DWS

Excellence

ANNUAL REPORT 2019

CONTENTS

BUSINESS PROFILE

DWS Limited (DWS) is a leading Australian IT, business and management consulting services Group, delivering excellence and innovation in our IT business solutions since 1992. 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, Business and Management Consulting Services, Human Centred Design and Digital Transformation, Business Analytics, Customer driven innovation, Strategic Advisory 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 bringing together the best minds in Customer Experience, Technology and Strategy and 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 successfully executed a key part of its strategy; the diversification of its earnings and an increase in project work from Government and Defence both as a result of the acquisition of Projects Assured.

To the DWS Shareholders

During the 2019 financial year, DWS successfully executed a key part of its strategy; the diversification of its earnings and an increase in project work from Government and Defence, both as a result of the acquisition of Projects Assured, a leading Strategic Management and IT Consulting business based in Canberra. With the addition of the Projects Assured consultants, permanent consulting staff for the DWS Group grew from 704 to 751 and the number of employees for the DWS Group now exceeds 800.

Despite challenging market conditions, the DWS Limited Group has continued to expand its service offering to clients and achieved an increase in operating revenue of over 29%. This was achieved at the same time as further investment in Robotic Process Automation ("RPA") and in licensed products, being our iApply automated forms software and our Site Supervisor software application for the construction industry.

Strong financial discipline during the 2019 financial year has enabled the Board of Directors to declare fully franked dividends of $0.08 cents per share for the year ended 30 June 2019, continuing DWS's history of paying fully franked dividends to its shareholders whilst at the same time servicing acquisition debt used to acquire Projects Assured. Consistent with prior years, 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 surplus cash generated over and above that required to pay dividends.

Following the completion of the 2019 financial year, DWS Limited's longest serving director, Ken Barry, resigned from the DWS Limited Board effective 1 July 2019. After a distinguished legal career at Deacons (now called Norton Rose Fullbright Australia) and many years as a director of DWS Limited and other Australian corporates, Ken has made the decision to resign as a director and spend more time with his family. On behalf of the Board of DWS Limited and personally, I would like to thank Ken for his wise counsel and acknowledge the significant contribution made by Ken as a member and the Chair of the Audit, Risk and Compliance Committee, a member of the Remuneration and Nominations Committee and a director of DWS Limited.

Finally, I would like to thank the DWS shareholders and our clients for continuing to support DWS during 2019. We are grateful for the loyalty of our shareholders and clients and DWS looks forward to working with you in 2020 and beyond. In addition, I would like to thank my fellow directors, the DWS Executive Management Team and our staff. The DWS Limited Board is committed to working with the DWS Executive Management Team to ensure the DWS operations continue to grow providing a challenging and rewarding career for our staff and ensuring we continue to match our clients' needs.

Dated 19 September 2019

Martin Ralston
Non-Executive Chairman

THE DWS LIMITED BOARD IS COMMITTED TO WORKING WITH THE DWS EXECUTIVE MANAGEMENT TEAM TO ENSURE THE DWS OPERATIONS CONTINUE TO GROW PROVIDING A CHALLENGING AND REWARDING CAREER FOR OUR STAFF AND ENSURING WE CONTINUE TO MATCH OUR CLIENTS' NEEDS.

CEO AND MANAGING DIRECTOR'S REPORT

DWS is well placed to be the provider of choice for large corporates and Federal and State Governments with the ability to provide end-to-end consulting services for digital and other business projects.

The 2019 financial year was another year of change for the DWS Limited Group. With the acquisition of Projects Assured and investments in licensed products and Robotic Process Automation ("RPA"), the Group continued to evolve. DWS is well placed to be the provider of choice for large corporates and Federal and State Governments with the ability to provide end-to-end consulting services for digital and other business projects.

With mixed business conditions in Australia, DWS performed well with revenue for the Group growing to $163.5 million and underlying EBITDA increasing to $26.4 million. Normalised NPAT also increased to $16.0 million giving rise to normalised Earnings Per Share ("EPS") of 12.73 cents per share compared to normalised EPS of 12.07 cents per share for 2018.

DWS finished the year with billable headcount of approximately 751 as we managed staffing levels to maintain productivity and match client demand. With the successful acquisition of Projects Assured and further growth expected, we will look to increase billable headcount during 2020 subject to client demand and industry conditions.

Good cost control and a focus on productivity ensures that the DWS Group continues to have a strong balance sheet. After including the acquisition debt to purchase Projects Assured, DWS had total net debt of $33.1 million as at 30 June 2019 which is 1.25 times the underlying EBITDA for 2019. This combined with a strong cash conversion has meant that DWS has been able to invest in its traditional and new businesses as well as declare a fully franked final dividend for the 2019 financial year of 4.0 cents per share, giving total dividends of approximately $10.5 million ($0.08 per share) for the year ended 30 June 2019.

The Australian IT industry is expected to show similar conditions in 2020 as those experienced in 2019. DWS will continue to support the growth and development of Projects Assured in Canberra and further invest in RPA and licensed products. In addition, we will look to maintain and grow our traditional core services and grow our digital service offering to ensure we are supporting our clients as they undertake more and more digital transformation projects. DWS will continue to look for earnings accretive acquisitions for existing or new service offerings whilst at all times considering the latest trends in the IT industry and the business priorities of our clients.

On behalf of the DWS Executive, I would like to welcome the Projects Assured staff to the DWS Group and thank all our staff for their commitment and hard work during 2019. In addition, I would like to thank our clients for putting their faith in DWS and for allowing us to make a difference in their businesses. During 2020, the DWS Executive will focus on the continued development of our service offerings by adapting and evolving the DWS Group operations to underpin a financially resilient business model and ensure the continued support of our clients and a rewarding career for our staff.

Dated: 19 September 2019

Danny Wallis
CEO and Managing Director

DURING 2020, THE DWS EXECUTIVE WILL FOCUS ON THE CONTINUED DEVELOPMENT OF OUR SERVICE OFFERINGS ADAPTING AND EVOLVING THE DWS GROUP OPERATIONS TO UNDERPIN A FINANCIALLY RESILIENT BUSINESS MODEL.

YEAR IN REVIEW

EVOLVING AND ADAPTING TO THE MARKET

For over 25 years DWS has been providing clients with high-quality IT, business and management consulting 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, business and management consulting 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

DWS performed strongly in FY19 in a challenging operating environment. FY19 showed continued demand for high quality consulting services provided by the DWS Group. Projects Assured continued to grow its footprint in Canberra by increasing its exposure to Federal Government and Defence. Demand for IT, business and management consulting services is dependent on industry conditions, but is expected to remain at current levels and potentially increase in certain sectors in 2020. The industry remains highly competitive and DWS will look to increase scale of operations as well as focussing on areas of high demand.

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 with a focus on DWS's footprint in digital and in Federal Government sectors. DWS will continue to provide a positive and inspiring environment for our people while maintaining a strong focus on being our clients' partner of choice.

DWS IS MAINTAINING ITS OPERATIONAL FOCUS COUPLED WITH STRONG FINANCIAL DISCIPLINE WHICH WILL ENABLE DWS TO CONTINUALLY DELIVER HIGH-QUALITY IT, BUSINESS AND MANAGEMENT CONSULTING SERVICES IN 2019 AND BEYOND.

REVENUE
($ MILLION)

$163.50M

2019

$126.10M

2018

$137.44M

2017

$144.49M

2016

EBITDA (UNDERLYING)
($ MILLION)

$26.44M

2019

$22.86M

2018

$26.99M

2017

$25.81M

2016

REVENUES

$163.5M

UP 29.7%

NPAT

$10.3M

DOWN 35.3%

DIVIDENDS PER SHARE

8.0¢

UNDERLYING EBITDA

$26.44M

UP 15.7%

TOTAL EARNINGS PER SHARE

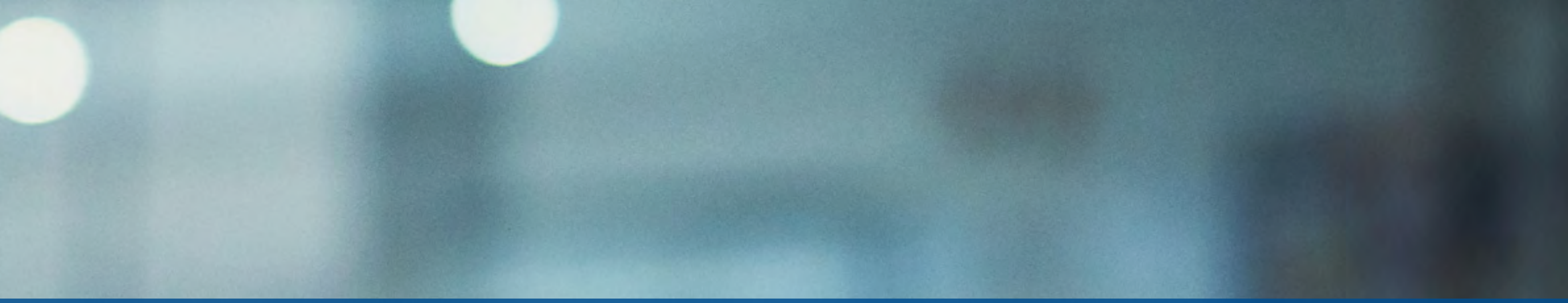
7.80¢

CASH AT BANK

$8.88M

FINANCIAL HIGHLIGHTS

	2015	2016	2017	2018	2019
Revenue ($ million)	94.63	144.49	137.44	126.10	**163.50**
NPAT ($ million)	10.40	16.79	17.39	15.92	**10.30**
Operating cash flow (before interest and tax) ($ million)	15.17	23.92	32.83	21.71	**23.03**
Earnings per share (cents)	7.87	12.74	13.19	12.07	**7.80**
Cash balance ($ million)	10.37	10.16	10.87	8.13	**8.88**
Net assets ($ million)	59.62	65.20	69.41	72.15	**70.58**
Total dividend attributable to the year (cents)	7.50	9.75	10.00	10.00	**8.00**



Revenue by Industry Sector

35% GOVT & DEFENCE
2018 – 14%

34% BANKING & FINANCE
2018 – 44%

9% IT & C
2018 – 20%

7% UTILITIES
2018 – 7%

6.5% OTHER
2018 – 7%

5% TRANSPORT
2018 – 5%

2% HEALTH-CARE
2018 – 1%

1% FMCG & RETAIL
2018 – 2%

0.5% RESOURCES
2018 – 0%

IT, BUSINESS AND MANAGEMENT CONSULTING SERVICES

DWS is one of Australia's leading IT, business and management consulting services companies and has been delivering end-to-end client focussed business solutions for over 25 years. During 2019, the Company has built on its strengths, particularly in the Government, banking and finance and utilities sectors.

The Australian IT, business and management consulting services industry continues to be competitive. The quality of IT, business management consulting 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.

Standout projects for DWS during FY9 included:

Working with one of Australia's providers of learning solutions for the school and higher education markets in Australia and New Zealand, Symplicit undertook an "ideation workshop and landscape review" which provided a frame of reference to compare and contrast exisiting digital assessment solutions. The outcome of the workshop and review were strategic recommendations, journey maps and personas that were delivered for the purpose of creating a modern and engaging digital assessment tool;

Working with a leading international electronics and systems group, DWS was asked to demonstrate how RPA could be used to deliver savings and improve processing times in core back-office functions. Typically internal systems are tightly secured and have historically presented problems when implementing new technology. The first Proof of Concept required the synchronisation of four foreign transaction types between the global Head Office Treasury application and their local Finance application. Having been satisfied that Robotics Processing Automation ("RPA") could deliver the business benefits, the solutions were implemented and RPA is now established as a key automation solution for the business; and

Working with a long term customer in the forestry sector, DWS was tasked to design a new cloud environment. After assessing the current applications in operations across both the existing and newly acquired businesses, DWS analysed and designed a new systems architecture, which included Microsoft Azure and Office365 platforms. It also extended systems to manage key aspects of the sawmill operations and integration with the already established platforms used for forestry operations. With the establishment of the new cloud environment, considerable efficiencies were realised through consolidation of technologies, applications and platforms. This environment now operates in a 24 by 7 setting covering all sawmill operations.

THROUGH FOCUSSING ON PROGRAM OUTCOMES AND PROACTIVELY PROVIDING THE RIGHT DELIVERY APPROACH, DWS PROVIDED THE CLIENT WITH A WORLD LEADING SYSTEM.

IT, BUSINESS AND MANAGEMENT CONSULTING SERVICES CONTINUED

BUSINESS AND PROJECT MANAGEMENT TRANSFORMATION

Client Issue

One of the largest Australian Government agencies faced the challenges of maintaining and improving its ICT systems, infrastructure and networks, particularly in the context of the scale, expertise, delivery network and digital services needed to fully realise its digital transformation strategy. The Department recognised that strong senior leadership and specialist project management skills were required that were focused on coordination, collaboration and successful delivery of its program and project activities in a transforming ICT landscape.

Projects Assured Solution

The Projects Assured approach for planning, prioritising and providing skilled project delivery specialists was to use a managed services arrangement. This solution involved the three pillars of (1) professional service delivery, (2) responsiveness and (3) partnership and included:

- regular and meaningful contact with Department staff as agreed with the contract manager and each engagement manager;
- agreement with the Department on key engagement parameters including scope, quality, timeframes, deliverable content and deliverable format;
- peer review against agreed quality principles and Executive quality assurance to ensure that project management deliverables were at the requisite Projects Assured professional standard;
- rapid response to 'ramp up' and 'ramp down' requirements for project resources depending on the stage in the project life cycle; and
- skills and knowledge transfer through mentoring and coaching – that is, being able to solve immediate problems for the Department but in the process, through our mentoring and coaching, enhancing their capability to be self-reliant and able to solve their own problems in the future.

Client benefits

The project delivery managed service, using a combination of Agile and traditional methods, provided the Department with a collaborative engagement focussed on its diverse portfolio of projects. The Projects Assured approach has also fostered a performance focused culture within this part of the Department to drive value through its effective project management and in quick time realise the business benefits of its digital transformation strategy.

DATA MANAGEMENT PLATFORMS

Client Issue

One of Australia's largest private transportation companies responsible for providing public transport in one of Australia's largest capital cities, had spent a considerable amount of time planning a modern data management platform but needed expertise in bringing the platform to life.

DWS Solution

The DWS Analytics Practice was initially engaged on a short assignment to transform conceptual architecture and high-level business requirements into physical architecture and an actionable roadmap with a detailed plan and outcomes for phase 1.

The client had already chosen Microsoft Azure as the platform but with no existing Azure infrastructure or internal capability, the client engaged DWS whose Microsoft Gold Partner status in Cloud Platform, Datacentre and Data Analytics allowed DWS experts locally and nationally to bring the right components to the fore.

After appropriate reviews, DWS was engaged to develop phase 1 of the Data Management Platform including a self-service business intelligence capability for asset management. With stakeholder alignment, a detailed plan, Platform as a Service (PaaS) infrastructure and a skilled team, DWS implemented phase 1 in just nine weeks.

Client benefits

With the success of phase 1, other areas of the client's business are now approaching internal IT and requesting the new capability that has been implemented for their area of the business accelerating the value creation from the targeted business analytics solution.

DELIVERING HUMAN CENTRED DESIGN AND BUSINESS CRITICAL TECHNOLOGY SOLUTIONS

Client Issue

A multinational oil and gas company had engaged DWS and Symplicit to implement an online application portal for prospective businesses to apply for and obtain fleet cards to assist with the management of fleet operations.

Following the successful launch of this product using DWS's iApply product, the client realised the benefits to be gained from a full integration of credit systems to provide their customers with an exceptional on-boarding experience and engaged DWS and Symplicit to work together to deliver front end automation and validation of applications for their fleet cards.

DWS & Symplicit Solution

During consultation in the discovery phase, DWS and Symplicit identified that for the client and the project to set up for success it was essential to formulate a project plan that would deliver front end validation and automation. As part of the project plan, journey maps were used to provide a visual representation of the end to end customer journey. This enabled the client to increase engagement and communication across multiple internal departments including legal, governance and finance whilst also looking at concise opportunities for experience improvement. Once the project plan had been successfully delivered, the focus was on the final integration to allow real time credit processing and digital signing of documents. This was a quantum leap forward for the client and was managed effectively by DWS and Symplicit resources with the final delivery of a seamless backend customer experience.

Due to the success of this product in the Australian market, DWS and Symplicit have been introduced to the global business with potential opportunities in the Asia Pacific region.

Client benefits

The benefits that the client has been able to derive include:

- product delivery time has been reduced to be less than four days;
- customers are now able to transact using smart phone digital applications within 24 hours of application approval;
- the client has seen an increased conversion of online applications to 65%; and
- downstream processing has been streamlined and information is now transferred without any manual intervention reducing the cost of delivery and the potential for errors.

DUE TO THE SUCCESS OF THIS PRODUCT IN THE AUSTRALIAN MARKET, DWS AND SYMPLICIT HAVE BEEN INTRODUCED TO THE GLOBAL BUSINESS WITH POTENTIAL OPPORTUNITIES IN THE ASIA PACIFIC REGION.

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

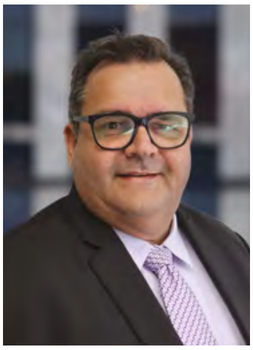
National Operations Manager

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.

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.



Kurt Nasarenko

General Manager Queensland

Kurt re-joined DWS in September 2018 after previously holding the role of Business Development Manager at DWS in Brisbane. Kurt has held a variety of senior positions in large IT professional services firms in Australia with his experience spanning industry verticals including utilities, banking and finance, travel and mining. Kurt brings local Brisbane ICT knowledge and experience which enables him to continually deliver sustainable professional service solutions whilst mentoring and supporting Consultants in their career.

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.

Gerard Murphy

National General Manager – Symplicit

Gerard joined Symplicit in late 2018 and leads the Symplicit business nationally. Prior to joining Symplicit, Gerard was the Director of Operations in Oceania for EYs Management Consulting Division. During his 15 years at EY, Gerard worked across many different parts of the business and he designed, led and implemented complex culture, people, process and technology change programs.

Gerard has completed multiple degrees and has a post Graduate Diploma in Business at Melbourne Business School ("MBS"). Gerard is passionate about positive psychology and the power it has to change people, organisations and communities to optimise performance and allow organisations to thrive.

David O'Rourke

Executive General Manager

David is a co-founder and Executive General Manager of Projects Assured. David served as an Army Officer for the initial 10 years of his career and has since been a management consultant for almost 20 years. He specialises in project management delivery and assurance and has established a reputation for critically reviewing some of the Australian and New Zealand Government's highest risk projects.

David holds a Bachelor of Computer Science and a Master of Business & Technology from the University of New South Wales and graduate qualifications in engineering and construction management.

David is an active member of the Canberra business community and served as an elected member of the ACT Branch Committee of the Australian Information Industry Association (AIIA) for several years. He has also been on the Board of Daramalan College, Canberra, since 2013.

Greg Sly

Executive General Manager

Greg Sly is a co-founder and Executive General manager of Projects Assured. Greg has 20 years of business development and management experience in the IT industry and has previously held national and APAC leadership positions within international IT vendors. Greg has been a driving force behind the growth of Projects Assured that has catapulted the company to one of the fastest growing in Australia (ranked 5th in Australian Financial Review's Fast Starters 2018).

Greg holds a first class honors and Bachelor of Science from the Australian National University and early in his career received a commendation for Australian Young Researcher of the Year (Sports Medicine).

Greg is a passionate leader who continues to have a strong focus on Projects Assured's growth and fostering an engaging and collegiate workplace.

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.

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

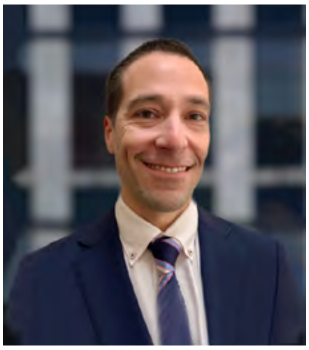
Independent Non-Executive Director

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 former 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.



Danny Gorog

Independent
Non-Executive Director

Danny Gorog is a founder, investor and currently the CEO of Snap Send Solve. He is an active investor in early stage startups as well as a board member and advisor. In September 2009, Danny co-founded Outware Mobile (outware.com.au), Australia's leading mobile app developer responsible for developing apps for ASX 100 companies. Until the sale of Outware to ARQ Group Limited (formerly Melbourne IT Limited) (ASX: ARQ) in 2015, Danny was the Managing Director of Outware Mobile. After the sale, Danny became the Executive Director, Customer Solutions & Marketing for Melbourne IT until his departure in January 2018. In addition to being a Non-Executive Director of DWS Limited, Danny is a Director and Board member of the Melbourne Symphony Orchestra ("MSO"), and a Trustee of the Telematics Trust.

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.

Resigned 1 July 2019.

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.

Resigned 10 September 2018.

FINANCIAL REPORT

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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 2019 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 Resigned 1 July 2019	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 was the Chairman of the Audit, Risk and Compliance Committee and a member of the Remuneration and Nominations Committee during the year ended 30 June 2019.
Gary Ebeyan, B. Sci Independent Non-Executive Director Elected 8 November 2010 Re-elected 15 November 2018	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 for 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 former 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, 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. Selina is a member of the Audit, Risk and Compliance Committee and became a member of the Remuneration and Nominations Committee effective 1 July 2019. Selina has also been appointed as the Chair of the Audit, Risk and Compliance Committee following Ken Barry's resignation as a Director.
Hayden Kelly Non-Executive Director Re-elected 15 November 2018	Hayden Kelly purchased Phoenix in 2006 and was instrumental in the double digit growth of the Company year on year. From 2006 until the acquisition of Phoenix by the DWS Limited Group, Hayden oversaw the business & IT Consulting, productivity & sourcing and the technical services of Phoenix. Prior to purchasing Phoenix, 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.

Danny Gorog, B. Sci, B. Comm Independent Non-Executive Director Appointed 1 July 2019	Danny Gorog is a founder, investor and currently the CEO of Snap Send Solve. In September 2009, Danny co-founded Outware Mobile (outware.com.au), Australia's leading mobile app developer responsible for developing apps for ASX 100 companies. After selling Outware to ARQ Group Limited (formerly Melbourne IT Limited) (ASX: ARQ) in 2015, Danny became the Executive Director, Customer Solutions & Marketing for Melbourne IT until his departure in January 2018. In addition to being a Non-Executive Director of DWS Limited, Danny is a Director and Board member of the Melbourne Symphony Orchestra ("MSO"), and a Trustee of the Telematics Trust.
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 as a member 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	12	5	5	2	2
Danny Wallis	13	11	-	-	-	-
Gary Ebeyan	13	13	5	5	2	2
Martin Ralston	13	13	5	5	2	2
Selina Lightfoot	13	11	5	4	-	-
Jodie Moule	2	-	-	-	-	-
Hayden Kelly	13	12	-	-	-	-

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, Mr Martin Ralston and Ms Selina Lightfoot retire by rotation and are eligible for re-election. In addition, Danny Gorog will stand for election at the Annual General Meeting in accordance with clause 15.1 of the Company's constitution.

REMUNERATION AND NOMINATIONS COMMITTEE

The Remuneration and Nominations Committee ('Committee') met two times during the financial year and the Committee members' attendance record is disclosed in the table of Directors' meeting on page 22. The Board policy is that the Committees will comprise a majority of independent Non-Executive Directors.

The members of the Committee during the financial year were:

Gary Ebeyan (Chair)	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, management and business consulting services to a broad range of large corporations and government bodies. Established in 1992 with three employees, DWS has grown to in excess of 750 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 human centred design services;
- business Intelligence including advanced analytics, Power BI and data warehouse as a service;
- strategic sourcing and productivity services;
- managed application services using a mix of offshore, on-site, off-site and high-security models depending on client requirements; and
- project and program management and delivery services.

DWS' 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 ending 30 June 2019.

Operations Review

A summary of the 2019 financial year results is presented below.

In a challenging operating environment, revenue from operations increased by $37.398 million (or 29.7%) to $163.496 million for the 2019 financial year and billable staff increased by 47 to be 751 at 30 June 2019. Adjusted EBITDA was $26.435 million compared to $22.858 million for the prior year and adjusted NPAT was $15.968 million compared to $15.917 million for the prior year. Reported NPAT was $10.298 million for the 2019 financial year (down 35.3%) after the impact of $5.670 million of acquisition costs related to the acquisition of Projects Assured.

Net assets for the DWS Group at 30 June 2019 were $70.578 million a decrease of $1.567 million. Bank debt increased to $42 million for the 2019 financial year due to the projects Assured acquisition. The Group's balance sheet remains strong and liquid with $8.880 million of cash in hand at 30 June 2019 allowing the DWS Limited Board to declare a declare a fully franked final dividend for the year ended 30 June 2019 of 4.0 cents per ordinary share which brings the total return to shareholders for the 2019 financial year to 8.00 cents (fully franked).

PRINCIPAL ACTIVITIES AND OPERATIONS REVIEW CONTINUED

The Directors believe the DWS Group is well positioned to adapt to changes in the Australian IT, business and management consulting services market and will focus on leveraging the benefits from its core and acquired businesses with the aim of growing and diversifying earnings, paying down acquisition debt and providing appropriate shareholder returns.

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 Group is not subject to any signifcant 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

Dividends	Cents Per Share	Total Amount $'000	Franked/ Unfranked	Payment Date
2019				
Final 2018 ordinary	5.00	6,592	Franked at 30%	2-Oct-18
Interim 2019 ordinary	4.00	5,273	Franked at 30%	4-Apr-19

Declared final dividend	2019 $'000	2018 $'000
Declared final fully franked ordinary dividend of 4.00 cents (2018: 5.00 cents) per share at the tax rate of 30%	5,273	6,592

All franked dividends paid and declared 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 ASX in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report are as follows:

Directors' Interest	Ordinary Shares Number	Options Over Ordinary Shares Number
Directors		
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	-
Danny Gorog[1]	10,000	-

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 and related bodies corporate covered by the insurance policy at 30 June 2019 included the Directors, the 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 Audit Pty Ltd. 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, did not provide any other assurance services to DWS in addition to their statutory audit duties.

EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since 30 June 2019 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.

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 may 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 2019.

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.

REMUNERATION POLICIES CONTINUED

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, including Key Performance Indicators ("KPIs"), 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.

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 2019 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 2019 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 and Company Secretary)	101,000	72	28

Long term incentive deferred bonus

In 2012, the Company introduced a 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 12 months. These KPIs relate to the Group's financial performance, implementation of the Group's strategic plan and 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 LTI to be paid to the individuals for approval by the Board. Assessment methods, including KPIs, 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 2019 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 and Company Secretary)	101,000	72	28

Other benefits

There are no other benefits received by Executives of the Group that relate to performance.

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	2019 $'000	2018 $'000	2017 $'000	2016 $'000	2015 $'000
EBITDA	21,915	22,804	26,243	25,502	15,134
Net Profit After Tax	10,298	15,917	17,390	16,790	10,399

	Cents	Cents	Cents	Cents	Cents
Dividend	8.0	10.0	10.0	9.75	7.5
Change in share price	(9.0)	(24.0)	38.0	53.5	(57.5)
Share price close	117.0	126.0	150.0	112.0	58.5

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

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.

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.

REMUNERATION POLICIES CONTINUED

Directors and Executive Officers' remuneration

	Year	Short-term Remuneration Base Remun-eration $	STI Cash Bonus/ Other Cash Bonus $	Non-cash Benefits (a) $	Post-employment Benefits Super-annuation/ Pension Benefits $	Long-term Benefits LTI Deferred Cash Bonus $	Total $	Proportion of Remun-eration Performance Related %
Director								
Non-Executive								
Martin Ralston	2019	120,605	-	-	24,987	-	145,592	-
	2018	96,405	-	-	24,729	-	121,134	-
Ken Barry	2019	82,192	-	-	7,808	-	90,000	-
	2018	82,192	-	-	7,808	-	90,000	-
Gary Ebeyan	2019	82,192	-	-	7,808	-	90,000	-
	2018	82,192	-	-	7,808	-	90,000	-
Hayden Kelly	2019	82,192	-	-	7,808	-	90,000	-
	2018	82,192	-	-	7,808	-	90,000	-
Selina Lightfoot	2019	82,192	-	-	7,808	-	90,000	-
	2018	82,192	-	-	7,808	-	90,000	-
Executive								
Danny Wallis CEO	2019	275,000	-	-	25,000	-	300,000	-
	2018	274,808	-	-	25,192	-	300,000	-
Jodie Moule[1]	2019	148,265	-	-	9,476	-	157,741	-
	2018	299,448	-	-	19,899	-	319,347	-
Total all Directors	2019	872,638	-	-	90,695	-	963,333	-
	2018	999,429	-	-	101,052	-	1,100,481	-
Key Management Personnel								
Stuart Whipp (CFO/ Company Secretary)	2019	383,745	101,000	-	25,000	101,000	610,745	33
	2018	359,546	80,000	-	25,096	80,000	544,642	29
David O'Rourke (Executive General Manager)[2]	2019	432,507	-	-	25,000	-	457,507	-
	2018	-	-	-	-	-	-	-
Greg Sly (Executive General Manager)[3]	2019	446,301	-	-	25,000	-	471,301	-
	2018	-	-	-	-	-	-	-
Total all Key Management Personnel	2019	2,135,191	101,000	-	165,695	101,000	2,502,886	8
	2018	1,358,975	80,000	-	126,148	80,000	1,645,123	10

1. Ms Moule resigned 10 September 2018.
2. Mr O'Rouke appointed Executive General Manager of Projects Assured on 2 July 2018.
3. Mr Sly appointed Executive General Manager of Projects Assured on 2 July 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 2018	Purchases/ (Disposals)	Held at 30 June 2019
Directors			
Danny Wallis[2]	56,305,283	-	56,305,283
Ken Barry[1]	103,333	-	103,333
Martin Ralston[1]	18,000	-	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
Danny Gorog[3]	-	10,000	10,000
Key management personnel			
Stuart Whipp[2]	60,000	-	60,000
David O'Rourke[2]	-	226,410	226,410
Greg Sly	-	-	-

1. Interest held in related entities.
2. Interests held directly and in related entities.
3. Interests held in related entities. Interest held prior to being appointed Independent Non-Executive Director on 1 July 2019.

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 Chair may not be the Chair 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	Chair 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 2019 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 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 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 *Corporations Act 2001*;
- reviewing the nomination and performance of the external auditor;
- 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 the auditors, the Australian Taxation Office, the Australian Securities and Investments Commission ("ASIC") and the ASX.

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

- discuss the external audit, identifying 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 Group. 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 32 and forms part of the Directors' Report for the year ended 30 June 2019.

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
Director

Signed at Melbourne this day 19 September 2019

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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 2019, 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

Simon Trivett

S C Trivett
Partner – Audit & Assurance

Melbourne, 19th September 2019

CORPORATE GOVERNANCE STATEMENT

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

The Company's Corporate Governance Statement for the financial year ending 30 June 2019 is dated as at 30 June 2019 and was approved by the Board on 19 September 2019. 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 Group Executives are subject to annual performance reviews and planning. Each Executive is assessed against a range of criteria including financial goals, completion of KPIs and adherence to the Group'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. Pages 21 and 22 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 pages 22 and 23 and the Audit, Risk and Compliance Committee on pages 29 and 30 of this report.

Principle 3: Promote ethical and responsible decision making

The Group 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 29 of this report and their attendance at meetings of the Committee are set out on page 22 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 25 to 29 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 22 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 a material 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 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 Chair, 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 approved a Risk Management Framework for the Company. Risk management is an integral part of the governance of DWS and oversight of the Group's risk management 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 2019.

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 is undertaken 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 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 DWS, 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 inform new Directors about the nature of the Group's 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 management strategy and planning sessions to enable them to gain a better understanding of the operations of the business.

The Company has an established process to brief 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 Chair 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 Chair of each Committee performs a review and reports to the Chair 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 2019.

Independent professional advice and access to Company information

Each Director has the right, subject to prior consultation with the Chair, 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 pages 21 to 22. 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 Chair;
- 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 Group. There is a dedicated Human Resources section 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 26 of the Financial Statements.

CODE OF CONDUCT

The Company 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 Statement can be found on our website at www.dws.com.au. On 29 May 2019, 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. Note that this report reflects the employee numbers at a particular reporting date.

Manager Occupational Categories	Reporting Level to CEO	Employment Status	Number of Employees F	Number of Employees M	Total Employees
CEO/Head of Business in Australia	0	Full-time permanent	0	1	1
Key management personnel	-1	Full-time permanent	0	1	1
Key management personnel	-2	Full-time permanent	0	2	2
Other executives/General managers	-1	Full-time permanent	1	8	9
Other executives/General managers	-2	Full-time permanent	9	18	27
Other executives/General managers	-2	Full-time contract	0	1	1
Other executives/General managers	-2	Part-time permanent	1	0	1
Other executives/General managers	-3	Full-time permanent	3	5	8
Senior Managers	-1	Full-time permanent	0	1	1
Grand total: all managers			**14**	**37**	**51**

Non-manager Occupational Categories	Employment Status	Number of Employees (Excluding Graduates and Apprentices) F	M	Number of Graduates (if Applicable) F	M	Number of Apprentices (if Applicable) F	M	Total Employees
Professionals	Full-time permanent	165	463	0	0	0	0	628
	Full-time contract	0	0	0	0	0	0	0
	Part-time permanent	14	6	0	0	0	0	20
	Part-time contract	0	0	0	0	0	0	0
Clerical and administrative	Full-time permanent	6	3	0	0	0	0	9
	Full-time contract	1	0	0	0	0	0	1
	Part-time contract	0	0	0	0	0	0	0
Grand total: all non-managers		**186**	**472**	**0**	**0**	**0**	**0**	**658**

For the year ended 30 June 2019 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 met.

For the year ending 30 June 2019 fourteen female staff were employed at senior management level. This was in addition to the employment of eight male staff at senior management level. DWS is committed to achieving the gender diversity objective and will actively recruit 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 Board is responsible for determining whether information is required to be disclosed in order for the Company to meet its continuous disclosure obligations. 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 ASIC 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 Company's website after public release. Shareholder requests for financial report information are handled by the Company 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 2019

	Notes	Consolidated 2019 $'000	Consolidated 2018 $'000
Revenue from continuing operations	5	163,496	126,098
Other income	5	719	2,589
Employee benefit expense	6	(135,518)	(100,442)
Occupancy expense	6	(1,992)	(1,612)
Depreciation and amortisation expense	6	(1,943)	(392)
Financing Expense		(3,094)	(803)
Other expenses		(4,468)	(3,571)
Share of profit/(loss) from equity accounted investments	15	(813)	-
Profit before tax		16,387	21,867
Income tax expense	7	(6,089)	(5,950)
Profit from continuing operations		10,298	15,917
Profit for the year		10,298	15,917
Other comprehensive income		-	-
Total comprehensive income for the year		10,298	15,917
Basic earnings per share	8	$0.08	$0.12
Diluted earnings per share	8	$0.08	$0.12

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 2019

		Consolidated	
	Notes	2019 $'000	2018 $'000
Current assets			
Cash and cash equivalents	10	8,880	8,128
Trade and other receivables	11	30,575	20,285
Other	12	1,133	897
Total current assets		40,588	29,310
Non-current assets			
Property, plant and equipment	13	2,701	2,061
Intangible assets	14	96,995	67,839
Investment in associates	15	187	-
Deferred tax assets	7	3,673	3,067
Total non-current assets		103,556	72,967
Total assets		144,144	102,277
Current liabilities			
Trade and other payables	17	17,150	7,631
Current tax liabilities		3,270	2,327
Provisions	16	7,261	6,876
Contract liabilities	17	2,472	2,855
Total current liabilities		30,153	19,689
Non-current liabilities			
Interest bearing liability	18	42,000	10,000
Provisions	16	1,413	443
Total non-current liabilities		43,413	10,443
Total liabilities		73,566	30,132
Net assets		70,578	72,145
Equity			
Issued capital	19	34,187	34,187
Retained earnings		36,391	37,958
Total equity		70,578	72,145

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 2019

	Notes	Consolidated 2019 $'000	2018 $'000
Cash flows from operating activities			
Cash receipts from customers		175,978	142,989
Cash payments to suppliers and employees		(152,951)	(120,703)
Income taxes paid		(6,320)	(4,986)
Interest received		86	151
Interest and financing expenses		(1,816)	(577)
Net cash provided by operating activities	25	14,977	16,874
Cash flows from investing activities			
Payments for plant and equipment		(911)	(124)
Payments for intangibles		(236)	(107)
Payments for acquisitions		(33,000)	(1,200)
Cash acquired within business acquisitions		787	-
Payment for investment in associates		(1,000)	-
Net cash used in investing activities		(34,360)	(1,431)
Cash flows from financing activities			
Dividends paid		(11,865)	(13,183)
Repayment of external financing		(5,000)	(9,000)
Receipt of external financing		37,000	4,000
Net cash used in financing activities		20,135	(18,183)
Net increase/(decrease) in cash and cash equivalents held		752	(2,740)
Cash at the beginning of the financial year		8,128	10,868
Cash at the end of the financial year	10	8,880	8,128

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 2019

	Share Capital $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2018	34,187	37,958	72,145
Dividends paid	-	(11,865)	(11,865)
Total transactions with owners	-	(11,865)	(11,865)
Total comprehensive income	-	10,298	10,298
Total at 30 June 2019	34,187	36,391	70,578
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

Number of shares on issue	**2019**	**2018**
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 2018	131,831,328
Changes to number of shares on issue during the reporting period	-
Ordinary shares on issue at 30 June 2019	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 entities 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, business and management 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 19 September 2019.

(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 2019 other than impairment of software (refer Note 14).

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

The Group has adopted AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* with an initial adoption of 1 July 2018.

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

AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* became effective for periods beginning on or after 1 January 2018. Accordingly, the Group applied AASB 15 and AASB 9 for the first time to the period ended 30 June 2019. There have been no significant changes to the Group's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2018. Changes to the Group's accounting policies arising from these standards are summarised below.

AASB 15 *Revenue from Contracts with Customers*

AASB 15 has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2018.

Further information relating to AASB 15 is provided below.

The requirements of AASB 15 replace AASB 118 *Revenue* and AASB 111 *Construction Contracts* and several revenue-related interpretations. AASB 15 is based on the principle that revenue is recognised when control of a good or service is transferred to a customer.

The Group's revenue arises mainly from the sale of IT, business and management consulting services and software licensing.

To determine whether and when to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group at times enters into transactions involving a range of the Group's products or services, for example the delivery and customisation of software. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue is recognised over time if;

- The customer simultaneously receives and consumes the benefits as the entity performs;
- The customer controls the asset as the entity creates or enhances it; or
- The seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria is not met, revenue is recognised at a point in time.

The Group provides the below types of revenue.

IT, business and management consulting services

The Group provides a wide ranging suite of services including IT, business and management consulting services, digital solutions, business analytics, strategic sourcing and productivity services, managed services and robotic process automation. Revenue from these services is recognised on a time-and-materials, fixed price or stage of completion basis as the services are provided or performance obligations are satisfied. Customers are invoiced monthly in arrears. Any amounts that remain unbilled at the end of a reporting period are presented in the statement of financial position as trade debtors as only the passage of time is required before payment of these amounts will be due.

The adoption of AASB 15 for these services has had no material impact on revenue and required no adjustment to retained earnings.

Licensing revenue

The Group enters into agreements with its customers to provide a right to access the Group's iApply software, an online forms data capture and automation software. The licence enables the customer to use the existing version of the software and also allows the customer to receive upgrades and enhancements to the software if and when they are available during the licensing agreement with the customer. The licensing agreement provides support on a time-and-materials basis as the services are provided. Licensing revenue is recognised on a straight-line basis over the license period which is the period that the Group and the customer agree to upon entering into a licensing agreement.

The Group has separately identified the licensing revenue and support revenue in reporting periods beginning on and after 1 July 2018 and there is no impact of AASB 15 on the Group's statement of profit or loss and other comprehensive income and the statement of financial position for the period ended 30 June 2019. The adoption of AASB 15 did not have an impact on the Group's statement of cash flows.

From the Group's assessment of when performance obligations are satisfied, there is no change in the timing of revenue recognition when comparing the previous accounting policy to those now under AASB 15.

NOTE 2. BASIS OF PREPARATION CONTINUED

AASB 9 *Financial Instruments*

AASB 9 *Financial Instruments* replaces the provisions of AASB 139 *Financial Instruments: Recognition and Measurement* that relate to the recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets.

Classification and measurement

AASB 9 contains three measurement classifications for financial assets;

- Measured at amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVOCI)

The classification depends on the business model within which they are managed and their contractual cash flow characteristics. Loans and receivables are measured at amortised cost and are held with the objective of collecting the contractual cash flows on a specific date. Similarly, under AASB 139, financial assets were classified as loans and receivables and measured at amortised cost.

The classification and measurement requirements for financial liabilities under AASB 9 are largely consistent with AASB 139 with the exception that for financial liabilities designated as measured at fair value, gains or losses relating to the changes in the consolidated entity's own credit risk are included in other comprehensive income. The Group's financial liabilities include trade and other payables, borrowing and derivative financial instruments. Under AASB 9, there is no change to the classification and measurement of the Group's payables and borrowings on adoption of AASB 9.

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments at fair value through other comprehensive income (FVOCI), but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit loss. In using this practical expedient, the Group uses historical experience, external indicators and forward looking information to calculate the ECL using a provision matrix. The Group allows 100% for amounts that are more than 90 days post due. The Group does not make an allowance for receivable amounts that are less than 90 days post due as the credit risk is not material. The Group has assessed the impact of the adoption of the ECL model under AASB 9 and has identified that there was no material impact to the Group's financial position.

(f) Accounting Standards issued and interpretations issued but not yet effective at 30 June 2019

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 2019. These are outlined below.

(i) AASB 16: *Leases*

AASB 16 *Leases* replaces AASB 117 *Leases* and some related interpretations. It:

- 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 initial application of AASB 16 is expected to result in an initial lease liability recorded of $5.844m which represents the present value of future payments on the Group's lease commitments. A corresponding right-of-use asset will be recognised for the same amount, less any lease liability accruals recorded as at 30 June 2019. The initial recognition of right-of-use assets under AASB 16 will therefore not have an impact to the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The impact to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the 2020 financial year will be an increase in depreciation of these right-of-use assets. These assets will be depreciated over the term of the remaining lease. Initial management calculations show that the depreciation of right-of-use assets is materially consistent to the expected occupancy expense which would have been recorded under AASB 117.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The Financial Report covers the consolidated group of DWS Limited and controlled entities. DWS 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 2019. 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.

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, Phoenix IT & T Consulting Pty Ltd and Projects Assured Pty Ltd. All controlled entities have a June financial year end.

All inter-company balances and transactions between entities in the consolidated Group, 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) Investments in associates and joint ventures

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Investments in associates represent the portion of the Group's investment in Site Supervisor Pty Ltd ("investee"). In accordance with AASB 128 *Investment in Associates and Joint Ventures*, the Group recognises the investment at cost in the Group's financial statements with adjustments thereafter for the post-acquisition change in the Group's share of the investee's net assets. The Group's financial statements also include its share of the investee's profit or loss and other comprehensive income.

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised seperately and is included in the amount recognised as an investment.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminiated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

(c) 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 or 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.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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.

(d) Revenue recognition

The Group's revenue arises mainly from the sale of IT, business and management consulting services and software licensing.

To determine whether and when to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations; and
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group at times enters into transactions involving a range of the Group's products or services, for example the delivery and customisation of software. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue is recognised over time if;

- The customer simultaneously receives and consumes the benefits as the entity performs;
- The customer controls the asset as the entity creates or enhances it; or
- The seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria is not met, revenue is recognised at a point in time.

The Group recognises revenue net of the amount of goods and services tax (GST) payable to the taxation authority for each of the Group's principal business activities as described below:

1. IT, business and management consulting services

IT, business and management 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. Licensing revenue

Licensing revenue is recognised on a straight-line basis over the licence period which is the period that the Group and the customer agree to upon entering into a licensing agreement.

3. Interest

Interest revenue is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

4. 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).

(e) 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.

(f) 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.

(g) 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.

(h) 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.

(i) Financial instruments

Recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediatley recognised as expenses in profit or loss.

Classification of financial assets

Financial assets are initially measured by the Group in their entirety at either amortised cost or fair value adjusted for transaction costs (where applicable). Financial assets, other that those designated and effective as hedging instruments, are classified into the following categories:

- Measured at amortised cost;
- Fair value through profit or loss (FVTPL); and
- Fair value through other comprehensive income (FVOCI)

In the periods presented the Group does not have any financial assets categorized as FVOCI.

The classification is determined by both;

- The entity's business model for managing the financial asset; and
- The contractual cash flow characteristics of the financial asset.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the Group for the acquisition of a business, and financial liabilities deisgnated as FVTPL, are measured at fair value.

All other financial liabilities recognised by the Group are subsequently measured at amortised cost.

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments at fair value through other comprehensive income (FVOCI), but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139.

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit loss. In using this practical expedient, the Group uses historical experience, external indicators and forward looking information to calculate the ECL using a provision matrix. The Group allows 100% for amounts that are more than 90 days post due. The Group does not make an allowance for receivable amounts that are less than 90 days post due as the credit risk is not material. The Group has assessed the impact of the adoption of the ECL model under AASB 9 and has identified that there was no material impact to the Group's financial position.

(j) 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.

(k) 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 and 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%

(l) 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.

(m) 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% - 20%

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.

(n) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees up to the 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.

(o) 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.

(p) 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 expected credit losses.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(q) 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.

(r) 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.

(s) 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 2019, trade receivables that were 90 days and over past due were provided for. 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	
	2019 $'000	2018 $'000
Not past due	27,987	18,130
Past due 0 – 60 days	2,169	1,947
61 – 90 days	419	192
91 – 120 days	-	16
120 days +	-	-
	30,575	20,285

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.

(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 are attributable to cash and cash equivalents and to its external loan facility that was entered into the purpose of completing its acquisitions of Symplicit Pty Ltd, Phoenix IT&T Consulting Pty Ltd and Projects Assured Pty Ltd. The weighted average interest rate on cash and cash equivalents for 2019 was 1.2 per cent (2018 1.6 percent). The Group had an external debt facility drawn as at 30 June 2019 of $42.0 million. The table below provides 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 2019	**Profit $'000**	**Equity $'000**
+/- 1.0% in interest rates	+/- 734	+/- 734
Year ended 30 Jun 2018		
+/- 1.4% in interest rates	+/- 110	+/- 110

* One per cent sensitivity has been used as interest rates have decreased by 0.25% over the past 12 months (as at 30 June 2019) and using a rate less than what was achieved on cash and cash equivalents for 2019 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
2019						
Trade payables	3,478	3,478	3,478	-	-	-
Accruals	2,600	2,600	2,600	-	-	-
Current tax liabilites	3,270	3,270	510	-	2,760	-
Contract liabilities	2,472	2,472	782	1,215	464	11
Other financial liabilities	9,906	9,906	9,906	-	-	-
Interest on interest bearing debt	1,166	1,166	1,166	-	-	-
Interest bearing liabilities	42,000	42,000	-	-	-	42,000
	64,892	64,892	18,442	1,215	3,224	42,011
2018						
Trade payables	603	603	603	-	-	-
Accruals	2,471	2,471	2,471	-	-	-
Current tax liabilites	2,327	2,327	239	-	2,088	-
Contract liabilities	2,854	2,854	985	1,306	549	14
Other financial Liabilities	4,548	4,548	4,548	-	-	-
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

NOTE 4. FINANCIAL RISK MANAGEMENT CONTINUED

(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 Board of Directors in conjunction with the Executive Management of the Group. The Group did not purchase any of its shares during the year ended 30 June 2019.

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	
	2019 $'000	2018 $'000
Revenue from continuing operations		
Services revenue	162,685	125,545
Licensing revenue	811	553
Total revenue from continuing operations	163,496	126,098
Other income		
Interest received	86	151
Other	633	2,438
Total other income	719	2,589

NOTE 6. PROFIT FOR THE YEAR

	Consolidated	
	2019 $'000	2018 $'000
Profit before income tax expense has been determined after the following specific expenses:		
Depreciation and amortisation of:		
Plant and equipment	300	279
Intangible assets	1,643	113
	1,943	392
Employee benefit expense		
Salary and other benefits	125,785	93,033
Superannuation	9,733	7,409
	135,518	100,442
Occupancy expense		
Rental expense on operating leases – minimum lease rentals	1,992	1,612
	1,992	1,612

	Consolidated	
	2019 $	2018 $
Auditors remuneration		
Payments to Grant Thornton Audit Pty Ltd and related practices:		
Audit and other assurance services		
Audit and review of financial statements	116,300	99,300
Other assurance services		
Due diligence	-	34,000
Total remuneration	116,300	133,300

NOTE 7. INCOME TAX

	Consolidated	
	2019 $'000	2018 $'000
The components of income tax expense comprise:		
Current tax expense	7,278	6,041
Prior year tax refund	(15)	(74)
Deferred tax expense	(1,174)	(17)
	6,089	5,950
Profit/Loss before income tax	16,387	21,867
Prima facie tax on profit from ordinary activities before income tax at 30% (2018 30%)	4,916	6,560
Increase in income tax expense due to:		
Non-deductible entertainment	143	90
Non-assesable income	-	(584)
Non-deductible acquisition costs and other payments	1,045	-
Other items	-	(42)
Prior year tax refund	(15)	(74)
Adjusted income tax	6,089	5,950
Income tax expense	6,089	5,950
Applicable weighted average effective tax rate	37.16%	27.21%

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2019 $'000	2018 $'000	2019 $'000	2018 $'000	2019 $'000	2018 $'000
Consolidated						
Employee benefits	501	567	-	-	501	567
Provisions	2,479	2,196	-	-	2,479	2,196
Customer relationships	-	-	(447)	-	(447)	-
Other	1,140	304	-	-	1,140	304
Sub-total	4,120	3,067	(447)	-	3,673	3,067
Deferred tax assets through business combinations	-	-	-	-	-	-
Net tax assets and liabilities	4,120	3,067	(447)	-	3,673	3,067

NOTE 7. INCOME TAX CONTINUED

Movements in Temporary Differences

	Consolidated	
	2019 $'000	2018 $'000
The overall movement in the deferred tax account is as follows:		
Opening balance	3,067	3,050
Charge to income statement	1,174	17
Acquisition of group entity	(568)	-
	3,673	3,067
Deferred tax asset movement		
Employee benefits		
Opening balance	567	99
Charged to income statement	(151)	468
Acquisition of group entity	85	-
Closing balance	501	567
Provisions		
Opening balance	2,196	2,009
Charged to income statement	185	187
Acquisition of group entity	98	-
Closing balance	2,479	2,196
Customer relationships		
Opening balance	-	-
Charged to income statement	447	-
Acquisition of group entity	(894)	-
Closing balance	(447)	-
Other		
Opening balance	304	942
Charged to income statement	693	(638)
Acquisition of group entity	143	-
Closing balance	1,140	304
Deferred tax assets through business combinations		
Opening balance	-	-
Charged	-	-
Closing balance	-	-
Total closing balance	3,673	3,067

NOTE 8. EARNINGS PER SHARE

	Consolidated	
	2019	2018
Earnings used in calculation of basic and dilutive EPS	$10,298,968	$15,916,713
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 earings per share	131,831,328	131,831,328
Basic earnings per share	7.8 cents	12.1 cents
Diluted earnings per share	7.8 cents	12.1 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 the provision of information technology, business and management consulting services. Any other revenue attributable to the Group is disclosed in Note 5.

The Group earned $53.3 million (or 33 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	
	2019 $'000	2018 $'000
Cash at bank and on hand	8,880	8,128
	8,880	8,128

NOTE 11. TRADE AND OTHER RECEIVABLES

	Consolidated	
	2019 $'000	2018 $'000
Gross trade receivables	31,029	20,309
Allowance for credit losses	(454)	(24)
	30,575	20,285

NOTE 12. OTHER CURRENT ASSETS

	Consolidated	
	2019 $'000	2018 $'000
Prepayments	1,009	799
Security deposits and other sundry	124	98
	1,133	897

NOTE 13. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2019 $'000	2018 $'000
Plant and equipment at cost	2,235	2,221
Accumulated depreciation	(1,829)	(1,795)
Total plant and equipment	406	426
Motor vehicle at cost	122	119
Accumulated depreciation	(62)	(74)
Total motor vehicles	60	45
Leasehold improvements	2,662	1,935
Accumulated depreciation	(427)	(345)
Total leasehold improvements	2,235	1,590
Total property plant and equipment	2,701	2,061

	Leasehold Improvements $'000	Plant and Equipment $'000	Motor Vehicles $'000	Total $'000
Consolidated entity 2019				
Balance at the beginning of year	1,590	426	45	2,061
Additions	727	147	37	911
Disposals	-	(9)	(5)	(14)
Additions through acquisition of business	-	43	-	43
Depreciation expense	(82)	(201)	(17)	(300)
Carrying amount at the end of year	2,235	406	60	2,701
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

NOTE 14. INTANGIBLE ASSETS

	Consolidated	
	2019 $'000	2018 $'000
Goodwill		
Opening balance	67,060	67,060
Acquisition of business combination	27,583	-
Closing balance	94,643	67,060
Other intangible assets		
Capitalised software		
Opening balance	356	356
Additions	-	-
Amortisation of software expense	-	-
Closing balance	356	356
Internally generated intellectual property		
Opening balance	398	404
Development	236	107
Amortisation of internally generated intellectual property	(153)	(113)
Closing balance	481	398
Customer relationships in acquisition		
Opening balance	-	-
Additions	2,980	-
Amortisation of customer relationships	(1,490)	-
Closing balance	1,490	-
Acquisition of intellectual property rights		
Brand name	25	25
Closing balance	25	25
Total non-current intangible assets	96,995	67,839

There has been no impairment of the goodwill valuation as at 30 June 2019 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 2019 to test the carrying amount of goodwill.

The recoverable value of goodwill is based on value-in-use. Value-in-use calculations are 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 11.5% (2018: 9.3%) with an assumed revenue growth figure of 1.9% per annum (2018: 1.9%). Sensitivity analysis confirms there is no impairment of goodwill if revenue was to grow at a lower rate or decline marginally.

NOTE 15. INVESTMENT IN ASSOCIATES

	Country of Incorporation	Class of Shares	Equity Holding 2019 %	Equity Holding 2018 %
Name of Entity				
Site Supervisor Pty Ltd	Australia	Ordinary	50	-

DWS Limited entered into a Shareholders Agreement to acquire 50% of the shareholding in Site Supervisor Pty Ltd in November 2018.

	Consolidated 2019	Consolidated 2018
Investment in associates		
Opening balance	-	-
Investment in associates	1,000	-
Share of profit/(loss) form equity accounted investments	(813)	-
Closing balance	187	-

NOTE 16. PROVISIONS

	Consolidated 2019 $'000	Consolidated 2018 $'000
Current liabilities – provisions		
Employee benefits	7,261	6,876
Total current provisions	7,261	6,876
Non-current liabilities – provisions		
Employee benefits	623	443
Earnout provision	790	-
Total non-current provisions	1,413	443
Total current and non-current provisions	8,674	7,319

Movements in earnout provision

	Consolidated 2019 $'000	Consolidated 2018 $'000
Opening balance	-	1,943
Payments made or payable	790	-
Adjustments	-	(1,943)
Closing balance	790	-

NOTE 17. CURRENT LIABILITIES

	Consolidated 2019 $'000	Consolidated 2018 $'000
Current liabilities		
Trade payables	6,078	3,074
Other payables	11,072	4,557
	17,150	7,631
Current liabilities – contract liabilities		
Unearned revenue	2,472	2,855
	2,472	2,855
Total current liabilities (excluding current tax liabilities and provisions)	19,622	10,486

NOTE 18. NON-CURRENT LIABILITIES – INTEREST BEARING LIABILITY

	Consolidated 2019 $'000	Consolidated 2018 $'000
Non-current liabilities		
Interest bearing facility	42,000	10,000
	42,000	10,000

NOTE 19. CONTRIBUTED EQUITY

	Consolidated 2019 $'000	Consolidated 2018 $'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 2019	Consolidated 2018
Ordinary shares		
Shares on issue at 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 ordinary share is entitled to vote for each fully paid share when a poll is called; otherwise each shareholder has one vote on a show of hands.

NOTE 20. DIVIDENDS

(a) Dividends paid during the year

	Cents Per Share	Total Amount $'000	Franked/ Unfranked	Payment Date
2019				
Final 2018 ordinary	5.00	6,592	Franked at 30%	2-Oct-18
Interim 2019 ordinary	4.00	5,273	Franked at 30%	4-Apr-19
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

(b) Dividends declared

Declared final dividend	2019 $'000	2018 $'000
Declared final fully franked ordinary dividend of 4.00 cents (2018: 5.00 cents) per share at the tax rate of 30%	5,273	6,592

(c) Dividend franking account

	2019 $'000	2018 $'000
30% franking credits available to shareholders of DWS Limited for subsequent financial years	30,819	29,503

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 $2,259,966 (2018: $2,824,957).

NOTE 21. COMMITMENTS

Operating leases

The consolidated entity leases nine business premises under operating leases.

	Consolidated	
	2019 $'000	2018 $'000
Lease Commitments		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	1,513	1,265
Later than one year but not later than 5 years	4,847	4,189
More than 5 years	-	149
Total commitments	6,360	5,603

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 22. BUSINESS COMBINATIONS

On 2 July 2018, DWS Limited acquired Projects Assured, a Canberra based business providing IT, management and business consulting services. This acquisition was funded by bank debt of $30.0 million with a further $13.0 million payable dependent on achieving EBITDA targets for FY19, FY20, FY21, FY22 and FY23.

The acquisition had the following effect on the Group's assets and liabilities.

	Recognised Values 2019 $'000
Net assets acquired	
Cash acquired within business combinations	787
Trade and other receivables	5,786
Property, plant & equipment	43
Other current assets	24
Trade and other payables	(6,050)
Contract liabilities	(258)
Short term provisions	(327)
Net identifiable assets and liabilities	5
Customer relationships in acquisition[1]	2,980
Net deferred tax liability	(568)
Goodwill on acquisition	27,583
Total acquisition cost	30,000
Consideration paid in cash	30,000
Consideration outstanding[2]	13,000

1. The calculation of the customer relationships on acquisition has been calculated and accounted for in accordance with *AASB 3 Business Combinations and AASB 138 Intangible Assets*.
2. In addition, further consideration payable based upon FY19 EBITDA, FY20 EBITDA, FY21 EBITDA, FY22 EBITDA and FY23 EBITDA to be between nil and $13,000,000 dependent upon achieving the EBITDA target for each of the financial years. In addition, these payments are contingent on both the EBITDA targets and retention of key personnel until relevant dates. Consequently, this is treated as remuneration for post-combination services in current and non-current liabilities. (Refer Note 16 and Note 17).

The goodwill on acquisition arises as a result of a premium being paid in excess of the fair value of the net assets acquired. The value of goodwill represents the future benefit arising from the expected future earnings, synergies and personnel assumed via the acquisition.

Goodwill is not deductible for tax purposes.

Transaction costs

Transaction costs of $61,393 ($7,867 FY19, $53,526 FY18) relating to the acquisition have been expensed through other expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

NOTE 23. CONTINGENT LIABILITIES

Details of contingent liabilities are as follows:

Bank guarantees

Bank guarantees of $947,579 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 24. INVESTMENT IN CONTROLLED ENTITIES

			Equity Holding	
	Country of Incorporation	Class of Shares	2019 %	2018 %
Name of Entity				
Wallis Nominees (Computing) Pty Ltd	Australia	Ordinary	100	100
DWS (NSW) Pty Ltd	Australia	Ordinary	100	100
G V Jones & Ass Pty Ltd (formerly named 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
Projects Assured Pty Ltd	Australia	Ordinary	100	0

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. Projects Assured Pty Ltd entered into an Assumption deed to the Deed of Cross Guarantee on 27 June 2019.

NOTE 25. RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH PROFIT AFTER TAX

	Consolidated	
	2019 $'000	2018 $'000
Profit for the year	10,298	15,917
Depreciation and amortisation of non-current assets	1,943	392
Increase/(decrease) in current tax liability	943	1,043
(Increase)/decrease in deferred tax assets	(1,175)	17
Loss attributable to equity accounted investments	813	-
Changes in net assets and liabilities net of effects from acquisitions and disposal of businesses:		
(Increase)/decrease in assets:		
Trade and other receivables	(4,504)	2,197
Other current assets	(212)	760
Increase/(decrease) in liabilities:		
Trade and other payables	6,484	(2,421)
Contract liabilities	(641)	487
Short term provisions	58	542
Long term provisions	970	(2,060)
Net cashflow from operating activities	14,977	16,874

NOTE 26. KEY MANAGEMENT PERSONNEL

Compensation by category

	Consolidated 2019 $'000	Consolidated 2018 $'000
Short-term benefits	2,236,191	1,438,975
Post-employment benefits	165,695	126,148
Other long-term benefits	101,000	80,000
	2,502,886	1,645,123

There are no other compensation benefits paid.

Information and disclosures of Directors' and Executives' compensation and some equity instrument disclosures are included in the remuneration report on pages 25 to 29.

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 2018	Purchases/ (Disposals)	Held at 30 June 2019
Directors			
Ken Barry[1]	103,333	-	103,333
Danny Wallis[2]	56,305,283	-	56,305,283
Martin Ralston[1]	18,000	-	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
Danny Gorog[3]	-	10,000	10,000
Key management personnel			
Stuart Whipp[2]	60,000	-	60,000
David O'Rourke[2]	-	226,410	226,410
Greg Sly	-	-	-

1. Interest held in related entities.
2. Interests held directly and in related entities.
3. Interests held in related entities. Interest held prior to being appointed Independent Non-Executive Director on 1 July 2019.

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 27. RELATED PARTIES

The wholly-owned group consists of DWS Limited and its controlled entities as set out in Note 24. The ultimate parent entity in the owned group is DWS Limited.

DWS Limited holds a 50% share in Site Supervisor Pty Ltd as set out in Note 15.

All transactions with Non-Director related parties are on normal terms and conditions.

NOTE 28. EVENTS OCCURRING AFTER REPORTING DATE

No other matter or circumstance has arisen since 30 June 2019 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 29. PARENT ENTITY DISCLOSURES

As at, and throughout the financial year ended 30 June 2019, the parent entity of the Group was DWS Limited:

	2019 $'000	2018 $'000
Assets		
Current assets	779	626
Non-current assets	65,359	38,432
Total assets	66,138	39,058
Liabilities		
Current liabilities	5,732	37
Non-current liabilities	28,990	6,065
Total liabilities	34,722	6,102
Net Assets	31,416	32,956
Equity		
Issued capital	34,187	34,187
Retained earnings	(2,771)	(1,231)
Total equity	31,416	32,956
Summarised Statement of Comprehensive Income		
Profit for the year	(1,540)	2,040
Other comprehensive income	-	-
Total comprehensive income	(1,540)	2,040

DIRECTORS' DECLARATION

1. In the opinion of the Directors of DWS Limited (the Company):
   (a) the financial statements and notes, set out on pages 40 to 66 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 2019 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) complying 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 23 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 2019.

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

M K Ralston

Martin Ralston
Non-Executive Chairman

Lightfoot

Selina Lightfoot
Non-Executive Director

Signed at Melbourne this 19 September 2019

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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 2019, 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 2019 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 auditor 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.

Grant Thornton

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 3d	
For the year ended 30 June 2019 the Group recognised revenue of $163,496,000 (2018: 126,098,000) from variable and fixed price service contracts. Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*. Revenue is derived from delivery of services and may be complex, involving significant management judgement due to revenue being recognised in accordance with the stage of completion of 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 and judgement associated with service revenue.	Our procedures 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 15; • Testing a sample of variable priced 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 stage 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 $94,643,000 at 30 June 2019 (2018: 67,060,000) across one Cash Generating Unit. 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.	Our procedures included, amongst others: • Enquiring with 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 impairment calculations prepared by management against the requirements of AASB 136; • Assessing management's assessment of impairment and reviewed management's value-in-use calculations; • 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 including review of management's assessment that there is only one cash generating unit.

GrantThornton

Key audit matter	How our audit addressed the key audit matter
Projects Assured Business Combination – Note 22	

On 25 June 2018, DWS Limited acquired Project Assured, with the transaction to be effective on 2 July 2018 in accordance with AASB 3 *Business Combinations*.
 	
The consideration for the acquisition was $30 million up-front (funded through cash and debt) and up to a further $13 million in deferred consideration to be accounted for as employee benefits, which is payable in the event of achieving certain EBITDA hurdles over the period.
 	
The accounting for business combinations requires significant judgement and estimates to be made in relation to:
 	
• The fair value of the purchase consideration, including any contingent consideration;
 	
• The fair value of the assets and liabilities acquired, including separately identifiable intangible assets; and
 	
• Evaluating the fair value of assets and liabilities acquired during the provisional accounting period.
 	
This area is a key audit matter given the judgment involved in determining the fair value of assets and liabilities acquired.
	Our procedures included, amongst others:
	
	• Reviewing transaction documentation to obtain an understanding of key terms and conditions of the transaction;
	• Assessing the qualifications and experience of the independent expert engaged by management and their suitability to perform the valuation engagement;
	• Engaging our internal valuation specialists to review the work contained in the purchase price allocation valuation report to determine whether:
	  o The appropriate intangible assets had been identified;
	  o The appropriate valuation methodologies had been used; and
	  o Assumptions used were reasonable compared with external benchmarks and our knowledge of the Group and its industry
	• Testing the mathematical accuracy of the underlying calculations;
	• Evaluating the forecasts provided by management which the valuations were based on by assessing forecast revenues, operating costs and capital expenditure based on our knowledge of the Group and market sector trends;
	• Evaluating the reasonableness of any adjustments made to the provisional amounts implied in the purchase price allocation of assets acquired as defined in AASB 3; and
	• Assessing the adequacy of the Group's disclosures with respect to the business acquisitions against the requirements of AASB 3.

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 2019, 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.

INDEPENDENT AUDITOR'S REPORT

GrantThornton

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 25 to 29 of the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of DWS Limited, for the year ended 30 June 2019 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, 19th September 2019

SHAREHOLDER INFORMATION

DWS LIMITED

Analysis of holdings as at 9 September 2019

Security classes
Fully paid ordinary shares

Holdings Ranges	Holders	Total Units	%
1-1,000	651	408,106	0.310
1,001-5,000	1,397	4,338,800	3.291
5,001-10,000	805	6,442,838	4.887
10,001-100,000	1,201	35,763,651	27.128
100,001-9,999,999,999	92	84,877,933	64.384
Totals	**4,146**	**131,831,328**	**100.000**

Number of shareholdings with an unmarketable holding = 225

Fully paid ordinary shares
Top 20 holdings as at 9 September 2019

Top Holders Snapshot		Units	% of Units
1	Mr Daniel Wallis	55,005,283	41.724%
2	Citicorp Nominees Pty Limited	3,977,121	3.017%
3	J P Morgan Nominees Australia Pty Limited	2,565,659	1.946%
4	HSBC Custody Nominees (Australia) Limited	1,641,312	1.245%
5	Sargon CT Pty Ltd <Charitable Foundation>	1,445,097	1.096%
6	D S A H Holdings Pty Ltd	1,300,000	0.986%
7	Ecapital Nominees Pty Limited <Accumulation A/C>	850,000	0.645%
8	G Harvey Nominees Pty Limited <Harvey 1995 Discretion A/C>	740,000	0.561%
9	National Nominees Limited	729,538	0.553%
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	BNP Paribas Nominees Pty Ltd <Ib Au Noms Retailclient Drp>	377,810	0.287%
14	Dr Andrew Richard Conway & Dr Vanessa Joy Teague	372,384	0.282%
15	Mr Peter John Stirling & Mrs Rosalind Verena Stirling	360,000	0.273%
16	Jack Miriklis Nominees Pty Ltd <Jack Miriklis Staff S/F A/C>	340,000	0.258%
17	JE & FJ Cunningham Superannuation Pty Ltd <JE & FJ Cunningham Super A/C>	335,894	0.255%
18	Mr Peter Biven & Mrs Kirsten Bach Biven <PK Super Fund A/C>	334,988	0.254%
19	Michael Kemp Pty Ltd <Michael Kemp A/C>	330,000	0.250%
20	Mr David Alexander McBride	299,884	0.227%
Total Securities of Top 20 Holdings		72,682,957	55.133%
Total of Securities		**131,831,328**	

Substantial Shareholders

Name of Shareholder	Number 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 provides 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.

CORPORATE DIRECTORY

Registered Office/Head Office (DWS Melbourne)

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Share Registry

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DWS

Excellence