol Corporation Limited. Martin is a member of the Audit, Risk and Compliance Committee and the Remuneration and Nominations Committee.
Ken Barry, LLB Independent Non-Executive Director Elected 9 May 2006 Re-elected 16 November 2017	Ken Barry is a lawyer who was the Chairman of national law firm Deacons (now called Norton Rose Fulbright Australia) from 2004–2009. In addition to being a Non-Executive Director of DWS, Ken is currently the Chairman of the Advisory Board of leading thoroughbred stud Coolmore Australia, and a Director of Thoroughbred Breeders Australia Ltd and Next Generation Australia Pty Ltd. Ken is Chairman of the Audit, Risk and Compliance Committee and a member of the Remuneration and Nominations Committee.
Gary Ebeyan, B. Sci Independent Non-Executive Director Elected 8 November 2010 Re-elected 15 November 2016	Gary Ebeyan is a seasoned professional with over 25 years' experience in the IT industry. Gary has built several successful businesses within the IT industry including Expert Information Services with which Gary was recognised by 'The Age/D&B Awards' for 'Best Victorian IT Business' in 2001 and 2002, and 'Best Overall Victorian Business' in 2001. In 2004, Gary became the CEO of Infosys Australia following the acquisition of Expert Information Services by the global offshore outsourcing Company, Infosys Technologies Limited. Under Gary's leadership, Infosys Australia grew to over 2,500 staff servicing the Australian market with consolidated revenues reaching well over $250 million. Gary is Chairman of the Remuneration and Nominations Committee and is a member of the Audit, Risk and Compliance Committee.
Selina Lightfoot, BA/LLB, GAICD Independent Non-Executive Director Elected 16 November 2017	Selina Lightfoot is a company director and consultant, joining the Board in December 2016. Selina has extensive experience as a commercial and legal adviser, including as a Partner of Freehills (now Herbert Smith Freehills) for over 10 years in the Mergers & Acquisitions and TMT teams. Her experience includes advising on private M&A, restructuring and business integration, technology outsourcing and procurement as well as risk and corporate governance, across a range of industries including health, financial services, retail and professional services. Other roles held by Selina include directorships with JDRF Australia, Nuchev Pty Ltd, Hydro Tasmania and The Reject Shop Limited as well as an advisory board role with TLC Aged Care. Selina is a member of the Audit, Risk and Compliance Committee.
Hayden Kelly Non-Executive Director Elected 15 November 2016	Hayden Kelly purchased Phoenix IT&T Consulting in 2006 and was instrumental in the double digit growth of the company year on year. From 2006 until the acquisition of the company by the DWS Limited Group, Hayden oversaw the business & IT Consulting, productivity & sourcing and the technical services of the company. Prior to purchasing Phoenix IT&T Consulting, Hayden was a senior executive in Telstra with a variety of roles and responsibilities including responsibility for procurement, fleet, properties and supply chain as well as running significant cost reduction projects.
Jodie Moule Executive Director Elected 15 November 2016 Resigned 10 September 2018	Jodie Moule co-founded Symplicit in 2002 and built the company into one of Australia's leading user experience, digital strategy and design and innovation consultancy businesses. Prior to the world of customer led innovation Jodie worked in the service industry, the retail world and in clinical and organisational psychology. As a registered psychologist, Jodie believes that understanding human behaviour allows you to change the customer experience, and that change happens through great design.

Company Secretary

Mr Stuart Whipp, BA Hons, MA, ACA, MAICD, was appointed to the position of Company Secretary on 11 January 2016. Mr Whipp is also the Chief Financial Officer of the Group, a position he was appointed to on 11 January 2016.

Officers who were previously partners of the audit firm

There are no officers of the Company who were previously partners or Directors of the current audit firm, Grant Thornton Audit Pty Ltd.

Directors' meetings

The number of meetings of the Company's Directors (including meetings of formally constituted committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

	Board of Directors		Audit, Risk and Compliance		Remuneration and Nomination	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Ken Barry	13	13	5	5	3	3
Danny Wallis	13	13	-	-	-	-
Gary Ebeyan	13	13	5	5	3	3
Martin Ralston	13	12	5	5	3	3
Selina Lightfoot	13	12	5	5	-	-
Jodie Moule	13	13	-	-	-	-
Hayden Kelly	13	13	-	-	-	-

Election of Directors

Clause 15.3 of the Company's Constitution requires that at each Annual General Meeting one-third of the Directors must retire from office. Therefore, Gary Ebeyan and Hayden Kelly retire by rotation and are eligible for re-election.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee ('Committee') met three times during the financial year and the Committee members' attendance record is disclosed in the table of Directors' meetings on page 20. The Board policy is that the Committee will comprise a majority of independent Non-Executive Directors.

The members of the Committee are:

Gary Ebeyan (Chairperson)	Independent Non-Executive
Martin Ralston	Independent Non-Executive
Ken Barry	Independent Non-Executive

The Committee oversees the appointment and induction process for Directors and Committee Members, and the selection, appointment and succession planning process of the Company's CEO. The Committee makes recommendations to the Board on the appropriate skill mix, personal qualities, expertise and diversity of each position. When a vacancy exists or there is a need for particular skills, the Committee in consultation with the Board determines the selection criteria based on the skills deemed necessary and ensures appropriate checks are carried out on candidates. The Board will then appoint the most suitable candidate. A Board appointment must stand for election at the next general meeting of shareholders where material information is provided to shareholders.

The terms and conditions of the appointment and retirement of Non-Executive Directors are set out in a letter of appointment, including expectations for attendance and preparation for all Board meetings, minimum hourly commitment, appointments to other Boards, the procedures for dealing with conflicts of interest, and the availability of independent professional advice.

The Committee also reviews and makes recommendations to the Board on remuneration packages and policies applicable to the CEO and senior Executives. It is also responsible for share and option schemes, incentive performance packages, retirement and termination entitlements and fringe benefits policies.

The Committee's charter is available on the Company's website.

Principal activities and operations review

Activities

DWS Limited (DWS) provides information technology services to a broad range of large corporations and government bodies. Established in 1992 with three employees, DWS has grown to in excess of 700 IT staff and contractors with operations in Melbourne, Sydney, Brisbane, Adelaide and Canberra and is listed on the Australian Securities Exchange (ASX). DWS provides an innovative approach to service delivery by offering a suite of integrated solutions spanning:

- IT Consulting Services including IT strategy and architecture advice, program and project management, business and technical analysis, custom application development, systems integration and solution testing and Robotics Processing Automation;
- digital solutions incorporating data automation and capture systems, customer led innovation, digital strategy and design services;
- business Intelligence including advanced analytics, Power BI and Data Warehouse as a Service;
- strategic sourcing and productivity services; and
- managed application services using a mix of offshore, on-site, off-site and high-security models depending on client requirements.

DWS's certified quality methodology focuses on the quality and timeliness of delivery, and it also has a strong client focus assisting the establishment of long term client partnerships.

Likely developments, business strategies and prospects

Information relating to the likely developments in the operations of the Group and the expected results of those operations in future financial years is set out in the accompanying Chairman's and Chief Executive Officer's Report.

Unless otherwise stated in this Statement, the Group has followed the ASX Corporate Governance Principles and Recommendations (third edition) throughout the financial year ended 30 June 2018.

Operations Review

A summary of the 2018 financial year results is presented below.

In response to margin pressure arising from a tight labour market and the renegotiation of panel arrangements with large corporate clients, DWS has successfully increased the scale of operations during 2018 with billable staff rising from 596 at 30 June 2017 to 704 at 30 June 2018. Despite the increase in billable headcount, revenue from operations decreased by $11.340 million (or 8.3%) to $126.098 million. EBITDA was $22.858 million compared to $26.992 million for the prior year and earnings for the 2018 financial year were $15.917 million a fall of $1.473 million compared to earnings for the 2017 financial year of $17.390 million.

Net assets for the DWS Group at 30 June 2018 were $72.145 million an increase of $2.734 million. Bank debt continued to be reduced with a net $5.0 million repaid during the year to leave gross bank debt of $10.0 million and net debt of $1.872 million as at 30 June 2018. Given the strength of the DWS Group balance sheet, the Board declared a final fully franked dividend of 5.0 cents per ordinary share bringing the total dividends paid to shareholders for the 2018 financial year to 10.0 cents per share fully franked.

The Directors believe the DWS Group is well positioned to adapt to changes in the Australian IT services market and will continue to pursue DWS's growth strategy of depth and breadth. To that end, immediately following the end of the 2018 financial year DWS acquired Projects Assured a strategic management and IT consultancy business based in Canberra which will diversify the Group's earnings by increasing DWS's footprint in Canberra and exposure to Federal Government clients. In addition, DWS started a Robotics Process Automation ("RPA") practice during 2018 and began working on a potential new licenced product to supplement DWS's automated forms product, iApply.

Other than preparing for the acquisition of Projects Assured, which took place after the end of the financial year, there have been no significant changes to the operations or state of affairs of the consolidated Group or parent entity during the financial year.

Environmental regulation

The consolidated group is not subject to any significant environmental regulation under the law of the Commonwealth or a State or Territory of Australia and is not exposed to material economic or social sustainability risk.

Dividends

	Cents per share	Total amount $'000	Franked/ Unfranked	Payment Date
2018				
Final 2017 ordinary	5.00	6,592	Franked at 30%	2-Oct-17
Interim 2018 ordinary	5.00	6,592	Franked at 30%	4-Apr-18

Declared final dividend	**2018 $'000**	**2017 $'000**
Declared final fully franked ordinary dividend of 5.00 cents (2017 5.00 cents) per share at the tax rate of 30%	**6,592**	6,592

All franked dividends declared and paid by the Company since the end of the previous financial year were fully franked at 30 per cent.

Directors' interests

The relevant interests of each Director in the shares, rights or options over such instruments issued by the companies within the consolidated entity, as notified by the Directors to the Australian Securities Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report are as follows:

	Ordinary Shares Number	Options over Ordinary Shares No
Danny Wallis[2]	56,305,283	–
Ken Barry[1]	103,333	–
Martin Ralston[1]	18,000	–
Gary Ebeyan[1]	16,130	–
Jodie Moule	–	–
Hayden Kelly[1]	20,000	–
Selina Lightfoot[1]	13,200	–

1. Interest held in related entities.
2. Interests held directly and in related entities.

Indemnification and insurance of officers and auditors

During the financial year, the Group paid a premium to insure officers of the Company and related bodies corporate. The officers of the Company covered by the insurance policy at 30 June 2018 included the Directors, CFO and Company Secretary.

The Directors have not included the 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 is prohibited under the terms of the contract.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company or a related body corporate. No insurance premiums are paid by the Group in regard to insurance cover provided to the auditor of the Group, Grant Thornton. The auditor is not indemnified and no insurance cover is provided to the auditor by the Company.

Proceedings on behalf of Company

No person has applied for leave of a 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

During the year Grant Thornton Audit Pty Ltd, the Company's auditor and its related entities, provided due diligence and transaction services to DWS in relation to DWS's acquisition of Projects Assured Pty Ltd in addition to their statutory audit services.

Events subsequent to reporting date

On 25 June 2018, the Group announced to the Australian Securities Exchange the successful completion of the acquisition of Projects Assured effective 2 July 2018. For details regarding the acquisition of Projects Assured refer to Note 26 on page 61.

There have been no other matters or circumstances that have arisen since 30 June 2018 that have significantly affected, or may significantly affect:

(a) The consolidated entity's operations in future financial years;

(b) The results of those operations in future financial years; and

(c) The consolidated entity's state of affairs in future financial years.

Remuneration Report

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

Remuneration policies

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of the creation of value for the Group. The remuneration structures take into account:

- the capability and experience of the Directors and senior Executives;
- the Directors and senior Executives' ability to control the relevant performance of the Group; and
- the Group's performance.

Remuneration packages include a fixed and variable component for Executives and Executive Directors and are reviewed periodically. A performance review has been carried out for the year ended 30 June 2018.

Elements of remuneration

Details of the nature and amount of each major element of remuneration of each Director of the Company and each of the named KMP of the consolidated entity are detailed in the table under Directors and Executive Officers' remuneration.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any fringe benefits tax charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually through a process that considers individual, segment and Group performance. They have been competitively set to be in line with listed entities of a similar size and operating within similar industries. A Senior Executive's compensation is also reviewed on promotion and on the acceptance of other roles within the Group.

Performance-linked remuneration

Performance-linked remuneration includes both short term and long term incentives, and is designed to reward management personnel for meeting or exceeding their financial and personal performance objectives.

The short term incentive (STI) is an 'at risk' bonus provided in the form of a cash benefit payable upon key performance indicators being met by relevant management personnel. These KPI's are set annually in consultation with relevant management staff and are typically based on a combination of qualitative and quantitative measures.

The long term incentive (LTI) is an 'at risk' deferred bonus provided in the form of a cash benefit payable upon the successful completion of relevant tenure based conditions.

Remuneration policies continued

Short term incentive bonus

Each year the Remuneration and Nominations Committee sets the KPIs for the senior Executives. The KPIs generally include measures relating to the Group, the relevant region and the individual. They can include financial, people, customer, strategy and risk measures.

The measurements are chosen to directly align the individual's reward to the KPIs of the Group and to its strategy and performance. Any non-financial objectives vary with position and responsibility and may include measures such as achieving strategic outcomes and staff development.

Consideration is also given as to the Executives' ability to influence certain factors which may have affected performance during the period.

At the end of the financial year the Remuneration and Nominations Committee assesses the actual performance of the Group and the individual in meeting the Group's quantitative and qualitative performance objectives. The performance evaluation in respect of the year ended 30 June 2018 has taken place in accordance with this process.

The Remuneration and Nominations Committee recommends the quantum of the short term cash incentive bonus to be paid to the individuals for approval by the Board. Assessment methods have been chosen to provide the Committee with an objective assessment of each individual's performance.

Analysis of STI included in remuneration

Details of the percentage of the available STI that was expensed in the 2018 financial year to the named KMP and the percentage that was forfeited because the person did not meet the performance criteria is set out below. Non-Executive Directors do not participate in the STI scheme.

Short Term Incentive	**Included in remuneration $**	**Vested in year %**	**Forfeited in year %**
Stuart Whipp (CFO)	80,000	57	43

Long term incentive deferred bonus

In 2012, the Company introduced a Long Term Incentive (LTI) structure for senior Executives. The Remuneration and Nominations Committee has assessed KPIs for the senior Executives relevant to the qualitative and quantitative performance of the Company over the previous 18 months and likely resultant outcomes over the next 18 months. These KPIs either relate to the Group's financial performance, implementation of the Company's strategic plan or staff engagement initiatives.

The non-financial objectives vary with position and responsibility. Consideration is also given as to the Executives' ability to influence certain factors which may have affected performance during the period.

At the end of the financial year the Remuneration and Nominations Committee assesses the actual performance of the Group and the individual in meeting the Group's quantitative and qualitative performance objectives. A bonus amount is then awarded with a deferred payment date of 15 months from the end of the financial year. Should the Executive leave the employment of the Company prior to the vesting conditions being met, the Executive forfeits any entitlement to any outstanding LTI amounts.

The Remuneration and Nominations Committee recommends the quantum of the long term deferred cash incentive bonus to be paid to the individuals for approval by the Board. Assessment methods have been chosen to provide the Committee with an objective assessment of each individual's performance.

Details of the percentage of the available bonus that was expensed in the 2018 financial year to the named KMP and the percentage that was forfeited because the person did not meet the performance criteria is set out below.

Long Term Incentive	**Included in remuneration $**	**Vested in year %**	**Forfeited in year %**
Stuart Whipp (CFO)	80,000	57	43

Other benefits

There are no other benefits received by the Directors or Executives of the Company that relate to performance.

Service agreements and contract details

It is the Group's policy that contracts of employment for Executive Directors and senior Executives be ongoing with no fixed term but capable of termination within a notice period.

- Mr Danny Wallis' contract allows for three months' notice of termination.
- Mr Stuart Whipp's contract allows for three months' notice of termination.
- Ms Jodie Moule's contract allows for three months' notice of termination.

Non-Executive Directors

Base remuneration for all the Non-Executive Directors, was determined at a general meeting of the Company shareholders on 15 November 2016 and is not to exceed $600,000 per annum in total. Directors' base fees are set out in the table under Directors and Executive Officers' remuneration.

There are no other performance incentives for Non-Executive Directors.

Consequences of performance on shareholders' wealth

In considering the Group's performance and benefit for shareholders' wealth, the Remuneration and Nominations Committee had regard to the following measures in respect of the current financial year and the previous four financial years:

Measure	**2018 $'000**	**2017 $'000**	**2016 $'000**	**2015 $'000**	**2014 $'000**
EBITDA	**22,804**	26,243	25,502	15,134	18,214
Net Profit After Tax	**15,917**	17,390	16,790	10,399	12,897

	Cents	**Cents**	**Cents**	**Cents**	**Cents**
Dividend	**10.0**	10.0	9.75	7.5	8.75
Change in share price	**(24.0)**	38.0	53.5	(57.5)	(28.0)
Share price close	**126.0**	150.0	112.0	58.5	116.0

EBITDA (along with other measures) is considered in determining the STI amount paid. The Remuneration and Nominations Committee considers that the above performance-linked remuneration structure is generating the desired outcomes.

Remuneration policies continued

Directors and Executive Officer's remuneration

		Short-term Remuneration			Post-employment benefits	Long-term benefits		
	Year	Base Remuneration $	STI Cash Bonus/ Other Cash Bonus $	Non-cash Benefits (a) $	Superannuation/ Pension Benefits $	LTI Deferred Cash Bonus $	Total $	Proportion of remuneration performance related %
Director								
Non-Executive								
Martin Ralston	**2018**	**96,405**			**24,729**		**121,134**	**–**
	2017	86,400	–	–	33,600	–	120,000	–
Ken Barry	**2018**	**82,192**			**7,808**		**90,000**	**–**
	2017	82,192			7,808	–	90,000	–
Gary Ebeyan	**2018**	**82,192**			**7,808**		**90,000**	**–**
	2017	82,192			7,808	–	90,000	–
Hayden Kelly	**2018**	**82,192**			**7,808**		**90,000**	**–**
	2017	102,795	–	–	6,547	–	109,342	–
Selina Lightfoot	**2018**	**82,192**	**–**		**7,808**	**–**	**90,000**	**–**
	2017	42,993	–	–	4,084	–	47,077	–
Executive								
Danny Wallis CEO	**2018**	**274,808**	**–**	**–**	**25,192**	**–**	**300,000**	**–**
	2017	265,000			35,000	–	300,000	–
Jodie Moule[2]	**2018**	**299,448**	**–**		**19,899**	**–**	**319,347**	**–**
	2017	239,931	–		20,489	–	260,420	
Total all Directors	**2018**	**999,429**	**–**	**–**	**101,052**	**–**	**1,100,481**	**–**
	2017	901,503	–	–	115,336	–	1,016,839	–
Key Management Personnel								
Stuart Whipp (CFO / Company Secretary)	**2018**	**359,546**	**80,000**	**–**	**25,096**	**80,000**	**544,642**	**29**
	2017	311,500	215,000	–	30,000	140,000	696,500	51
Andrew Rose (COO)[1]	**2018**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2017	409,886	140,000	–	19,616	–	569,502	25
Total all Key Management Personnel	**2018**	**1,358,975**	**80,000**	**–**	**126,148**	**80,000**	**1,645,123**	**10**
	2017	1,622,889	355,000	–	164,952	140,000	2,282,841	22

1. Mr Rose resigned on 14 June 2017.
2. Ms Moule resigned on 10 September 2018.

Executive Directors may elect to have a combination of benefits provided out of their fixed annual remuneration. The value of any non-cash benefits provided includes the cost of any fringe benefits tax payable by the Group as a result of providing the benefit.

Shares held by key management personnel

	Held at 30 June 2017	Purchases/ (disposals)	Held at 30 June 2018
Directors			
Ken Barry[1]	103,333	–	**103,333**
Danny Wallis[2]	56,305,283	–	**56,305,283**
Martin Ralston[1]	52,000	(34,000)	**18,000**
Gary Ebeyan[1]	16,130	–	**16,130**
Jodie Moule	–	–	**–**
Hayden Kelly[1]	–	20,000	**20,000**
Selina Lightfoot[1]	13,200	–	**13,200**
Key management personnel			
Stuart Whipp[2]	50,000	10,000	**60,000**

1. Interest held in related entities.
2. Interests held directly and in related entities.

End of Remuneration Report

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee ('Committee') has a documented Charter, approved by the Board. The Committee comprises a majority of independent Non-Executive Directors. The Chairperson may not be the Chairperson of the Board. The Committee advises on the establishment and maintenance of a framework of internal controls and appropriate ethical standards for the management of the Group.

The members of the Committee during the period were:

Ken Barry	Chairman and Independent Non-Executive Director
Martin Ralston	Independent Non-Executive Director
Gary Ebeyan	Independent Non-Executive Director
Selina Lightfoot	Independent Non-Executive Director

The external auditors and CFO are invited to the Committee meetings at the discretion of the Committee. The Committee met five times during the year.

The CEO and the CFO declared in writing to the Board that the financial records of the Group for the financial year have been properly maintained, the Group's financial reports for the year ended 30 June 2018 comply with the accounting standards and present a true and fair view of the Group's financial condition and operational results. This statement is updated annually.

The Audit, Risk and Compliance Committee's Charter is available on the Group's website along with information on procedures for the selection and appointment of the external auditor, and for the rotation of the external audit engagement partner.

Audit, Risk and Compliance Committee continued

The responsibilities of the Audit, Risk and Compliance Committee include reporting to the Board on:

- reviewing the annual, half-year and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards and generally accepted accounting principles, and assessing whether the financial information is adequate for shareholder needs;
- assessing corporate risk assessment processes;
- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. The external auditor provides an annual declaration of independence which is in accordance with the *Corporations Act 2001*;
- reviewing the nomination and performance of the external auditor. The external auditors were appointed in 2006;
- assessing the adequacy of the internal control framework and the Group's code of ethical standards;
- monitoring the procedures to ensure compliance with the *Corporations Act 2001* and the ASX Listing Rules and all other regulatory requirements; and
- addressing any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission and the ASX.

The Committee reviews the performance of the external auditors on an annual basis to:

- discuss the external audit, identify any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;
- review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, and to recommend Board approval of these documents, prior to announcement of results;
- review the draft Financial Report and recommend Board approval of the Financial Report;
- review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made and;
- as required, organise, review and report on any special reviews or investigations deemed necessary by the Board.

Risk management

The Board oversees the establishment, implementation, and review of the Group's Risk Management System. Management have established a Risk Management System for assessing, monitoring and managing operational, financial reporting, and compliance risks for the consolidated entity. Material risks are directed to the Audit, Risk and Compliance Committee as appropriate. The CEO and CFO have reported to the Board that the financial risk management and associated compliance and controls have been assessed and found to be operating effectively.

Risk management and compliance and control

The consolidated entity strives to ensure that its services are of the highest standard. The entity has accreditation AS/NZS ISO 9001:2015 Quality Management Systems with the SpinnakerOne methodology.

The Group has been a disclosing entity since listing on the ASX on 15 June 2006. A review of the internal controls and compliance has been undertaken. The Board being responsible for the overall internal control framework is committed to this review but recognises that no cost-effective internal control system will preclude all errors and irregularities.

Quality and integrity of personnel

Formal appraisals are conducted annually of all employees as well as a comprehensive induction process for all new employees. Training and development at a group and individual level are offered. This together with appropriate remuneration and incentives creates an environment of co-operation and constructive dialogue with employees and senior management.

Financial reporting

The CEO and the CFO have declared in writing to the Board that the Group's Financial Reports are founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board. Monthly actual results are reported against budgets approved by the Directors and revised forecasts for the year are prepared where appropriate.

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

The lead auditor's independence declaration is set out on page 30 and forms part of the Directors' Report for the year ended 30 June 2018.

Rounding off

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191, the amounts in the Directors' Report and Financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

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

Danny Wallis
CEO and Managing Director

Signed at Melbourne this day 17 September 2018

AUDITOR'S INDEPENDENCE DECLARATION

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Auditor's Independence Declaration

To the Directors of DWS Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of DWS Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

S C Trivett
Partner - Audit & Assurance

Melbourne, 17 September 2018

CORPORATE GOVERNANCE STATEMENT

The Company supports the Australian Securities Exchange's (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles).

The Group's Corporate Governance Statement for the financial year ended 30 June 2018 is dated as at 30 June 2018 and was approved by the Board on 17 September 2018. Further information on the Company's corporate governance policies and practices can be found on the Company's website at www.dws.com.au.

Principle 1: Lay solid foundations for management and oversight

The Board has adopted a Charter that sets out, among other things, its specific powers and responsibilities and the matters delegated to the Chief Executive Officer (CEO) and those reserved for the Board. A copy of the Charter is available on the Company's website. As part of the Board's oversight of senior management, all Company Executives are subject to annual performance reviews and planning. Each Executive is assessed against a range of criteria including financial goals, completion of key performance measures and adherence to the Company's values.

Principle 2: Structure the Board to add value

The Board is structured to bring a range of skills, experience, expertise and diversity to the Company. Page 19 of this Director's report sets out the qualifications, expertise and experience of each Director in office as at the date of this Directors' Report. Under the Board Charter and the ASX Principles, the Board should comprise a majority of independent Non-Executive Directors. In determining whether a Director is independent or otherwise, the Board considers the matters set out in the Charter. The Board currently has six Directors of whom four are independent Non-Executive Directors, with the Chairman being one of the independent Non-Executive Directors and having a casting vote. The Company Secretary is accountable to the Board through the Chairman for the functioning of the Board. The Board carries out a number of its duties and responsibilities through the Remuneration and Nominations Committee and the Audit, Risk and Compliance Committee. Details of the Remuneration and Nominations Committee are set out on page 20 and the Audit, Risk and Compliance Committee on pages 27 and 28 of this report.

Principle 3: Promote ethical and responsible decision making

The Company considers its reputation one of its most valuable assets, founded largely on the ethical behaviour of its people. The Board has approved a Code of Conduct that sets out principles of ethical behaviour for key management personnel. Information relating to this policy is available on the Company's website. In addition, the Board has established a Share Trading Policy which governs dealing in the Company's shares. Information relating to this policy is available on the Company's website.

Principle 4: Safeguard integrity in financial reporting

The Board has established an Audit, Risk and Compliance Committee which assists the Board in the effective discharge of its responsibilities for financial reporting, internal controls, risk management, internal audit, external audit and insurance. Details of the Committee are set out on the Company's website. The composition and structure of the Audit, Risk and Compliance Committee comply with the ASX Principles. The members of the Audit, Risk and Compliance Committee are set out on page 27 of this report and their attendance at meetings of the Committee are set out on page 20 of this report.

Principle 5: Making timely and balanced disclosure

The Company is subject to continuous disclosure obligations under the ASX Listing Rules and Australian Corporations legislation. Subject to limited exceptions, the Company must immediately notify the market, through the ASX, of any information that a reasonable person would expect to have a material effect on the price or value of its securities. To this end, the Company has a Disclosure Policy, details of which can be found on its website.

Principle 6: Respect the rights of shareholders

Respecting the rights of shareholders is of fundamental importance to the Company and a key element of this is how the Company communicates with its shareholders. To this end, the Company recognises that shareholders must receive relevant information in a timely manner in order to be able to properly and effectively exercise their rights as shareholders. Information regarding the Company's Communications Policy is available on its website.

Principle 7: Recognise and manage risk

The Board has required management to design and implement a risk management and internal control system to manage the Group's material business risks and management has reported that those risks are being managed effectively. For the annual and half-year results, the CEO and the CFO have provided a written declaration to the Board that the Company's financial records have been properly maintained, and that the Company's financial statements and notes give a true and fair view and comply with Australian Accounting Standards.

Principle 8: Remunerate fairly and responsibly

The Remuneration Report (on pages 23 to 27 of this report) sets out details of the Company's policy and practices for remunerating Directors, key management personnel and senior Executives. A written agreement setting out the terms and conditions of appointment is in place for all Directors and senior Executives. The members of the Remuneration and Nominations Committee and their attendance at meetings of the Committee are set out on page 20 of this report. Information relating to the Remuneration and Nominations Committee and the Company's policy on share trading in relation to shares or equity-based products are available on the Company's website. All information referred to in this Corporate Governance Statement as being on the Company's website is included under the 'Investors' – 'Corporate Governance' section of the website.

Board of Directors

Role of the Board

The principal role of the Board is to ensure the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for Directors and senior Executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of risk management, internal control, legal compliance and management information systems. It is also responsible for approving and monitoring financial and other reporting. Details of the Board's charter are located on the Company's website at www.dws.com.au.

The Board has delegated responsibility for the operation and administration of the Company to the CEO and Executive Management. Responsibilities are delineated by formal authority delegations. Matters reserved to the Board are:

- submission of fixed price contracts, offers, tenders, proposals and expressions of interest greater than $500,000;
- potential contractual liabilities greater than $500,000;
- all contracts where there is the risk of uncapped consequential damages;
- capital expenditure purchases greater than $250,000; and
- settlement of any legal matters greater than $25,000.

This delegated authority is reviewed regularly and updated to reflect changes to the business operations and the operating environment.

Board processes

To assist in the execution of its responsibilities, the Board has established two Committees. These are the Remuneration and Nominations Committee and the Audit, Risk and Compliance Committee. Both of these Committees have written charters. The full Board currently holds a minimum of 11 meetings each year with an agenda for meetings prepared in conjunction with the Chairperson, CEO and Company Secretary. Standing items include the CEO report, Chief Financial Officer (CFO) report, human resources (HR) report, governance and compliance. Board papers are circulated in advance. Executives are regularly involved in Board discussions and Directors have other opportunities to have contact with a wider group of employees to discuss matters as required.

The Board has established a Risk Management Framework for the Company. Risk management is an integral part of the governance of DWS and is one of the main responsibilities of the Board and senior management. The Board reviews the Framework periodically and a review was conducted during the year ended 30 June 2018.

The objectives of the Framework are to ensure that:

- the Board and senior management determine the level of risk DWS is subject to;
- risks arising from or associated with DWS' activities are identified and prioritised;
- acceptable mitigation or treatment strategies to manage, transfer or avoid risks are in place (where applicable);
- risks and mitigation strategies are subject to review at regular intervals to determine that the nature of identified risks has not changed, to evaluate new risks and ensure mitigation strategies remain acceptable and operational;
- appropriate escalation and communication of risks to enable informed decisions to be made; and
- the Board, Committees and senior management, receive periodic reports of the risk management process.

The main elements of the risk management process are:

- identify the risk;
- analyse the risk;
- evaluate the risk;
- treat risks;
- monitor and review; and
- communicate and consult.

The above risk management process is applied by the DWS' Executive Management Team who measure the identified risks and rates and prioritises them in terms of their likely impact on DWS. Results are documented and include mitigation strategies where appropriate. The implementation of mitigating controls is a priority and risk management weaknesses are remedied as soon as practical or possible. Risk assessments are provided to the Board for review at each Board meeting.

The Board has not conducted a formal review of the business risk systems, but has concentrated on the surrounding controls within the system to ensure that there are adequate safeguards within processes to mitigate the risks to the business.

The Board has determined not to establish an internal audit function for the following reasons:

- given the size and complexity of the Group, the costs of an internal audit function are considered likely to outweigh the potential benefits;
- the Group has developed and maintained a stable and effective system of internal control;
- the Group's auditors regularly review various aspects of the Group's financial and other controls as part of their fieldwork and provide recommendations to the Board thereon; and
- the assurances provided by the CEO and CFO to support the annual and half-year results state that their declarations are founded on a sound system of risk management and internal control and the Group's risk management and internal compliance control system is operating effectively in all material respects in relation to business and financial reporting risks.

Board skills

The Board has a range of skills covering the following areas of knowledge and experience:

- strategic development;
- accounting and finance;
- legal;
- risk management;
- people and change management;
- financial markets; and
- industry and sector knowledge.

The Board believes that having a diverse mix of experience, gender and culture across the Board leads to better outcomes for the Company and its shareholders.

Director and Executive education

The Company has established a process to educate new Directors about the nature of the business. Directors also have the opportunity to visit consolidated entity offices and meet with management to gain a better understanding of business operations. Directors are given access to continuing education opportunities to update and enhance their skills and knowledge. Directors are also encouraged to participate in regular management strategy and planning sessions to enable them to gain a better understanding of the operations of the business.

The Company also has an established process to educate new senior Executives upon taking such positions. The induction program includes reviewing the Group's structure, strategy, operations, financial position and risk management policies. It also familiarises the individual with the rights, duties, responsibilities and roles of the individual and the Board.

Board of Directors continued

Performance reviews

The Chairman of the Board conducts an annual review of the Board and individual Director's performance. The review may comprise a combination of self-assessment, one-on-one interviews and Director workshops. The Chairman of each Committee performs a review and reports to the Chairman of the Board. The reviews are aimed at identifying areas of potential improvement to the effective and efficient operation of the Board, Committees and individual Directors.

The reviews were conducted during the year ended 30 June 2018.

Independent professional advice and access to Company information

Each Director has the right, subject to prior consultation with the Chairperson, to seek independent professional advice from a suitably qualified adviser at the Company's expense concerning any aspect of the Company's operations or undertaking in order to fulfill their duties. A copy of all such advice is made available to all the Board members.

Composition of the Board

The names of the Directors of the Company in office at the date of this Statement are set out in the Directors' Report on page 19. The composition of the Board is determined using the following principles:

- a minimum of three Directors, with a broad range of expertise;
- a majority of Non-Executive Directors;
- a Non-Executive Director is appointed as Chairperson;
- a majority of Directors having extensive knowledge of the Company's industry, and those who do not, have extensive expertise in significant aspects of auditing and financial reporting, or legal and risk management of companies;
- enough Directors to serve on various committees without overburdening the Directors or making it difficult for them to fully discharge their responsibilities;
- one-third of all Directors, except the Managing Director, will retire by rotation each year but may offer themselves for re-election for a further three-year period; and
- no Director except the Managing Director may hold office for a period in excess of three years without offering themselves for re-election.

An independent Director is a Director who is not a member of management (a Non-Executive Director) and who:

- holds less than 5 per cent of the voting shares of the Company and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than 5 per cent of the voting shares of the Company;
- has not within the last three years been employed in an Executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal or employee of a material* professional adviser or a material* consultant to the Company or another group member;
- is not a material* supplier or customer of the Company or another group member, or an officer of or otherwise associated, directly or indirectly, with a material* supplier or customer;
- has no material* contractual relationship with the Company or another group member other than as a Director of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially* interfere with the Director's ability to act in the best interests of the Company.

* The Board considers, 'material' in this context to mean, where any Director-related business relationship has represented, or is likely in the future to represent the lesser of at least 10 per cent of the relevant segments or the Director-related businesses revenue. The Board considers the nature of the relevant industries' competition, and the size and nature of each Director-related business relationship, in arriving at this threshold.

Ethical standards

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. There is a dedicated Human Resources department where staff may refer any issues arising from their employment.

Conflict of interest

Directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Group. The Board has and will continue to develop procedures to assist Directors to disclose potential conflicts of interest. Where the Board believes that a significant conflict exists for a Director on a Board matter, the Director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered. Details of Director-related entity transactions with the Group and consolidated entity are set out in Note 24 of the Financial Statements.

Code of Conduct

The consolidated entity has advised each Director, Manager and employee that they must comply with the Code of Conduct (Code). The Code together with a Deed of Confidentiality forms part of the employment contract with all employees and covers the following:

- aligning the behaviour of the Board and management with the code of conduct by maintaining appropriate core Group values and objectives;
- fulfilling responsibilities to shareholders by delivering shareholder value;
- fulfilling responsibilities to clients by maintaining high standards of product quality, service standards and commitments to fair value;
- employment practices such as occupational health and safety, employment opportunity, the level and structure of remuneration, and conflict resolution;
- responsibilities to the individual, such as privacy, use of privileged or confidential information, and conflict resolution;
- compliance with legislation including policies on legal compliance in countries where the legal systems and protocols are significantly lower than Australia's;
- conflicts of interest;
- corporate opportunities such as preventing Directors and key Executives from taking advantage of property, information or position for personal gain;
- confidentiality of corporate information;
- fair dealing;
- protection and proper use of the Group's assets; and
- reporting of unethical behaviour.

More information on the Company's Code of Conduct can be found on the Company's website at www.dws.com.au.

Trading in general Company securities by key management personnel

The key elements of the Share Trading Policy for key management personnel are:

- identification of those restricted from trading, who may acquire shares in the Company, but are prohibited from dealing in company shares or exercising options:
  - (i) except within the period of one month after either the release of the Group's half-year and annual results to the ASX, the Annual General Meeting or any major announcement; and
  - (ii) at no time whilst in possession of price sensitive information not yet released to the market.
- raising the awareness of legal prohibitions including transactions with colleagues and external advisers;
- requiring details to be provided of intended trading in the Company's shares; and
- requiring details to be provided of the subsequent confirmation of the trade.

The policy also details the insider trading provisions of the *Corporations Act 2001* and is reproduced in full on the Company's website.

Code of Conduct continued

Diversity

The DWS Board adopted a policy on diversity in October 2011. DWS is committed to:

- attracting, developing and retaining our employees to ensure business growth and performance;
- ensuring that every employee is treated fairly and with respect;
- valuing differences and the contribution of all employees to business success;
- creating an environment where people can excel without encountering bias or being hampered by race, age, gender, lifestyle choices, religion, culture or disability; and
- ensuring all employees and applicants are treated and evaluated according to their job-related skills, qualifications, abilities and aptitudes only.

The Board sets measurable objectives for achieving gender diversity and assesses annually both the objectives and the Company's progress in achieving them.

The Executive Team, under the direction of the MD/CEO, drives diversity and inclusivity within our business. We are proud of our culturally and ethnically diverse workforce. We will continue to focus on all aspects of diversity with our initial focus to improve our gender diversity.

The DWS Diversity Policy Statement can be found on our website at www.dws.com.au. On 30 May 2018, DWS lodged its Annual Report with the Workplace Gender Equality Agency pursuant to the requirements of the *Workplace Gender Equality Act 2012* (the Act). The Act is designed to put a focus on promoting and improving gender equality and outcomes for both women and men in the workplace. All non-public sector employers with more than 100 employees are required to report annually under the Act.

The Act requires companies to provide access to the report to employees and shareholders via the usual means of communication with them. A copy of the report (below) was posted on the Company's website on 30 May 2018. Note that this report reflects the employee numbers at a particular reporting date.

Manager Occupational Categories	Reporting Level to CEO	Employment Status	No. of employees F	No. of employees M	Total Employees
CEO/ Head of Business in Australia	0	Full-time permanent	1	1	2
Key management personnel	-1	Full-time permanent	0	2	2
Other executives/General managers	-1	Full-time permanent	1	5	6
Senior Managers	-1	Full-time permanent	0	1	1
Senior Managers	-2	Full-time permanent	1	13	14
Senior Managers	-3	Full-time permanent	3	7	10
Grand Total : All managers			**6**	**29**	**35**

Non-manager Occupational Categories	Employment status	No. of employees (excluding graduates and apprentices) F	M	No. of graduates (if applicable) F	M	No. of apprentices (if applicable) F	M	Total Employees
Professionals	Full-time permanent	141	443	0	0	0	0	584
	Full-time contract	2	4	0	0	0	0	6
	Part-time permanent	10	4	0	0	0	0	14
	Part-time contract	0	0	0	0	0	0	0
Clerical and administrative	Full-time permanent	4	3	0	0	0	0	7
	Part-time contract	0	0	0	0	0	0	0
Grand total: all non-managers		**157**	**454**	**0**	**0**	**0**	**0**	**611**

For the year ended 30 June 2018 the gender diversity objective was for the proportion of females to be no less than 20% of all key management personnel (excluding executive director), general managers and senior managers. Based on the results of the WGEA Report submitted, this objective was not met.

For the year ended 30 June 2018 there were two resignations of female staff and employment of one female staff at the senior management level which impacted ratios. DWS is committed to achieving the gender diversity objective and will consider the gender diversity target whilst recruiting the best candidates for senior management positions.

Communication with shareholders

The Board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX, posting them on the Company's website, and issuing media releases. More details of the policy are available on the Company's website.

In summary, the continuous disclosure policy operates as follows:

- the CEO, the CFO and Company Secretary are responsible for interpreting the Company's policy and where necessary informing the Board. The Company Secretary is responsible for all communications with the ASX. Matters required to be disclosed to the ASX are disclosed on the day they are discovered;
- the full annual Financial Report is made available to all shareholders via the Company's website. Where a shareholder has specifically requested one, a physical hardcopy of this report is mailed to them also;
- the half-yearly report will contain summarised financial information and a review of the operations of the consolidated entity during the period. The half-year reviewed financial report will be lodged with the Australian Securities and Investments Commission and the ASX, and sent to any shareholder who requests it;
- proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a vote of shareholders;
- all announcements made to the market, and related information (including information provided to analysts or the media during briefings), are placed on the Company's website after they are released to the ASX;
- the full texts of notices of meetings and associated explanatory material are placed on the Company's website; and
- the external auditor attends the Annual General Meetings to answer any questions concerning the conduct of the audit, the preparation of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

All of the above information is made available on the consolidated entity's website after public release. Shareholder requests for financial report and other information are handled by the Company's share registry, Boardroom Pty Limited and shareholders have the option to receive and send communications electronically.

The Board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors and changes to the Constitution. A copy of the Constitution is available to any shareholder who requests it.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated	
	Notes	2018 $'000	2017 $'000
Revenue from continuing operations	5	**126,098**	137,438
Other revenue	5	**2,589**	685
Employee benefit expense	6	**(100,442)**	(105,330)
Occupancy expense	6	**(1,612)**	(1,918)
Depreciation and amortisation expense	6	**(392)**	(532)
Financing Expense		**(803)**	(765)
Other expenses		**(3,571)**	(4,379)
Impairment Expense		**–**	(49)
Profit before tax		**21,867**	25,150
Income tax expense	7	**(5,950)**	(7,760)
Profit from continuing operations		**15,917**	17,390
Profit for the year		**15,917**	17,390
Other comprehensive income		**–**	–
Total comprehensive income for the year		**15,917**	17,390
Basic earnings per share	8	**$0.12**	$0.13
Diluted earnings per share	8	**$0.12**	$0.13

The above Consolidated Statement of Profit or loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	Consolidated 2018 $'000	2017 $'000
Current Assets			
Cash and cash equivalents	10	**8,128**	10,868
Trade and other receivables	11	**19,566**	21,763
Other	12	**1,616**	2,376
Total Current Assets		**29,310**	35,007
Non-Current Assets			
Property, plant and equipment	13	**2,061**	2,254
Intangible assets	14	**67,839**	67,845
Deferred tax assets	7	**3,067**	3,050
Total Non-Current Assets		**72,967**	73,149
Total Assets		**102,277**	108,156
Current Liabilities			
Trade and other payables	16	**7,631**	11,256
Current tax liabilities		**2,327**	1,284
Provisions	15	**6,876**	6,334
Other	16	**2,855**	2,368
Total Current Liabilities		**19,689**	21,242
Non-Current Liabilities			
Interest bearing liability	17	**10,000**	15,000
Provisions	15	**443**	2,503
Total Non-Current Liabilities		**10,443**	17,503
Total Liabilities		**30,132**	38,745
Net Assets		**72,145**	69,411
Equity			
Issued capital	18	**34,187**	34,187
Retained earnings		**37,958**	35,224
Total Equity		**72,145**	69,411

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated 2018 $'000	2017 $'000
Cash Flows from operating activities			
Cash receipts from customers		**142,989**	163,567
Cash payments to suppliers and employees		**(121,280)**	(130,740)
Income taxes paid		**(4,986)**	(9,119)
Interest received		**151**	178
Net cash provided by operating activities	23	**16,874**	23,886
Cash flows from investing activities			
Payments for plant and equipment		**(124)**	(124)
Payments for intangibles		**(107)**	(75)
Payments for acquisitions		**(1,200)**	(800)
Net cash used in investing activities		**(1,431)**	(999)
Cash flows from financing activities			
Dividends paid		**(13,183)**	(13,183)
Repayment of external financing		**(9,000)**	(9,000)
Receipt of external financing		**4,000**	–
Net cash used in financing activities		**(18,183)**	(22,183)
Net increase / (decrease) in cash and cash equivalents held		**(2,740)**	704
Cash at the beginning of the financial year		**10,868**	10,164
Cash at the end of the financial year	10	**8,128**	10,868

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2018

	Share Capital $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2017	34,187	35,224	69,411
Dividends paid	–	(13,183)	(13,183)
Total transactions with owners	–	(13,183)	(13,183)
Total comprehensive income	–	15,917	15,917
Total at 30 June 2018	34,187	37,958	72,145
Balance at 1 July 2016	34,187	31,017	65,204
Dividends paid	–	(13,183)	(13,183)
Total transactions with owners	–	(13,183)	(13,183)
Total comprehensive income	–	17,390	17,390
Total at 30 June 2017	34,187	35,224	69,411

Number of shares on issue	**2018**	**2017**
Fully paid ordinary shares with no par value	**131,831,328**	131,831,328

	Consolidated
Movement in shares on issue	
Ordinary shares on issue at 1 July 2017	**131,831,328**
Changes to number of shares on issue during the reporting period	–
Ordinary shares on issue at 30 June 2018	**131,831,328**

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

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Reporting entity

DWS Limited and controlled entities (DWS, the consolidated entity or the Group) is a group of companies domiciled in Australia. The address of the consolidated entity's registered office is Level 4, 500 Collins Street, Melbourne, Victoria, Australia. The Group is primarily involved in the provision of information technology consultancy services.

Note 2. Basis of preparation

(a) Statement of compliance

The Financial Report is a general purpose report which has been prepared in accordance with Australian Accounting Standards (AASs) (including Australian interpretations) issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated Financial Report of the Group complies with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). The consolidated entity is a for-profit entity for the purpose of preparing the financial statements. The financial statements were approved by the Board of Directors on 17 September 2018.

(b) Basis of measurement

The Financial Report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(c) Functional and presentation currency

The consolidated financial statements are presented in Australian dollars, which is the consolidated entity's functional and presentation currency. In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instruments 2016/191, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated. The accounting policies set out below have been consistently applied to all years presented.

(d) Use of judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of goodwill or other assets for the year ended 30 June 2018 other than impairment of software (refer Note 14).

(e) New accounting standards and interpretations adopted during the year

The Group has not adopted any new accounting standards and amendments to standards with a date of initial adoption of 1 July 2017.

The Group has not elected to early adopt any other new Standards or Interpretations that are issued but not yet effective.

(f) Accounting Standards issued and interpretations issued but not yet effective at 30 June 2018

The following applicable Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet effective, have not been adopted by the Group for the annual reporting period ended 30 June 2018. These are outlined below.

(i) AASB 9: Financial Instruments

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

- Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows;
- Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments;
- Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases; and
- Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:
  - the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI) – the remaining change is presented in the profit or loss.

If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in the profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and
- derecognition requirements for financial assets and liabilities.

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

The effective date is annual reporting periods beginning on or after 1 January 2018.

The impact of AASB 9, based on the Group's assessment, is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

(ii) AASB 15: Revenue from contracts with customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue related interpretations:

- establishes a new revenue recognition model;
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time; and
- provides new and more detailed guidance on specific topics (eg multiple element arrangements, variable pricing, rights of return, warranties and licensing) expands and improves disclosures about revenue.

The effective date is annual reporting periods beginning on or after 1 January 2018.

The impact of AASB 15, based on the Group's assessment, is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

Note 2. Basis of preparation continued

(f) Accounting Standards issued and interpretations issued but not yet effective at 30 June 2018 continued

(iii) AASB 16: Leases

AASB 16 Leases replaces AASB 117 Leases and some related interpretations:

- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases; and
- provides guidance on the application of the definition of lease and on sale and lease back accounting requires new and different disclosures about leases.

The effective date is annual reporting periods beginning on or after 1 January 2019.

The Group is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the Group's preliminary assessment, the likely impact on the first time adoption of the Standard for the year ending 30 June 2020 will be a significant increase in lease assets and financioal liabilities recognised on the balance sheet.

Note 3. Significant accounting policies

The Financial Report covers the consolidated group of DWS Limited and controlled entities. DWS Limited is a listed public company, incorporated and domiciled in Australia.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the Financial Report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Principles of consolidation

The Group financial statements consolidate those of DWS Limited and all of its subsidiaries as of 30 June 2018. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

The controlled entities are Wallis Nominees (Computing) Pty Ltd, DWS (NSW) Pty Ltd, Graeme V Jones & Associates Pty Ltd (formerly GlobalSoft Australia Pty Ltd), DWS Product Solutions Pty Ltd (formerly Equest Consulting Pty Ltd), Strategic Data Management Pty Ltd, SDM Sales Pty Ltd, Symplicit Pty Ltd and Phoenix IT & T Consulting Pty Ltd. All controlled entities have a June financial year end.

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 policies applied by the parent entity.

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased. Non-controlling interests in the entity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

(b) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date. Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Consolidated Statement of Profit and Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

DWS has not entered into an income tax consolidated group under the tax consolidation regime. DWS Limited and each of its subsidiaries are responsible for their own recognition of current and deferred tax assets and liabilities.

(c) Revenue recognition

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's principal business activities as described below:

1. Consulting services

Consulting services revenue is recognised on a billing entitlement basis and is matched against related costs incurred. Where fixed price contracts are used, revenue recognition is based on stage of completion. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours per the detailed project plan derived for each project pursuant to the Group's quality methodology. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

2. Interest

Interest revenue is recognised as it accrues, taking into account the interest rates applicable to the financial assets.

3. Sale of non-current assets

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

4. Dividends

Dividend revenue is recognised net of any franking credits.

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the Consolidated Statement of Financial Position.

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

(e) Borrowing costs

Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and foreign exchange including trade creditors and lease finance charges. Ancillary costs incurred in connection with the arrangement of borrowings are capitalised and amortised over the life of the borrowings. Other borrowing costs are expensed.

(f) Work in progress

Work in progress represents the gross unbilled amount expected to be collected from clients for work performed to date. Where the work has been delivered on a time and materials basis, work in progress is measured using the Group's various selling rates on a per hour basis (including relevant disbursements) to date. Where projects have been delivered on a fixed price basis, work in progress is measured using the percentage of completion method.

Note 3. Significant accounting policies continued

(g) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are 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.

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.

(h) Financial instruments

Classification

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

Recognition

Financial instruments are measured at fair value unless otherwise determined as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139 Financial Instruments: Recognition and Measurement. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in trade and other receivables (Note 11). They are measured at amortised cost less accumulated impairment losses.

Held-to-maturity investments

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

Available-for-sale financial assets

All other Available-for-sale (AFS) financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Derivative instruments

Derivative instruments are measured at fair value. Gains and losses arising from changes in fair value are taken to the Consolidated Statement of Profit or Loss and Other Comprehensive Income unless they are designated as hedges.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions reference to similar instruments and option pricing models.

Impairment of financial assets

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 significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Repurchase of share capital (treasury capital)

When share capital recognised as equity is repurchased, the amount of consideration paid, which includes directly attributable costs, is recognised as a deduction from equity, net of any tax effects. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity.

(i) Business combinations

The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (ie gain on a bargain purchase) is recognised in profit or loss immediately.

(j) Intangibles

Goodwill

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

Software products & intellectual property

Internally developed software products have been acquired through business combinations and are carried at cost less any accumulated amortisation and impairment losses. These intangible assets have been assessed as having a finite life and are amortised as appropriate over the period of their useful lives. All amortisation is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

The Amortisation rates used in the current and the comparative period are;

Software	25 – 40%
Intellectual Property	10%

Note 3. Significant accounting policies continued

(k) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Value-in-use is determined by management estimating expected future cash flows from each asset / cash-generating unit and determining a suitable interest rate in order to calculate the present value of those cash flows. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(l) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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 Consolidated Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a reducing balance basis over their useful lives to the Group 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 in the current and the comparative period are;

Plant and Equipment	7.5-40%
Motor Vehicles	18.75-25%
Leasehold Improvements	2.5%

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

(m) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within one year of the services being rendered have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year after the service is rendered have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Superannuation

There are no persons employed by the Group or any of its subsidiaries who are members of a defined benefit superannuation plan. Contributions to employee superannuation funds are recognised as an expense as they are made.

(n) 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.

(o) Receivables

Trade and other receivables represent the principal amounts due at reporting date plus accrued interest and less, where applicable, any unearned income and allowance for doubtful debts.

(p) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments such as term deposits with original maturities of three months or less. These investments are subject to insignificant levels of risk and changes in value.

(q) Dividends

A provision for dividends payable is recognised in the reporting period in which the dividends are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

(r) Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Note 4. Financial risk management

(a) Overview

The Group has exposure to certain types of risk as part of its day-to-day operations. This note presents an overview as to each type of risk and how the Group goes about identifying, measuring and managing these risks. The Board of Directors in conjunction with the Audit, Risk and Compliance Committee and Executive Management have overall responsibility for the establishment and oversight of the Risk Management Framework.

Risk management procedures are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and monitor risks and ensure adherence to policies. Risk management procedures and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit, Risk and Compliance Committee oversee how management monitors risk and assesses the adequacy of the risk management procedures in place.

(b) Credit risk exposures

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of clients and customers in various companies and performing due diligence procedures on major new customers.

The Group's longstanding relationships with the majority of clients further protects against credit risk, and historically the Group has experienced only minor losses from customer defaults. As at 30 June 2018, trade receivables that were 90 days and over past due were provided for, leaving an amount of $15,873 remaining in the 90 days overdue category. Trade receivables that are not past due do not contain any impaired assets. Based on the credit history of the relevant counterparties, it is expected that these amounts will be received when due.

	Consolidated	
	2018 $'000	**2017 $'000**
Not past due	**17,411**	18,205
Past due 0 – 60 days	**1,947**	2,984
60 – 90 days	**192**	563
90 – 120 days	**16**	11
120 days +	**–**	–
	19,566	21,763

The operating entities within the Group invoice clients on a monthly basis. Invoices are electronically prepared by administration staff and electronically delivered to individual clients as part of normal operations. Different entities within the Group operating in different regional areas have varying invoice terms, including 14 days, 30 days and 60 days. For the purposes of this note, 'Not Past Due' is defined as being any period less than 30 days from the date of invoice generation.

Note 4. Financial risk management continued

(c) Interest rate risk

The consolidated entity has exposure to interest rate risk. The consolidated entity's current exposure to interest rate risk and the effective weighted average interest rate was attributable to cash and cash equivalents and to its external loan facility that was entered into the purpose of completing its recent acquisitions of Symplicit Pty Ltd and Phoenix IT&T Consulting Pty Ltd. The weighted average interest rate on cash and cash equivalents for 2018 was 1.6 per cent (2017 1.7 percent). The Group had an external debt facility drawn as at 30 June 2018 of $10.0 million. The table below provide a sensitivity if the loan had remained drawn for the full year.

The following table illustrates the net sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reported at reporting date would have been affected by changes in interest rates that management considers to be reasonably possible.

	Consolidated	
Year ended 30 Jun 2018	**Profit $'000**	**Equity $'000**
+/- 1.4% in interest rates	+/- 110	+/- 110
Year ended 30 Jun 2017		
+/- 1.4% in interest rates	+/- 286	+/- 286

* One point four per cent sensitivity has been used as interest rates have not changed over the previous 12 months and using a rate less than what was achieved on cash and cash equivalents for 2018 will result in an inaccurate sensitivity.

No other financial assets and liabilities are exposed to interest rate risk.

(d) Liquidity risk

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

Consolidated Entity	Carrying Amount $'000	Contractual cash flows $'000	Less than 1 month $'000	1 to 3 Months $'000	3 Months to 1 years $'000	Greater than 1 year $'000
2018						
Trade payables	**603**	**603**	**603**	**–**	**–**	**–**
Accruals	**2,471**	**2,471**	**2,471**	**–**	**–**	**–**
Current tax liabilities	**2,327**	**2,327**	**239**	**–**	**2,088**	**–**
Other financial Liabilities	**7,402**	**7,402**	**5,534**	**1,306**	**549**	**14**
Interest on interest bearing debt	**10**	**10**	**10**	**–**	**–**	**–**
Interest bearing liabilities	**10,000**	**10,000**	**–**	**–**	**–**	**10,000**
	22,813	**22,813**	**8,856**	**1,306**	**2,637**	**10,014**
2017						
Trade payables	859	859	859	–	–	–
Accruals	3,973	3,973	3,973	–	–	–
Current tax liabilities	1,284	1,284	1,202	–	82	–
Other financial Liabilities	8,669	8,669	7,106	407	1,120	36
Interest on interest bearing debt	123	123	–	62	61	–
Interest bearing liabilities	15,000	15,000	–	–	–	15,000
	29,908	29,908	13,140	469	1,263	15,036

(e) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of the business. The Board of Directors also monitors the level of dividends to ordinary shareholders.

From time to time the Group may purchase its own shares on the market; the timing of these purchases depends on market prices. These repurchase decisions are made by the Executive Management of the Group in conjunction with the Board of Directors. The Group did not purchase any of its shares during the year ended 30 June 2018.

There were no changes in the Group's capital management approach during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

(f) Fair values

Fair values of financial assets and liabilities are materially the same as the carrying amounts shown in the Consolidated Statement of Financial Position.

Note 5. Revenue

	Consolidated	
	2018 $'000	**2017 $'000**
Revenue from continuing operations		
Services revenue	**126,098**	137,438
Total revenue from continuing operations	**126,098**	137,438
Other revenue		
Interest received	**151**	178
Other	**2,438**	507
Total other revenue	**2,589**	685

Note 6. Profit for the year

	Consolidated	
	2018 $'000	**2017 $'000**
Profit before income tax expense has been determined after the following specific expenses:		
Depreciation and amortisation of:		
Plant and equipment	**279**	254
Intangible assets	**113**	278
	392	532
Employee Benefit expense		
Salary and other benefits	**93,033**	97,972
Superannuation	**7,409**	7,358
	100,442	105,330
Occupancy expenses		
Rental expense on operating leases – minimum lease rentals	**1,612**	1,918
	1,612	1,918

	Consolidated	
	2018 $	**2017 $**
Auditors Remuneration		
Payments to Grant Thornton Audit Pty Ltd and related practices:		
Audit and other assurance services		
Audit and review of financial statements	**99,300**	96,000
Other assurance services		
Due diligence	**34,000**	83,167
Total remuneration	**133,300**	179,167

Note 7. Income tax

	Consolidated 2018 $'000	Consolidated 2017 $'000
The components of income tax expense comprise:		
Current tax expense	**6,041**	8,018
Deferred tax asset write off	**–**	44
Prior year tax refund	**(74)**	–
Deferred tax expense	**(17)**	(302)
	5,950	7,760
Profit/Loss before income tax	**21,867**	25,150
Prima facie tax on profit from ordinary activities before income tax at 30% (2017 30%)	**6,560**	7,545
Increase in income tax expense due to:		
Non-deductible entertainment	**90**	142
Non-assesable income	**(584)**	–
Deferred tax asset write off	**–**	44
Other items	**(42)**	29
Prior year tax refund	**(74)**	–
Adjusted income tax	**5,950**	7,760
Income tax expense	**5,950**	7,760
Applicable weighted average effective tax rate	**27.21%**	30.85%

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Consolidated						
Employee Benefits	**567**	99	**–**	–	**567**	99
Provisions	**2,196**	2,009	**–**	–	**2,196**	2,009
Other	**304**	942	**–**	–	**304**	942
Net tax assets and liabilities	**3,067**	3,050			**3,067**	3,050

Movements in Temporary Differences

	Consolidated 2018 $'000	2017 $'000
The overall movement in the deferred tax account is as follows:		
Opening balance	**3,050**	2,791
Charge to income statement	**17**	259
	3,067	3,050
Deferred tax asset movement		
Employee Benefits		
Opening balance	**99**	393
Charged	**468**	(294)
Closing balance	**567**	99
Provisions		
Opening balance	**2,009**	1,900
Charged	**187**	109
Closing balance	**2,196**	2,009
Other		
Opening balance	**942**	208
Charged	**(638)**	734
Closing balance	**304**	942
Deferred tax assets through business combinations		
Opening balance	**–**	290
Charged	**–**	(290)
Closing balance	**–**	–
Total Closing Balance	**3,067**	3,050

Note 8. Earnings per share

	Consolidated 2018	2017
Earnings used in calculation of basic and dilutive EPS	**$15,916,713**	$17,390,078
Adjusted weighted average number of ordinary shares used in calculating basic earnings per share	**131,831,328**	131,831,328
Number for diluted earnings per share		
Ordinary shares	**131,831,328**	131,831,328
Effect of dilutive share options	**–**	–
Adjusted weighted average number of ordinary shares used in calculating diluted earnings	**131,831,328**	131,831,328
Basic earnings per share	**12.1 cents**	13.2 cents
Diluted earnings per share	**12.1 cents**	13.2 cents

Note 9. Operating segments

The Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group's Chief Operating Decision Maker (CODM).

The Group only has one segment based on the aggregation criteria in AASB 8. The business operates within Australia only. The Group's operations are predominantly in consulting services in the information technology industry. Any other revenue attributable to the Group is disclosed in Note 5.

The Group earned $57.3 million (or 45 per cent) of its consultancy services revenues from its top two customers. Of all other clients, no single client contributes more than 10 per cent to total revenue. All revenues from external customers are attributable to the Group's country of domicile and all physical assets are located within Australia.

Note 10. Current Assets – cash and cash equivalents

	Consolidated	
	2018 $'000	2017 $'000
Cash at bank and on hand	**8,128**	10,868
	8,128	10,868

Note 11. Trade and other receivables

	Consolidated	
	2018 $'000	2017 $'000
Trade receivables	**19,566**	21,763
	19,566	21,763

Note 12. Other Current Assets

	Consolidated	
	2018 $'000	2017 $'000
Prepayments	**799**	1,070
Security deposits	**80**	338
Work in progress	**719**	958
Other Sundry	**18**	10
	1,616	2,376

Note 13. Non-Current Assets – property, plant and equipment

	Consolidated	
	2018 $'000	2017 $'000
Plant and Equipment at cost	**2,221**	2,841
Accumulated depreciation	**(1,795)**	(2,257)
Total Plant and Equipment	**426**	584
Motor Vehicles at Cost	**119**	177
Accumulated depreciation	**(74)**	(132)
Total Motor Vehicles	**45**	45
Leasehold Improvements	**1,935**	2,067
Accumulated depreciation	**(345)**	(442)
Total Leasehold Improvements	**1,590**	1,625
Total Property Plant and Equipment	**2,061**	2,254

	Leasehold Improvements $000	Plant and Equipment $000	Motor Vehicles $000	Total $000
Consolidated Entity 2018				
Balance at the beginning of year	**1,625**	**584**	**45**	**2,254**
Additions	**51**	**48**	**25**	**124**
Disposals		**(27)**	**(11)**	**(38)**
Additions through acquisition of business	**-**	**-**	**-**	**-**
Depreciation expense	**(86)**	**(179)**	**(14)**	**(279)**
Carrying amount at the end of year	**1,590**	**426**	**45**	**2,061**
Consolidated Entity 2017				
Balance at the beginning of year	1,631	694	43	2,368
Additions	179	123	24	326
Disposals	-	-	(11)	(11)
Additions through acquisition of business	-	-	-	-
Depreciation expense	(185)	(233)	(11)	(429)
Carrying amount at the end of year	1,625	584	45	2,254

Note 14. Intangible assets

	Consolidated	
	2018 $'000	**2017 $'000**
Goodwill		
Opening Balance	**67,060**	67,060
Acquisition of business combination	**–**	–
Closing Balance	**67,060**	67,060
Other Intangible Assets		
Capitalised software		
Opening balance	**356**	545
Additions	**–**	–
Amortisation of software expense	**–**	(189)
Closing balance	**356**	356
Internally Generated Intellectual Property		
Opening balance	**404**	424
Development	**107**	75
Amortisation of internally generated intellectual property	**(113)**	(95)
Closing balance	**398**	404
Acquisition of Intellectual Property Rights		
Brand name	**25**	25
Closing balance	**25**	25
Total Non-current intangible assets	**67,839**	67,845

There has been no impairment of the goodwill valuation as at 30 June 2018 or subsequent to that date. Goodwill is allocated to one cash generating unit.

Impairment disclosures – goodwill

Under AASB 136, the consolidated entity will undertake impairment testing of the relevant cash generating units as required. Impairment testing was performed at 30 June 2018 to test the carrying amount of goodwill.

The recoverable value of goodwill is based on value-in-use. Value-in-use calculations based on the present value of cash flow projections over a five year period for the Group as a whole on the basis that independent cash-generating units are not readily identifiable based on the Group's operating and reporting structure. The cash flows were discounted using a pre-tax rate of 9.3% (2017: 9.2%) with an assumed revenue growth figure of 1.9% per annum (2017: 1.5%). Sensitivity analysis confirms there is no impairment of goodwill if revenue was to grow at a lower rate or decline marginally.

Note 15. Provisions

	Consolidated	
	2018 $'000	**2017 $'000**
Current Liabilities – Provisions		
Employee Benefits	**6,876**	6,334
Total current provisions	**6,876**	6,334
Non Current Liabilities – Provisions		
Employee Benefits	**443**	560
Earnout Provision	**–**	1,943
Total non current provisions	**443**	2,503
Total Current and Non-Current Provisions	**7,319**	8,837

Movements in Earnout Provision

	Consolidated	
	2018 $'000	**2017 $'000**
Opening balance	**1,943**	3,895
Payments made or payable	**–**	(2,000)
Adjustments	**(1,943)**	49
Closing balance	**–**	1,943

Note 16. Current Liabilities – other

	Consolidated	
	2018 $'000	**2017 $'000**
Current liabilities		
Trade payables	**3,074**	4,955
Other payables	**4,557**	6,301
	7,631	11,256
Current liabilities – other		
Unearned revenue	**2,855**	2,368
	2,855	2,368
Total current liabilities – Other	**10,486**	13,624

Note 17. Non-Current Liabilities – interest bearing liability

	Consolidated 2018 $'000	Consolidated 2017 $'000
Non-Current liabilities		
Interest bearing facility	**10,000**	15,000
	10,000	15,000

Note 18. Contributed equity

	Consolidated 2018 $'000	Consolidated 2017 $'000
Opening share capital	**34,187**	34,187
Closing share capital	**34,187**	34,187

Number of shares on issue	**Number**	**Number**
Fully paid ordinary shares with no par value	**131,831,328**	131,831,328

	Consolidated 2018	Consolidated 2017
Ordinary Shares		
Shares on issue start of period	**131,831,328**	131,831,328
Total Shares on issue at end of period	**131,831,328**	131,831,328

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each shareholder has one vote for each fully paid ordinary share when a poll is called; otherwise each shareholder has one vote on a show of hands.

Note 19. Dividends

(a) Dividends paid during the year

	Cents per share	Total amount $'000	Franked/ Unfranked	Payment Date
2018				
Final 2017 ordinary	**5.00**	**6,592**	**Franked at 30%**	**2-Oct-17**
Interim 2018 ordinary	**5.00**	**6,592**	**Franked at 30%**	**4-Apr-18**
2017				
Final 2016 ordinary	5.00	6,592	Franked at 30%	4-Oct-16
Interim 2017 ordinary	5.00	6,592	Franked at 30%	4-Apr-17

(b) Dividends Declared

Declared final dividend	**2018 $'000**	**2017 $'000**
Declared final fully franked ordinary dividend of 5.00 cents (2017: 5.00 cents) per share at the tax rate of 30%	**6,592**	6,592

(c) Dividend franking account

	2018 $'000	**2017 $'000**
30% franking credits available to shareholders of DWS Limited for subsequent financial years	**29,503**	29,863

The franking credit amount is based on the balance of the franking account at year end. The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. The impact on the dividend franking account of dividends proposed after the reporting date but not recognised as a liability is to reduce it by $2,824,957 (2017: $2,824,957).

Note 20. Commitments

Operating leases

The consolidated entity leases eight business premises under operating leases.

	Consolidated	
	2018 $'000	**2017 $'000**
Lease Commitments		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**1,265**	1,192
Later than one year but not later than 5 years	**4,189**	1,504
More than 5 years	**149**	–
Total commitments	**5,603**	2,696

Finance leases

The consolidated entity has not entered into any finance leases for plant and equipment.

Capital and other commitments

There are no commitments for capital expenditure as at the date of this report. The consolidated entity will however undertake a review of the financial and risk operating systems during the next financial year.

Note 21. Contingent liabilities

Details of contingent liabilities are as follows:

Bank guarantees

Bank guarantees of $1,105,209 have been provided as security for performance of property rental covenants. The bank guarantees are secured by a Standard Authority to Appropriate or Set-Off Term Deposits to the equivalent guarantee value.

Note 22. Investment in controlled entities

			Equity Holding	
	Country of Incorporation	Class of Shares	2018 %	2017 %
Name of Entity				
Wallis Nominees (Computing) Pty Ltd	Australia	Ordinary	**100**	100
DWS (NSW) Pty Ltd	Australia	Ordinary	**100**	100
G V Jones & Associates Pty Ltd (formerly GlobalSoft Australia Pty Ltd)	Australia	Ordinary	**100**	100
DWS Product Solutions Pty Ltd (formerly Equest Consulting Pty Ltd)	Australia	Ordinary	**100**	100
Strategic Data Management Pty Ltd	Australia	Ordinary	**100**	100
SDM Sales Pty Ltd	Australia	Ordinary	**100**	100
Symplicit Pty Ltd	Australia	Ordinary	**100**	100
Phoenix IT&T Consulting Pty Ltd	Australia	Ordinary	**100**	100

All controlled entities are parties to a Deed of Cross Guarantee originally dated 26 June 2008. Both Symplicit Pty Ltd and Phoenix IT & T Consulting Pty Ltd entered into an Assumption deed to the Deed of Cross Guarantee on 17 May 2016.

Note 23. Reconciliation of cash flows from operations with profit after tax

	Consolidated	
	2018 $'000	2017 $'000
Profit for the year	**15,917**	17,390
Depreciation and amortisation of non-current assets	**392**	532
Increase/(decrease) in current tax liability	**1,043**	(854)
Increase/(decrease) in deferred tax assets	**17**	259
Changes in net assets and liabilities net of effects from acquisitions and disposal of businesses:		
(Increase)/decrease in assets:		
Trade and other receivables	**2,197**	7,315
Other current assets	**760**	(355)
Increase/(decrease) in liabilities:		
Trade and other payables	**(2,421)**	2,060
Other current liabilities	**487**	(769)
Short term provisions	**542**	408
Long term provisions	**(2,060)**	(2,100)
Net cashflow from operating activities	**16,874**	23,886

Note 24. Key management personnel

Compensation by category

	Consolidated 2018 $'000	2017 $'000
Short-term benefits	**1,438,975**	1,977,889
Post-employment benefits	**126,148**	164,952
Other long-term benefits	**80,000**	140,000
	1,645,123	2,282,841

There are no other compensation benefits paid.

Information and disclosures of Directors' and Executive's compensation and some equity instrument disclosures are included in the remuneration report on pages 23 to 27.

Equity holding and transactions

The movement during the reporting period in the number of ordinary shares of DWS Limited held, directly, indirectly or beneficially, by each Director and Executive, including their personally related entities is as follows:

	Held at 30 June 2017	Purchases/ (disposals)	Held at 30 June 2018
Directors			
Ken Barry[1]	103,333	–	**103,333**
Danny Wallis[2]	56,305,283	–	**56,305,283**
Martin Ralston[1]	52,000	(34,000)	**18,000**
Gary Ebeyan[1]	16,130	–	**16,130**
Jodie Moule	–	–	**–**
Hayden Kelly[1]	–	20,000	**20,000**
Selina Lightfoot[1]	13,200	–	**13,200**
Key management personnel			
Stuart Whipp[2]	50,000	10,000	**60,000**

1. Interest held in related entities.
2. Interests held directly and in related entities.

Loans and other transactions with Directors and key management personnel

Loans

There were no loans to or from Directors or Executives during the reporting period.

Other transactions with the Company or its controlled entities

There were no transactions with Directors and other key management personal during the reporting period.

Note 25. Related parties

The wholly-owned group consists of DWS Limited and its controlled entities as set out in Note 22. The ultimate parent entity in the owned group is DWS Limited.

Any transactions with related parties are on normal terms and conditions.

Note 26. Events occurring after reporting date

On 25 June 2018, the Group announced to the Australian Securities Exchange the successful completion of the acquisition of Projects Assured effective 2 July 2018.

The details of the acquisition are as follows:

	$'000
Consideration paid (cash)	**30,000**
Shares issued as consideration	**–**
Contingent Consideration[1]	**13,000**
Total cost of consideration	**43,000**

1. The range of contingent consideration payable is based upon FY19 EBITDA, FY20 EBITDA, FY21 EBITDA, FY22 EBITDA and FY23 EBITDA and is estimated to be between nil and $13,000,000 dependent on achieving the EBITDA target for each of the financial years.

The net business assets acquired are provisionally estimated at $3.25million (comprising of cash $0.78m, trade receivables $5.79m with trade and other payables of $3.32m). The consideration in excess of the net assets acquired represents intangible assets including goodwill.

The calculation of the fair value of assets and liabilities acquired is yet to be finalised and accordingly the carrying value of Goodwill is yet to be determined.

There have been no other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect:

(a) the consolidated entity's operations in future financial years;

(b) the results of those operations in future financial years; and

(c) the consolidated entity's state of affairs in future financial years.

Note 27. Parent entity disclosures

As at, and throughout the financial year ended 30 June 2018, the parent entity of the Group was DWS Limited:

	2018 $'000	2017 $'000
Assets		
Current assets	**626**	507
Non-current assets	**38,432**	50,426
Total assets	**39,058**	50,933
Liabilities		
Current liabilities	**37**	1,368
Non-current liabilities	**6,065**	25,242
Total liabilities	**6,102**	26,610
Net Assets	**32,956**	24,323
Equity		
Issued Capital	**34,187**	34,187
Retained Earnings	**(1,231)**	(9,864)
Total Equity	**32,956**	24,323
Summarised Statement of Comprehensive Income		
Profit for the year	**2,040**	47
Other comprehensive income	**–**	–
Total comprehensive income	**2,040**	47

DIRECTORS' DECLARATION

1. In the opinion of the Directors of DWS Limited (the Company):
   (a) the financial statements and notes, set out on pages 38 to 61 are in accordance with the *Corporations Act 2001*, including:
      (i) giving a true and fair view of the financial position of the Group and consolidated entity as at 30 June 2018 and of its performance, as represented by its results of the operations and its cash flows, for the year ended on that date;
      (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*;
      (iii) comply with International Financial Reporting Standards as disclosed in Note 2; and
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the controlled entities identified in Note 22 will be able to meet any obligations or liabilities to which they are or may become subject.
3. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2018.

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

Martin Ralston
Non-Executive Chairman

Ken Barry
Non-Executive Director

Signed at Melbourne this 17 September 2018

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Independent Auditor's Report

To the Members of DWS Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of DWS Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

b Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Note 3c	
For the year ended 30 June 2018, the Group recognised revenue of $126,098,000 (2017: $137,438,000) from variable and fixed price service contracts. Revenue is recognised in accordance with AASB 118 *Revenue* or AASB 111 *Construction Projects* depending on the nature of the transaction. Revenue derived from delivery of services may be complex and involve significant management judgement due to revenue being recognised in accordance with the percentage of completion accounting for fixed price contracts. The audit team is required to obtain sufficient audit evidence as to whether the assumptions used by management to recognise revenue are reasonable and disclosures are adequate in accordance with ISA 540 *Auditing for Accounting Estimates*. This area is a key audit matter due to the complexity associated with service revenue.	Our procedures for significant revenue streams included, amongst others: • Documenting and assessing the control environment in place used by the Group in recognising revenue; • Reviewing revenue recognition policies for compliance with AASB 118 *Revenue* and AASB 111 *Construction Contracts*; • Testing a sample of variable priced contract revenue to supporting documentation and assessing whether revenue has been accurately recorded in the correct period; • Testing a sample of fixed price contract revenue to supporting documentation and assessing whether revenue has been accurately recorded in the correct period and the percentage of completion method has been applied appropriately; • Reviewing the progress of fixed price contracts to gain an understanding of project stage of completion and progress against project budget; and • Assessing the adequacy of the disclosures in the financial statements.

Carrying value of intangible assets – Note 14

The Group has recorded goodwill totalling $67,060,000 at 30 June 2018 (2017: 67,060,000) across one Cash Generating Unit ("CGU"). Goodwill is required to be assessed for impairment annually by management as prescribed by AASB 136 *Impairment of Assets*. Management test goodwill for impairment by comparing their carrying amounts against their recoverable amounts determined by either, the greater of its fair value less costs to sell and its value in use. This area is a key audit matter due to the significant balance carried by the Group and the inherent subjectivity around key inputs used in the assessment of impairment.	Our procedures included, amongst others: • Enquiring of management to obtain and document an understanding of management's process and controls related to the assessment of impairment, including management's identification of CGUs and the calculation of the recoverable amount; • Evaluating the value-in-use models against the requirements of AASB 136 *Impairment of Assets,* • Reviewing management's value-in-use calculations to: - Test the mathematical accuracy of the calculations; - Evaluate management's ability to perform accurate estimates; - Agree discount rates applied to forecast future cash flows. • Performing sensitivity analysis on the significant inputs and assumptions made by management in preparing its calculations; and • Assessing the adequacy of the disclosures in the financial statements.

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

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors' for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 23 to 27 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of DWS Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

Simon Trivett

S C Trivett
Partner – Audit & Assurance

Melbourne, 17 September 2018

SHAREHOLDER INFORMATION

DWS Limited

Analysis of Holdings as at 6 September 2018

Security classes

Fully paid ordinary shares

Holdings Ranges	Holders	Total Units	%
1-1,000	678	433,231	0.329
1,001-5,000	1,504	4,674,846	3.546
5,001-10,000	883	7,024,923	5.329
10,001-100,000	1,194	34,427,503	26.115
100,001-9,999,999,999	84	85,270,825	64.682
Totals	**4,343**	**131,831,328**	**100.000**

Number of shareholdings with an unmarketable holding = 177

Fully paid ordinary shares

Top 20 holdings as at 6 September 2018

	Top Holders Snapshot	Units	% of Units
1	MR DANIEL WALLIS	55,005,283	41.724
2	J P MORGAN NOMINEES AUSTRALIA LIMITED	4,053,623	3.075
3	CITICORP NOMINEES PTY LIMITED	3,763,174	2.855
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	2,004,666	1.521
5	D S A H HOLDINGS PTY LTD	1,300,000	0.986
6	AUST EXECUTOR TRUSTEES LTD <CHARITABLE FOUNDATION>	1,010,097	0.766
7	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	788,781	0.598
8	G HARVEY NOMINEES PTY LIMITED <HARVEY 1995 DISCRETION A/C>	740,000	0.561
9	ROBYN HOOD PTY LTD <ROBYN HOOD SUPER FUND A/C>	700,000	0.531
10	MR DAVID PATRICK JOHN MULRONEY & MRS ELISABETH SUZANNE MULRONEY <MULRONEY SUPER FUND A/C>	650,000	0.493
11	MR GLENN MAFODDA	517,987	0.393
12	FIELDING JOHNSTONE PTY LTD <FIELDING FAMILY NO 2 A/C>	510,000	0.387
13	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LTD <NO 1 ACCOUNT>	478,453	0.363
14	NATIONAL NOMINEES LIMITED	446,947	0.339
15	DR ANDREW RICHARD CONWAY & DR VANESSA JOY TEAGUE	372,384	0.282
16	FONDLY PTY LTD	350,000	0.265
17	JACK MIRIKLIS NOMINEES PTY LTD <JACK MIRIKLIS STAFF S/F A/C>	340,000	0.258
18	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	337,566	0.256
19	JE & FJ CUNNINGHAM SUPERANNUATION PTY LTD <JE & FJ CUNNINGHAM S/F A/C>	335,894	0.255
20	MICHAEL KEMP PTY LTD <MICHAEL KEMP A/C>	330,000	0.250
Total securities of top 20 holdings		74,034,855	56.159
Total of securities		**131,831,328**	

SHAREHOLDER INFORMATION CONTINUED

Substantial Shareholders

Name of Shareholder	No. of Shares	% of Issued Capital
Mr Daniel Wallis	56,305,283	42.710%

Unquoted Equity Securities

There are no unquoted equity securities.

Escrow shares

There are no restricted securities or securities the subject of voluntary escrow.

Voting Rights for fully paid ordinary shares

The Constitution for votes to be cast:

- on a show of hands, one vote for each shareholder; and
- on a poll, one vote for each fully paid ordinary share.

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DWS