DWS

Excellence

ANNUAL REPORT 2015

Contents

Business Profile

DWS Limited (DWS) is one of the leading IT services companies in Australia, delivering excellence and innovation in our IT solutions since 1992. DWS has grown to now have in excess of 500 employees with offices in Melbourne, Perth, Sydney, Adelaide, Canberra, Brisbane and Coolangatta, and services a broad range of blue-chip clients. DWS provides an innovative approach to service delivery by offering a suite of integrated solutions spanning IT Consulting Services, Digital Solutions, Business Intelligence and Managed Application Services.

Corporate Direction

DWS' vision is to be our clients' premier business, technology and innovation partner. This will be achieved by providing a range of integrated business solutions that make DWS first choice for our clients and partners. We understand our clients' businesses are dynamic and we are responding with a broad offering of 'new world' solutions designed to meet their needs.

Executive Chairman and Chief Executive Officer's Report

To my fellow shareholders,

The 2015 financial year (FY15) was a challenging year for DWS. Business conditions remained generally subdued and performance was disappointing, particularly in the first three-quarters of the year.

On 29 April 2015, Lachlan Armstrong tendered his resignation as CEO and Managing Director. I wish to extend my thanks to Lachlan for his significant contribution to DWS over 10 years.

Upon resuming the position of CEO and Managing Director I spent time reviewing the business operations by meeting with many staff and customers. This resulted in a range of restructuring initiatives implemented in May 2015 to improve utilisation and reduce overheads. These changes, together with a pick up in client demand in Victoria, saw a strong finish to an otherwise disappointing financial year.

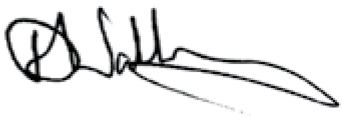
In June 2015 DWS acquired Symplicit Pty Ltd (Symplicit) for $9.8 million (following post balance date completion accounts adjustment) in cash funded by cash reserves and debt. The Symplicit acquisition brings one of Australia's leading user experience (UX) digital design and innovation consultancy businesses and provides DWS with the ability to deliver consumer-led innovation and UX solutions to our clients as an integrated package.

In August 2015 we announced the acquisition of 75 per cent of Phoenix IT & T Consulting Pty Ltd (Phoenix) for $19.5 million in cash funded by debt. Phoenix is a well-established IT and business consulting company with over 200 staff. The acquisition is expected to provide a range of benefits such as a broadened offering including high-level business consulting services, access to new blue-chip customers and a flexible labour model. We are excited by this opportunity, which contributes to a strong start to the 2016 financial year.

Both the Symplicit and Phoenix acquisitions demonstrate our strategy of adding to the breadth and depth of our service offering so we can deliver integrated solutions to our clients. The acquisitions will bring significant scale and capability to DWS and present opportunities for our staff and clients.

I would like to thank all major stakeholders in the business: our staff, Directors, shareholders and clients for their continued support. I would also like to thank our management team for their contribution over the past year.

Dated: 29 September 2015



Danny Wallis
Executive Chairman and
Chief Executive Officer

"The Symplicit acquisition brings one of Australia's leading user experience (UX) digital design and innovation consultancy businesses and provides DWS with the ability to deliver consumer-led innovation and UX solutions to our clients as an integrated package."

“Both the Symplicit and Phoenix acquisitions demonstrate our strategy of adding to the breadth and depth of our service offering so we can deliver integrated solutions to our clients.”

Year in Review

Adapting to the market

For over 20 years DWS has been providing clients with high-quality IT services. In recent years there has been unprecedented structural change in the sector driven by rapid technological advances and emerging industry trends. DWS is adapting to these changes by progressively repositioning the business to be an innovation partner for our clients. This is occurring while maintaining a strong operational focus on a resilient business model based on putting clients' interests first whilst providing a great place for our people to work.

The operating environment

While FY15 was a challenging year, improved performance towards the end of the year provides a level of optimism for FY16. Client spending remains tight and budgets for technology investment are increasingly spread across all senior decision makers in the business. However, funding is generally available, particularly when innovative and value-added outcomes are delivered.

Moving forward

DWS will continue to invest in its existing business lines where demand is strong. We will design value-added integrated business solutions for our clients and expand our service offering in growing domains through organic extensions and earnings per share accretive acquisition opportunities. We will do this while maintaining our strong focus on client service and developing our people.

Revenues
$94.6M
Up 0.2%

Underlying EBITDA
$15.9M
Down 13%

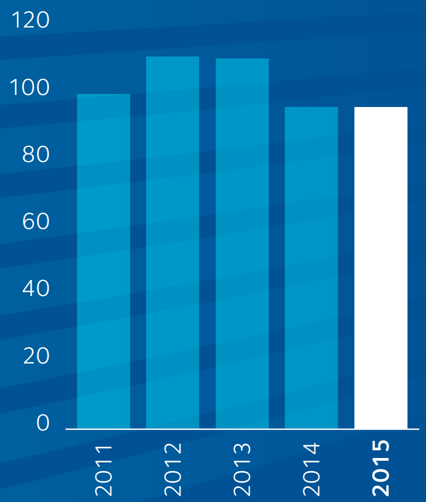
NPAT
$10.4M
Down 19%

Total earnings per share
7.9¢

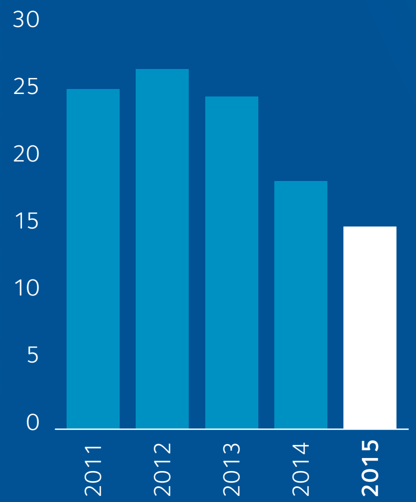
Dividends per share
7.0¢

Cash at bank
$10.4M

Total Revenue ($M)



EBITDA ($M)



Financial highlights

	2011	2012	2013	2014	2015
Revenue ($ million)	$98.39	$109.66	$109.05	$94.40	$94.63
NPAT ($ million)	$17.39	$18.22	$16.86	$12.90	$10.40
Operating cash flow (before interest and tax) ($ million)	$21.65	$30.39	$24.55	$24.74	$15.17
Earnings per share	13.14¢	13.77¢	12.74¢	9.74¢	7.87¢
Cash balance ($ million)	$10.98	$15.21	$11.79	$16.45	$10.37
Net assets ($ million)	$57.39	$59.39	$60.70	$60.36	$59.62
Total dividend attributable to the year	12.00¢	12.50¢	11.00¢	8.75¢	7.00¢

DWS Growth Strategy

DWS' growth strategy is aimed at broadening and integrating its services offerings and expanding customer touch points through acquisition and organic expansion.

	Corporate Strategy		
DWS	IT Strategy	Business Strategy	symplicit, Phoenix
DWS	ICT Architecture	Execution Business, Digital Consulting and Design	symplicit, Phoenix
DWS	Project and Portfolio Management		Phoenix
DWS, Phoenix	Systems Integration	Governance and Security	
DWS, Phoenix	Packaged Software Implementation	Business Intelligence	DWS
DWS, Phoenix	Application Development and Data Warehousing	Business Performance Improvement	Phoenix
DWS	Application and/or Infrastructure Management	Change Management	Phoenix
DWS	Application and/or Infrastructure Hosting	Recruitment, Training and HC Management	
	Infrastructure Consulting	Business Process Outsourcing	Phoenix
	IT Focus	**Business Focus**	

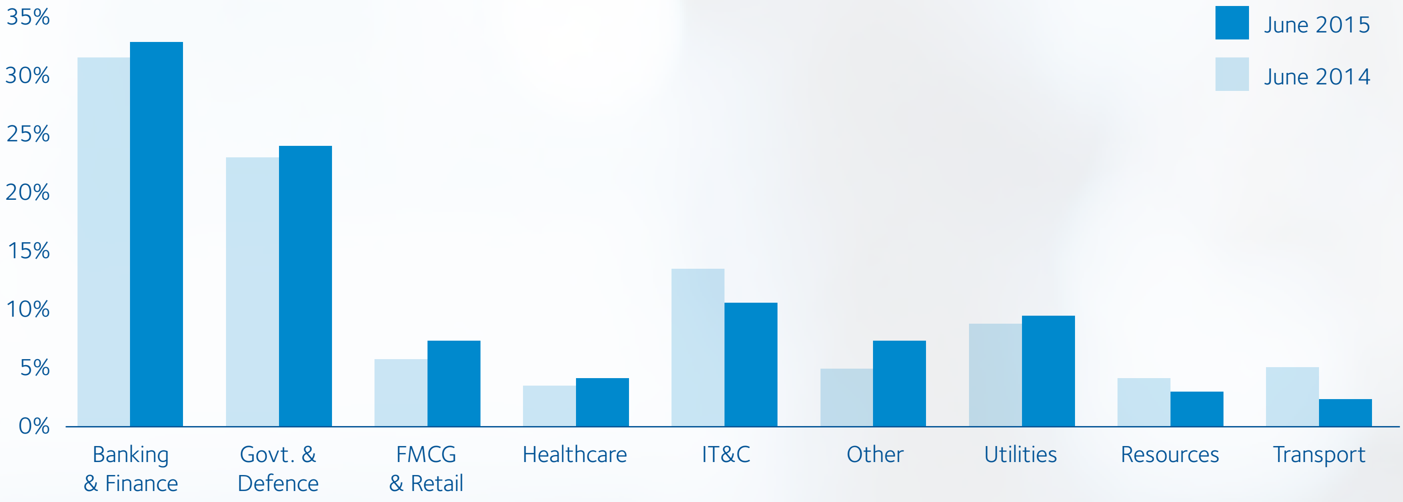
IT Consulting Services

DWS has been providing clients with high-quality IT Consulting Services for over 20 years. While FY15 was a challenging year for DWS, the Company has built on its strengths, particularly in the Banking & Finance, Government & Defence and Utilities sectors.

Standout projects for DWS during FY15 included:

- Implementing a Centre of Excellence approach for a global entertainment group to increase productivity and reduce project costs and overruns for its deployment of IT systems for new properties.
- Introducing a Service Oriented Architecture across the business for a leading insurance underwriter. By enabling web interfaces to a number of old applications, the client's brokers were able to engage with customers on laptops and tablets wherever and whenever, enriching the customer experience and increasing revenue opportunities.
- Streamlining and automating the provisioning of computer environments for a top tier bank reduced the lag time from weeks to hours. The standardised approach has dramatically increased productivity and reduced project overruns.
- Installing DWS' iApply online forms solution for a State Government department to digitally transform the grant application and management processes for large community public safety programs.
- Transforming the website and online services for a large utility network provider to offer a feature-rich experience for customers, regardless of the device they are using.

Revenue by Industry Sector



Case study

Major Labour Services Provider

Client issue

The client's processes for hiring and on-boarding included the need for various paper-based forms to be completed by employees, returned to head office, processed and re-keyed into back-office systems by administration staff. A copy of the paper-based form was then scanned for record keeping. This manual process was not only cumbersome and resource intensive, but also prevented employees from being engaged until all applicable paperwork was accurately processed.

DWS solution

DWS integrated the iApply digital data automation solution into the client's employee workforce portal; streamlining existing processes that were traditionally paper based. DWS assisted the client to integrate its existing back-end processes into iApply to automate the management of users and automatically generate mandatory forms for new users.

Client benefits

With iApply, the automation of data collection for the employee on-boarding process has significantly improved the timeframes, costs and resource requirements of engaging new employees. More than 50,000 employees and contractors are expected to use the solution in the first 12 months and this is expected to grow as new areas of the business are converted to online and electronic process improvement.

Introduction to Symplicit

In June 2015, DWS acquired Symplicit to expand its digital solutions offering. Symplicit was founded in 2002 and has grown to have over 50 staff across three offices. In FY15 it generated over $9 million of revenue servicing a range of enterprise clients across industry sectors.

Symplicit is a customer-led innovation consultancy that takes a human-focused approach to design problems of all shapes and sizes. The central premise of customer-centred design is that the best designed products and services result from understanding the needs of the people who will use them.

Symplicit aims to reduce 'friction' and increase satisfaction from all interactions for its clients' customers, across all touch points.

Symplicit's breadth of services include:

- **Innovation** – To uncover disruptive opportunities, Symplicit uses ethnographic research methods to capture clues from observing customers' behaviours. These clues help inform initial conclusions, which are then checked with further customer engagement. Once validated, these conclusions are turned into insights, opportunities and ideas.
- **User experience (UX)** – When designing digital interfaces, understanding the customer is central to the success of the design. Symplicit take insights from the research phase, rapidly develops prototypes and iteratively tests concepts with customers to help define the shape of digital products upfront, before development costs are incurred.
- **Service design** – When looking to improve the experience a customer receives from an organisation, a holistic approach is taken by considering all of the customer touch points encountered across a service journey. This enables Symplicit to uncover opportunities to reduce duplication, streamline processes and improve the omni-channel experience for the customer.
- **Social innovation** – Symplicit works with not-for-profit organisations as well as community-focused sectors within large corporate and Government organisations to leverage its innovation practice, helping realise a greater good.

The innovative digital applications Symplicit ideates and designs provide a natural fit with DWS' technical development and delivery skills so end-to-end solutions can be provided to clients.

symplicit

Staff
50
Across three offices

Revenue
$9M
In FY15

Case study
Leading Australian Bank

Client issue
After the successful launch of its mobile banking app in 2010, a leading Australian bank was looking for a customer-focused innovation and design partner to work with its digital innovation team.

The goal was to deliver a better experience for its wealth sector customers, helping to educate and encourage them to use products and services with simplicity and ease of use, as a key brand differentiator in the marketplace.

Symplicit solution
Symplicit partnered with the bank's innovation team to create a strategic design vision of the next evolution of banking, working collaboratively within an Agile/Lean UX methodology. This vision was shared to senior stakeholders to help demonstrate the value envisaged, helping release the funding to progress the initiative.

Symplicit explored the future of day-to-day banking from the customer perspective – going into people's homes and observing their habits and behaviours first hand, then translating what it saw into simplified and elegant design solutions that made the experience of share trading accessible to the traditionally 'share phobic' customer.

This work culminated in the launch of a new banking app in 2014 that is now the leader in the wealth management field; bringing a customer's complete banking life experience together in one place, whilst educating via clever visualisations and cues, and helping them to better understand their overall financial position – a stand-apart product in the Australian market.

Client benefits
The client realised that taking a customer-focused approach to disruption in the banking world would strengthen its ability to compete against others in the marketplace. The goals it set predominantly concerned changing customer experiences; and a fundamental prerequisite of changing behaviour online comes from delivering clever design solutions that move customers towards behaviour changes you expect to see.

The bank has since benefited from this relationship and methodology not only by delivering successful products and services, but by helping it to embed and foster a stronger design-led culture within the organisation.

Introduction to Phoenix

Post balance date, DWS acquired a 75 per cent shareholding in Phoenix in August 2015. Phoenix is a well established consulting company with approximately 200 staff, which generated revenue in excess of $40 million in FY15 servicing a number of large enterprise clients across industry verticals.

Phoenix's service offering includes:

- **Business consulting** – strategy and growth design; governance and leadership; business and IT transformation; business case development; change management; portfolio, program and project management; outsource leadership; and operational capability reviews.
- **Performance and improvement** – Procurement; productivity and performance improvements; strategic sourcing; business process re-engineering; process design and mapping; leadership reviews; and process tracking.
- **Technical consulting** – IT architecture; digital channel strategy and enablement; systems engineering; application development; test planning and execution services; cloud solutions; business intelligence; and unified communications.

Phoenix has been successful by adhering to a simple philosophy: delivering well-defined, measurable business outcomes to its clients through the engagement of subject matter experts and skill-specific specialists with real-world experience.

The combination of Phoenix's mix of capabilities and long-standing client relationships together with DWS' scale and technical skills and experience and Symplicit's unique customer-led innovations and digital expertise will deliver a compelling combined offering.

Staff
200

Revenue
$40M
In FY15

Case study
Leading Telecommunications Provider

Client issue
The client urgently needed to improve the implementation of its flagship service offering, which was suffering from a combination of complex processes, poor clarity of measures (KPIs), inaccurate reporting and unclear workflows and accountabilities.

Phoenix solution
Phoenix developed a program of work to address key areas that were inhibiting smooth delivery of service. The focus of the plan was on reducing the complexity of the activation processes, reducing cycle times, identifying opportunities to improve productivity and significantly increase process compliance.

Phoenix also delivered a plan to align company and employees' performance measures to ensure meaningful and targeted performance indicators (KPIs) were in place and reviewed as part of the performance feedback process.

Client benefits
Following implementation of the plan, the end state delivered the following benefits:

- Process – Reduced complexity, improved order-to-account cycle time, streamlined process, and improved compliance and order completions rates.
- Team and individual performance accountability – Relevant and measurable individual and team-based performance measures in place.
- Service management – Accurate root cause analysis to address systemic issues and the implementation of a continuous improvement framework.

Executive Management Team

Danny Wallis
Executive Chairman and
Chief Executive Officer

Danny founded DWS in 1992 and is the Executive Chairman and Chief Executive Officer. He identified the market opportunity for a high-quality, professional, client-focused IT services organisation and in true entrepreneurial spirit, from that vision 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 500 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 Executive Chairman and Chief Executive Officer, Danny draws on his over 20 years of skills and experience in the IT industry, leading DWS and providing support to the Executive and Management Team.

James Hatherley
Chief Financial Officer and
Company Secretary

James Hatherley joined DWS in 2013 and was appointed Chief Financial Officer and Company Secretary on 1 March 2014. James is responsible for a broad range of finance and support functions within DWS and plays a key role in the review and execution of business acquisition opportunities. Prior to joining DWS James held several senior finance and management roles, including CFO and Company Secretary at Australian Air Express, Deputy and Acting CFO at AWB Limited, and was previously a Partner of Ernst & Young in its Mergers and Acquisitions division. James holds a Bachelor of Commerce, a Diploma of Applied Finance and Investment and is a member of the Institute of Chartered Accountants in Australia and New Zealand.

Andrew Rose
Chief Operations Officer

Andrew has over 25 years of IT management experience with Telstra where he successfully delivered the largest IT transformation undertaken in Australia. Andrew has also worked in an independent consulting role with Amdocs Australia, supporting its corporate reorganisation. Andrew brings to DWS comprehensive IT experience, underpinned by a focus on communications, leadership skills and a passion for developing and leading professional IT personnel. Andrew is recognised for his ability to keep teams on very large projects focused and motivated despite unexpected and challenging situations and for being a prudent risk-taker, who balances the needs of business processes and controls with the need for accelerated change.

Management Team

Jason Simms
General Manager
Queensland

Jason's strong engineering heritage, coupled with the practical application of project management, general management and significant business development experience, provides Jason with a unique insight into client needs, and ensures he delivers customer-focused solutions matched to customer expectations. Jason has supplemented his engineering and project experience with formal education in management, having achieved qualifications at the Post Graduate and Masters levels.

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.

Peter Gurney
General Manager
ACT

Peter Joined DWS in October 2014 and has worked in the ACT IT sector for the past 12 years. Previously he was ACT Branch Director for CGI, and prior to this he has held a number of senior business development roles at Datacom, Fujitsu, KAZ and Halliburton. Peter brings extensive knowledge of the Canberra market and an in-depth understanding of the needs of Government clients and of the machinations of Federal Government. Prior to his career in IT Peter was an Army Officer for 14 years and retired as a Major. This experience has allowed him to leverage his connections into defence and border protection agencies.

Alan Thomas
General Manager
South Australia

Alan has held a range of senior positions throughout his career, working in a variety of diverse organisations including Telstra, Logical, Marconi, Alphawest and Oracle. Combining his practical experience with continued tertiary education, Alan has earned the following qualifications: Telecommunications Technical Officer, Associate Diploma in Business (Management), and Master of Business Administration (MBA). He is currently enrolled in a Bachelor of Laws Degree at the University of South Australia.

Michael Panosh
Practice Lead Solutions Development and Integration

Michael holds a BSc from Deakin University and has over 25 years' experience in the development and implementation of enterprise software for both commercial applications and bespoke systems. Strong technical skills and direct business development experience allow him to effectively transform customer requirements into repeatable IT outcomes. These allow the business to both scale directly through the deployment of productised services and also to transfer expertise to third parties to increase revenue opportunities where appropriate.

Jodie Moule
Co-founder Symplicit

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 and retail world, clinical and also organisational psychology. As a registered psychologist, she believes that understanding human behaviour allows you to change the customer experience, and that change happens through great design.

In 2012 Jodie authored *Killer UX Design* and from this launched a globally successful recipe app that formed a case study within her book.

Paula Scher
General Manager Human Resources

Paula is a Human Resources professional with over 10 years of commercial experience developing and implementing human resource strategy. Her industry experience spans professional services, consulting, outsourcing, retail and local Government. Qualified with a Masters in Business Administration and currently a Certified Professional with AHRI, Paula has lived and worked in more than eight countries. In previous roles, Paula has led the Human Resources function for a services business across Asia Pacific. Paula's earlier career included public relations, media buying, advertising and IT.

Board of Directors

Danny Wallis
Executive Chairman and Chief Executive Officer

Danny founded DWS in 1992 and is the Executive Chairman and Chief Executive Officer. He identified the market opportunity for a high-quality, professional, client-focused IT services organisation and in true entrepreneurial spirit, from that vision 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 500 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 Executive Chairman and Chief Executive Officer, Danny draws on his over 20 years of skills and experience in the IT industry, leading DWS and providing support to the Executive and Management Team.

Ken Barry
Lead Independent 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), Director of the National Electricity Market Management Company Limited , 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 a Director of Next Generation Australia Pty Ltd and Thoroughbred Breeders Australia Ltd.

Martin Ralston
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 and is currently a Board member of the Hawthorn Football Club and Moonee Valley Racing Club.

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.

Financial Report

Directors' Report

For the Year Ended 30 June 2015

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 2015 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 Chairperson Managing Director and Chief Executive Officer Appointed 28 December 1998 Re-elected 24 October 2006	Mr 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, Mr Wallis worked with ANZ Bank. Mr Wallis was a member of the Remuneration and Nominations Committee until 19 June 2015 and the Audit, Risk and Compliance Committee until 22 September 2015.
Ken Barry, LLB Independent Non-Executive Director Elected 9 May 2006 Re-elected 4 November 2009 Re-elected 13 November 2012	Mr Barry is a lawyer who was the Chairman of national law firm Deacons (now called Norton Rose Fulbright) from 2004–2009 and is a Director of Next Generation Australia Pty Ltd and Thoroughbred Breeders Australia Ltd. Mr Barry is Chairman of the Audit, Risk and Compliance Committee and a member of the Remuneration and Nominations Committee.
Gary Ebeyan, B. Sci Independent Non-Executive Director Elected 8 November 2010 Re-elected 25 November 2013	Mr Ebeyan is a seasoned professional with over 25 years' experience in the IT industry. Mr Ebeyan has built several successful businesses within the IT industry including Expert Information Services with which Mr Ebeyan 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, Mr Ebeyan 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. Mr Ebeyan is a member of the Audit, Risk and Compliance Committee and was appointed to the Remuneration and Nominations Committee on 19 June 2015.
Martin Ralston, B. Economics Independent Non-Executive Director Elected 5 November 2008 Re-elected 8 November 2011 Re-elected 12 November 2014	Mr 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. Mr Ralston is a Board member of the Moonee Valley Racing Club and a Director of the Hawthorn Football Club and was previously Non-Executive Chairman of Transol Corporation Limited. Mr Ralston is Chairman of the Remuneration and Nominations Committee and was appointed to the Audit, Risk and Compliance Committee on 22 September 2015.
Lachlan Armstrong, B. Acc, B. BNF, MAP, CPA, MAICD Chief Executive Officer and Managing Director Appointed 1 March 2014 Resigned 29 April 2015	Mr Armstrong held the position of CEO and Managing Director from 1 March 2014 until 29 April 2015 and previously held the positions of CFO and Company Secretary. Prior to joining DWS, Lachlan worked in Chartered Accounting and international finance. Mr Armstrong holds a Bachelor of Banking and Finance, Bachelor of Accounting, Masters in Applied Finance and is a member of CPA Australia and the Australian Institute of Company Directors.

Company Secretary

Mr James Hatherley, B. Comm, ACA, was appointed to the position of Company Secretary on 1 March 2014. Mr Hatherley is also the Chief Financial Officer of the DWS Group, a position he was appointed to on 1 March 2014.

Officers who were previously partners of the audit firm

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

Directors' meetings

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

	Board of Directors		Audit, Risk and Compliance		Remuneration and Nominations	
Director	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Ken Barry	13	13	4	4	2	2
Danny Wallis [1,2,3]	13	12	4	3	-	-
Gary Ebeyan [2]	13	13	4	4	-	-
Martin Ralston [3]	13	12	-	-	2	2
Lachlan Armstrong [4]	13	11	4	-	2	1

1. Mr Wallis was appointed as CEO and Managing Director on 30 April 2015.
2. Mr Wallis retired from the Remuneration and Nominations Committee and Mr Ebeyan was appointed on 19 June 2015.
3. Mr Wallis retired from the Audit, Risk and Compliance Committee and Mr Ralston was appointed on 22 September 2015.
4. Mr Armstrong resigned as a Director on 29 April 2015.

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 Ken Barry retires by rotation and is eligible for re-election.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee, (Committee) met twice during the financial year and the Committee members' attendance record is disclosed in the table of Directors' meetings above. The Board policy is that the Committees will comprise a majority of independent Non-Executive Directors.

The members of the Committee are:

Martin Ralston (Chairperson)	Independent Non-Executive
Ken Barry	Independent Non-Executive
Garry Ebeyan	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. Subject to undertaking appropriate background checks, the Board will then appoint the most suitable candidate. A Board appointment must stand for election at the next general meeting of shareholders and the Company will provide all material information in its possession relevant to a decision on whether to elect a Director.

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, fringe benefits policies and professional indemnity and liability insurance policies.

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

Indemnification and insurance of officers and auditors

During the financial year, the Group paid a premium to insure officers of the Company and related bodies corporate. The officers of the Company covered by the insurance policy at 30 June 2015 included the Directors, CFO and Company Secretary.

The Directors have not included the details of the nature of the liabilities covered or the amount of the premium paid in respect of the Directors' and officers' liability and legal expenses insurance contracts, as such is prohibited under the terms of the contract.

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

Principal activities and operations review

Activities

DWS Limited (DWS) provides information technology services to a broad range of large corporations and Government bodies. Established in 1992 with three employees, DWS has grown to in excess of 500 staff with operations in Melbourne, Sydney, Brisbane, Coolangatta, Adelaide, Canberra and Perth 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;
- digital solutions incorporating data automation and capture systems, customer-led innovation, digital strategy and design services;
- business intelligence including advanced analytics, Power BI and data warehouse as a service; and
- managed application services using a mix of offshore, on-site, off-site and high-security models depending on client requirements.

DWS' quality certified methodology focuses on the quality and timeliness of delivery, and it also has a deep 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 Executive Chairman's Report.

Unless otherwise stated in this statement, the Group has followed the ASX Corporate Governance Principles and Recommendations (3rd edition) throughout the financial year ending 30 June 2015.

Operations review

A summary of the 2015 financial year results is presented below.

Revenue from operations increased by $0.235 million (or 0.2 per cent) over the previous financial year, billable staff increased by 27 to be 517 at 30 June 2015, and earnings delivered for the financial year were $10.399 million (down 19 per cent).

Profitability was affected by weak client demand causing poor utilisation in the first three-quarters of the year and one-off costs totalling $0.963 million in respect of terminations, acquisition expenses and impairment write-downs.

The Group's balance sheet remained strong and liquid with $10.37 million in cash as at 30 June 2015. This saw the Board declare a final fully franked dividend of 3.75 cents per ordinary share, which brings the total return to shareholders for the year to 7.50 cents (fully franked).

On 1 June 2015, DWS acquired 100 per cent of the issued capital of Symplicit Pty Ltd for an upfront payment of $9.8 million (following post balance date completion accounts adjustment), funded by cash reserves and debt, followed by further payments up to a total of $5.0 million conditional on EBITDA growth over a three-year period. The acquisition provides DWS with the ability to deliver consumer-led innovation and UX solutions to its clients as an integrated package.

The Directors have assessed that the operating environment will remain stable for the first half of FY16, primarily as a result of customer feedback and the pipeline of projects. DWS will continue to add to the breadth and depth of its services portfolio through earnings per share accretive acquisitions and organic growth to enhance the value of the services it's able to take to its clients.

The Directors believe the Group is in a strong and stable financial position to expand and grow its current operations. Other than the acquisition of Symplicit, there have been no significant changes in the state of affairs of the consolidated group or parent entity during the financial year.

Environmental regulation

The consolidated group is not subject to any significant environmental regulation under the law of the Commonwealth or a State or Territory of Australia.

Dividends

2015	Cents Per Share	Total Amount $'000	Franked/ Unfranked	Payment Date
Dividends paid during the year				
Final 2014 ordinary	4.25	5,625	Franked at 30%	3-Oct-14
Interim 2015 ordinary	3.75	4,944	Franked at 30%	3-Apr-15

Declared final dividend	2015 $'000	2014 $'000
Declared final fully franked ordinary dividend of 3.75 cents (2014: 4.25 cents) per share at the tax rate of 30%	4,944	5,625

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 Australian Securities Exchange in accordance with S205G(1) of the *Corporations Act 2001*, at the date of this report are as follows:

	Ordinary Shares Number	Options Over Ordinary Shares
Danny Wallis [2]	56,305,283	-
Ken Barry [1]	103,333	-
Martin Ralston [1]	78,000	-
Gary Ebeyan [1]	16,130	-

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

Indemnification and insurance of officers and auditors

During the financial year, DWS paid a premium to insure officers of the Company and related bodies. The officers of the Company covered by the insurance policy included the Directors 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.

Proceedings on behalf of the Company

No person has applied for leave of a Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Non-audit services

During the year Grant Thornton Audit Pty Ltd, the Company's auditor and its related entities, provided other assurance services to DWS in the form of due diligence services, which amounted to $95,000. These services were provided in addition to its statutory audit duties.

Events subsequent to reporting date

On 31 August 2015, DWS acquired 75 per cent of the issued capital in Phoenix IT&T Consulting Pty Ltd (Phoenix) for $19.5 million in cash, funded by a secured debt facility in favour of National Australia Bank Limited. DWS and the founders of Phoenix have irrevocable rights to buy and sell respectively the balance of shares in Phoenix. These rights are conditional on retention of certain customer contracts through FY16. The price payable for the remaining 25 per cent will be $6.5 million and where the conditions are met, can be purchased at any time between 31 January 2016 and 31 January 2017.

No other matter or circumstance has arisen since 30 June 2015 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 creation of value for the Company. 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 the Company; and
- the Company's performance.

Remuneration packages include a fixed and variable component for Executives and Executive Directors.

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 by the Remuneration and Nominations Committee 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 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 in the areas of financial performance, implementation of the Company's strategic plan and staff engagement. The measurements are chosen as they directly align the individual's reward to the KPIs of the Group and to its strategy and performance. Consideration is also given as to the Executive's 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 performance objectives. The performance evaluation in respect of the year ended 30 June 2015 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. These assessment methods have been chosen as they provide the Committee with an objective assessment of each individual's performance.

Long term incentive deferred bonus

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

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 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, then the Executive forfeits any entitlement to any outstanding LTI amounts.

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

Other benefits

On 7 August 2015, the Chief Operations Officer (COO) and Chief Financial Officer (CFO) were awarded discretionary one-off bonuses of $28,000 and $26,640 respectively for their contributions to the business during FY15, in particular, the successful execution of the Symplicit acquisition.

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

Service agreements and contract details

It is the consolidated entity's policy that contracts of employment for Executive Directors and senior Executives be for a term of three years but capable of termination within a notice period.

- Mr James Hatherley's contract allows for three months' notice of termination.
- Mr Andrew Rose's contract allows for three months' notice of termination.

The contract of employment with Mr Danny Wallis is currently being finalised.

Non-Executive Directors

Base remuneration for all the Non-Executive Directors was determined at a general meeting of the Company shareholders on 11th May 2006 and is not to exceed $350,000 per annum. 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.

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 KMPs of the consolidated entity are detailed in the table under Directors' and Executive Officers' remuneration.

Analysis of STI included in remuneration

Details of the percentage of the available bonus that was expensed in the 2015 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 short term bonus scheme.

Remuneration policies continued

Analysis of STI included in remuneration continued

Short Term Incentive	Included in Remuneration $	Vested in Year %	Forfeited in Year %
Lachlan Armstrong (CEO) [1]	42,500	21	79
James Hatherley (CFO) [2]	13,320	10	90
Andrew Rose (COO) [2]	14,000	10	90

1. The STI bonus payment to Mr Armstrong was in respect of performance for the period 1 July 2014 to 29 April 2015. It was granted on 29 April 2015 and paid on 12 May 2015.
2. The STI bonus payments to Mr Hatherley and Mr Rose were in respect of performance for the year ended 30 June 2015. They were granted on 7 August 2015 and payable on 2 October 2015.

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	2015 $'000	2014 $'000	2013 $'000	2012 $'000	2011 $'000
EBITDA	15,134	18,503	24,324	26,399	24,810
Net profit after tax	10,399	12,897	16,858	18,221	17,389

	Cents	Cents	Cents	Cents	Cents
Dividend	7.5	8.75	11.0	12.5	12.0
Change in share price	(57.5)	(28.0)	(3.0)	15.0	(12.0)
Share price close	58.5	116.0	144.0	147.0	132.0

Share close price = as at 30 June of each financial year.

EBITDA (along with a variety of qualitative measures) is considered in setting the STI. The Remuneration and Nominations Committee considers that the above performance-linked remuneration structure is generating the desired outcomes.

	Year	Short Term Remuneration Base Remuneration $	STI Cash Bonus/Other Cash Bonus $	Non-cash Benefits $	Post-employment Benefits Superannuation/ Pension Benefits $	Long Term Benefits LTI Deferred Cash Bonus $	Total $	Proportion of Remuneration Performance Related %
Director								
Non-Executive								
Harvey Parker ^	**2015**	-	-	-		-	-	-
	2014	74,102	-	-	6,854	-	80,956	-
Ken Barry	**2015**	64,230	-	-	6,102	-	70,332	-
	2014	64,230	-	-	5,942	-	70,172	-
Martin Ralston	**2015**	64,220	-	-	6,101	-	70,321	-
	2014	64,596	-	-	5,975	-	70,571	-
Gary Ebeyan	**2015**	64,220	-	-	6,101	-	70,321	-
	2014	64,220	-	-	5,940	-	70,160	-
Executive								
Danny Wallis CEO ^^	**2015**	143,819	-	-	11,305	-	155,124	-
	2014	212,574	-	87,257	18,140	-	317,971	-
Lachlan Armstrong CEO ^*	**2015**	789,106	62,108	-	18,783	42,500	912,497	11
	2014	373,699	65,000	-	17,775	75,000	531,474	26
Total all Directors	**2015**	1,125,595	62,108	-	48,392	42,500	1,278,595	-
	2014	853,421	65,000	87,257	60,626	75,000	1,141,304	-
Key management personnel								
James Hatherley (CFO/Company Secretary) ##	**2015**	314,036	39,960	-	18,783	13,320	386,099	14
	2014	192,262	30,000	-	13,008	30,000	265,270	23
Andrew Rose (COO)	**2015**	326,159	42,000	-	18,783	14,000	400,942	14
	2014	333,218	85,000	-	17,775	50,000	485,993	28
Dougall McBurnie (Director Strategic Operations) #^^	**2015**	-	-	-	-	-	-	-
	2014	145,165	-	-	9,603	-	154,768	-
Total all key management personnel	**2015**	1,765,790	144,068	-	85,958	69,820	2,065,636	
	2014	1,524,066	180,000	87,257	101,012	155,000	2,047,335	

^ Mr Parker resigned as Non-Executive Chairman as at 28 February 2014.

^^ Mr Wallis received an additional $150,000 for the provision of consultancy services to the DWS Group during the period.

^^ Mr Wallis was appointed to the position of CEO and Managing Director on 30 April 2015.

^* Mr Armstrong was appointed CEO on 1 March 2014 and resigned on 29 April 2015. Mr Armstrong's base remuneration included a payout of accrued leave entitlements of $134,338, payment in lieu of notice of $40,192 and a six-month payment of $237,500 as provided in his employment contract. Total termination payments were $277,692.

Mr Hatherley was appointed 6 November 2013.

#^^ Mr McBurnie ceased employment with DWS on 11 August 2013. Mr McBurnie's wife, Trish McBurnie, provided event management services to DWS. In 2014, total fees paid to Mrs McBurnie were $29,064.

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.

Remuneration policies continued

Shares held by key management personnel

	Held at 30 June 2014	Purchases/ (Disposals)	Held at 30 June 2015
Directors			
Ken Barry [1]	103,333	-	103,333
Danny Wallis [2]	56,305,283	-	56,305,283
Martin Ralston [2]	18,000	50,000	68,000
Gary Ebeyan [1]	16,130	-	16,130
Lachlan Armstrong [2]	561,939	(561,939)	-
Key management personnel			
James Hatherley	-	-	-
Andrew Rose	-	-	-

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

End of Remuneration Report

Audit, Risk and Compliance Committee

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

The members of the Committee during the period were:

Ken Barry	Chair and independent Non-Executive
Gary Ebeyan	Independent Non-Executive
Danny Wallis	Managing Director and CEO

The external auditors and CFO are invited to the Committee meetings at the discretion of the Committee. The Committee met four 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 2015 comply with the accounting standards and present a true and fair view of the Group's financial condition and operational results. This statement is updated annually.

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

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

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

The Committee will review the performance of the external auditors on an annual basis including:

- discussing 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;
- reviewing 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;
- reviewing the draft financial report and recommending Board approval of the Financial Report;
- reviewing the results and findings of the auditor, the adequacy of accounting and financial controls, and monitoring the implementation of any recommendations made; and
- as required, organising, reviewing and reporting 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 has established a Risk Management System for assessing, monitoring and managing operational, financial reporting, and compliance risks for the consolidated entity. Material risks are directed to the Audit, Risk and Compliance Committee as appropriate. The CEO and CFO have reported to the Board that the financial risk management and associated compliance and controls have been assessed and found to be operating effectively. The operational and other risk management compliance and controls have also 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 9001:2000 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 regularly.

Lead auditor's independence declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 29 and forms part of the Directors' Report for the year ended 30 June 2015.

Rounding off

The Company is of a kind referred to in Class Order, 98/100 dated 10 July 1998 issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report and Financial Report. Amounts have been rounded off in the Directors' Report and Financial Report in accordance with that Class Order to the nearest thousand dollars.

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

Danny Wallis
Director

Ken Barry
Director

Signed at Melbourne this day 29 September 2015

Auditor's Independence Declaration

GrantThornton

Grant Thornton Audit Pty Ltd
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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 2015, 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

Brad Taylor
Partner – Audit and Assurance

Melbourne, 29 September 2015

Corporate Governance Statement

The Company supports the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles). The Company complies with all of the ASX Principles except:

- Recommendation 1.3, which states a listed entity should have a written agreement with each Director and senior Executive setting out the terms of their appointment. The Company is currently finalising an employment contract with the Managing Director and Chief Executive Officer.
- Recommendation 2.5, which states the Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity. The Company has adopted the ASX guidance in connection with this recommendation by appointing a Lead Independent Director who can fulfill the role in the event the Chair is conflicted. The Company also intends to appoint an existing Non-Executive Director to the position of Chair.
- Recommendations 4.1 and 7.1 for the period 30 April 2015 to 30 June 2015, which requires a Board of a listed entity to have an audit and risk committee which has at least three members, all of whom are Non-Executive Directors. The Company has addressed this by appointing a Non-Executive Director to replace the Executive Director on the Audit, Risk and Compliance Committee from 22 September 2015.

Further information on the Company's corporate governance policies and practices can be found on the Company's website at www.dws.com.au.

Principle 1: Lay solid foundations for management and oversight

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

Principle 2: Structure the Board to add value

The Board is structured to bring a range of skills, experience, expertise and diversity to the Company. Page 18 of this report sets out the qualifications, expertise and experience of each Director in office as at the date of this Directors' Report. As required under the Board Charter and the ASX Principles, the Board comprises 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 carries out a number of its duties and responsibilities through the Remuneration and Nominations Committee and the Audit, Risk and Compliance Committee. Details of the Remuneration and Nominations Committee are set out on page 19 and the Audit, Risk and Compliance Committee on pages 26 and 27 of this report.

Principle 3: Promote ethical and responsible decision making

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

Principle 4: Safeguard integrity in financial reporting

The Board has established an Audit, Risk and Compliance Committee that assists the Board in the effective discharge of its responsibilities for financial reporting, internal controls, risk management, internal audit, external audit and insurance (with the exception of Directors' and officers' 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 26 of this report and their attendance at meetings of the Committee are set out on page 19 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 is a key element of 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 Company'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 22 to 26 of this report) sets out details of the Company's policy and practices for remunerating Directors, key management personnel and senior Executives. The members of the Remuneration and Nominations Committee and their attendance at meetings of the Committee are set out on page 19 of this report. Information relating to the Remuneration and Nominations Committee and the Company's policy on share trading in relation to shares or equity-based products are available on the Company's website. All information referred to in this Corporate Governance Statement as being on the Company's website is included under the 'Investors' – 'Corporate Governance' section of the website.

Board of Directors

Role of the Board

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

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

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

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

Board processes

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

The Board has established a Risk Management Framework for the Company. Risk management is an integral part of the governance of DWS and is one of the main responsibilities of the Board and senior management.

The 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, evaluate new risks and ensure mitigation strategies remain acceptable and operational;
- appropriate escalation and communication of risks enable informed decisions to be made; and
- the Board, Committees and senior management receive periodic reports of the risk management process.

The above Risk Management Process is reviewed at least annually by the Board and is applied by DWS' Executive Management Team, which measures 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.

Board of Directors continued

Board processes continued

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. This includes a strengthening of delegations of authority at all levels in the business as well as ensuring that the work taken on by the Company meets certain internal criteria.

The Board does not consider the Company has any material exposure to economic, environmental and social sustainability risks.

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 Company has developed and maintained a stable and effective system of internal control;
- the Company's auditors regularly review various aspects of the Company'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 Company'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

A summary of the experience and skills of the Board is set out in the skill matrix below:

Experience and Skills	Number of Directors
Strategic development	3
Accounting and finance	1
Legal	1
Risk management	4
People and change management	4
Financial markets	2
Industry knowledge	3

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. The Board is seeking to increase skills and experience in accounting and finance and financial markets through new appointments.

Director and Executive education

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

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

Performance reviews

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

The reviews were conducted during the year ended 30 June 2015.

Independent professional advice and access to Company information

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

Composition of the Board

The names of the Directors of the Company in office at the date of this statement are set out in the Directors' Report on page 18. The composition of the Board is determined using the following principles:

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

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

Ethical standards

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the consolidated entity. There is a dedicated Human Resources 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 25.

Board of Directors continued

Code of Conduct

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

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

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

Trading in general Company securities by Directors and employees

The key elements of the Trading in Company Shares Policy by Directors and senior Executives 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 between 30 days 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) 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.

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 will set measurable objectives for achieving gender diversity and assess 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 3 June 2015, DWS lodged its Annual Report with the Workplace Gender Equality Agency pursuant to the requirements of the *Workplace Gender Equality Act 2012* (the Act). The Act is designed to put a focus on promoting and improving gender equality and outcomes for both women and men in the workplace. All non-public sector employers with more than 100 employees are required to report annually under the Act.

The Act requires companies to provide access to the report to employees and shareholders via the usual means of communication with them. A copy of the report (below) was posted on the Company's website on 3 June 2015. Note that this report reflects the employee numbers at a particular reporting date.

			Number of Employees		
Manager Occupational Categories	**Reporting Level to CEO**	**Employment Status**	**F**	**M**	**Total Employees**
CEO/Head of Business in Australia	0	Full-time permanent	0	1	1
Key management personnel	-1	Full-time permanent	0	2	2
Other Executives/General Managers	-2	Full-time permanent	0	5	7
Senior Managers	-2	Full-time permanent	2	2	4
Senior Managers	-3	Full-time permanent	1	11	12
Grand total: all managers			**5**	**21**	**26**

		Number of Employees (Excluding Graduates and Apprentices)		Number of Graduates (if Applicable)		Number of Apprentices (if Applicable)		Total Employees
Non-manager Occupational Categories	**Employment Status**	**F**	**M**	**F**	**M**	**F**	**M**	
Professionals	Full-time permanent	78	404	1	4	0	0	487
	Full-time contract	0	6	0	1	0	0	7
	Part-time permanent	4	1	0	0	0	0	5
	Part-time contract	1	0	0	0	0	0	1
Clerical and administrative	Full-time permanent	1	0	0	0	0	0	1
Grand total: all non-managers		**84**	**411**	**1**	**5**	**0**	**0**	**501**

For the year ended 30 June 2015, the gender diversity objective was for the proportion of females to be no less than 20 per cent of all key management personnel (excluding Executive Directors), general managers and senior managers. Based on the results of the WGEA Report submitted, this objective was met.

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.

Board of Directors continued

Communication with shareholders continued

In summary, the Continuous Disclosure Policy operates as follows:

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

All of the above information is made available on the consolidated entity's website within one day of public release. Shareholder requests for Financial Report information are handled by the Company's share registry, Boardroom Pty Limited.

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.

Shareholders are provided the option to receive communications from, and send communications to, the Company and its share registry electronically.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2015

		Consolidated	
	Notes	2015 $'000	2014 $'000
Revenue from continuing operations	5	94,632	94,397
Other revenue	5	647	407
Employee benefit expense	6	(75,693)	(72,783)
Occupancy expense	6	(1,223)	(1,117)
Depreciation and amortisation expense	6	(255)	(302)
Interest expense		(12)	–
Other expenses		(2,387)	(2,149)
Impairment expense		(551)	–
Share of profit/(loss) from equity accounted investments		–	136
Profit before tax		15,158	18,589
Income tax expense	7	(4,759)	(5,692)
Profit from continuing operations		10,399	12,897
Profit for the year		10,399	12,897
Other comprehensive income		–	–
Total comprehensive income for the year		10,399	12,897
Basic earnings per share	8	$0.08	$0.10
Diluted earnings per share	8	$0.08	$0.10

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 2015

	Notes	Consolidated 2015 $'000	2014 $'000
Current assets			
Cash and cash equivalents	10	10,371	16,448
Trade and other receivables	11	20,490	15,094
Other	12	1,925	3,787
Total current assets		32,786	35,329
Non-current assets			
Property, plant and equipment	13	2,420	2,241
Intangible assets	14	47,632	33,473
Deferred tax assets	7	2,501	2,605
Investment in associates		–	151
Total non-current assets		52,553	38,470
Total assets		85,339	73,799
Current liabilities			
Trade and other payables	16	6,312	3,800
Current tax liabilities		2,526	2,598
Provisions	15	5,651	5,965
Other	16	1,474	684
Total current liabilities		15,963	13,047
Non-current liabilities			
Interest bearing liability	17	5,000	–
Provisions	15	4,756	392
Total non-current liabilities		9,756	392
Total liabilities		25,719	13,439
Net assets		59,620	60,360
Equity			
Issued capital	18	34,187	34,757
Retained earnings		25,433	25,603
Total equity		59,620	60,360

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 2015

	Notes	Consolidated 2015 $'000	2014 $'000
Cash flows from operating activities			
Cash receipts from customers		97,604	111,102
Cash payments to suppliers and employees		(82,437)	(86,358)
Income taxes paid		(4,983)	(6,006)
Interest received		279	388
Net cash provided by/(used in) operating activities	24	10,463	19,126
Cash flows from investing activities			
Payments for plant and equipment		(169)	(895)
Payments for intangibles		(232)	(339)
Payments for acquisitions		(10,000)	-
Net cash used in investing activities		(10,401)	(1,234)
Cash flows from financing activities			
Dividends paid		(10,569)	(13,236)
Payment for share buy-backs		(570)	-
Receipt of external financing		5,000	-
Net cash used in financing activities		(6,139)	(13,236)
Net (decrease)/increase in cash and cash equivalents held		(6,077)	4,656
Cash at the beginning of the financial year		16,448	11,792
Cash at the end of the financial year	10	10,371	16,448

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 2015

	Share Capital $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2014	34,757	25,603	60,360
Share buy-back	(570)	-	(570)
Dividends paid	-	(10,569)	(10,569)
Total transactions with owners	(570)	(10,569)	(11,139)
Total comprehensive income	-	10,399	10,399
Total at 30 June 2015	34,187	25,433	59,620
Balance at 1 July 2013	34,757	25,942	60,699
Dividends paid	-	(13,236)	(13,236)
Total transactions with owners	-	(13,236)	(13,236)
Total comprehensive income	-	12,897	12,897
Total at 30 June 2014	34,757	25,603	60,360

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

Note 2. Basis of preparation

(a) Statement of compliance

The Financial Report is a general purpose report that 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 29 September 2015.

(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. The consolidated entity is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, 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 2015.

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

The Group has adopted the following new accounting standards and amendments to standards with a date of initial adoption of 1 July 2014 and there has been no material impact on the financial statements.

AASB 2014-1 Amendments to Australian Accounting Standards

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2013-3 Amendments to Australian Accounting Standards – Recoverable Amount Disclosures for Non-Financial Assets

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

Note 2. Basis of preparation continued

(f) Accounting standards issued and interpretations issued but not yet effective

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 2015. These are outlined in the table below.

New/Revised Pronouncement	Nature of Change	Effective Date (Annual Reporting Dates Beginning on or After...)	Likely Impact on Financial Report	Application Date for Group
AASB 9 Financial Instruments	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139.	1 January 2018	The Group has not yet fully assessed the impact of AASB 9 as the standard does not apply mandatorily before 1 January 2018. The Group does not currently have any financial liabilities measured at fair value through profit or loss. The amendments are therefore not likely to be significant for the Group but will depend on the assets held when the standard is adopted.	1 July 2018
AASB 15 Revenue from Contracts with Customers	AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and some revenue-related interpretations: • establishes a new revenue recognition model; • changes the basis for deciding whether revenue is to be recognised over time or at a point in time; • provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing); and • expands and improves disclosures about revenue.	1 January 2018	The Group has not yet fully assessed the impact of AASB 9 as the standard does not apply mandatorily before 1 January 2018.	1 July 2018

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 3. Significant accounting policies

The Financial Report covers the consolidated group of DWS Limited (DWS) 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 preliminary 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 2015. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

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

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

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

(b) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date. Deferred tax is accounted for using the liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the 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.

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 that may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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

(c) Revenue recognition

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

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

1. Consulting services

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

2. Interest

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

3. Sale of non-current assets

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

4. Dividends

Dividend revenue is recognised net of any franking credits.

Note 3. Significant accounting policies continued

(d) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of 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 Statement of Financial Position.

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

(e) Borrowing costs

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

(f) Work in progress

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

(g) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to entities in the consolidated entity are classified as finance leases. Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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

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

(h) Financial instruments

Classification

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

Recognition

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

Financial assets at fair value through profit and loss

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

Loans and receivables

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

Held-to-maturity investments

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

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

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

Derivative instruments

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

Fair value

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

Impairment of financial assets

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Repurchase of share capital (treasury capital)

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

(i) Business combinations

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

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

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

Note 3. Significant accounting policies continued

(j) Intangibles

Goodwill

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

Software products 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 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%

(k) Impairment of non-financial assets

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

(l) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a reducing balance basis over their useful lives to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used in the current and the comparative period are:

Plant and equipment	7.5-40%
Motor vehicles	18.75-25%
Leasehold improvements	2.5%

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

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

(m) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled 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.

Share-based payments

The group has an employee share scheme and a Director option scheme. Employee or Executive services rendered in exchange for the grant of shares and options are recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares or the options granted.

Superannuation

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

(n) Provisions

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

(o) Receivables

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

(p) Cash and cash equivalents

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

(q) Dividends

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

(r) Comparative figures

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

Note 4. Financial risk management

(a) Overview

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

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

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

(b) Credit risk exposures

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

(i) Trade and other receivables

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

The Group's long-standing relationships with the majority of clients further protect against credit risk, and historically the Group has experienced only minor losses from customer defaults. As at 30 June 2015, trade receivables of $6,046,035 (2014: $2,177,539) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. 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	
	2015 $'000	2014 $'000
Not past due	14,444	12,916
Past due 0 – 60 days	5,032	1,568
60 – 90 days	648	415
90 – 120 days	337	113
120 days +	29	82
	20,490	15,094

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 minimal exposure to interest rate risk. The consolidated entity's current exposure to interest rate risk and the effective weighted average interest rate was attributable to cash and cash equivalents only. The average interest rate on cash and cash equivalents for 2015 was 2.00 per cent (2014 2.85 per cent).

The following table illustrates 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 2015	**Profit $'000**	**Equity $'000**
+/- 2% in interest rates	+/- 191	+/- 191
Year ended 30 Jun 2014		
+/- 2% in interest rates	+/- 272	+/- 272

Two per cent sensitivity has been used as interest rates have been relatively stable over the previous 12 months and are not expected to change by more than 2 per cent in the next 12 months.

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 year $'000	Greater Than 1 year $'000
2015						
Trade payables	834	834	834	-	-	-
Accruals	1,487	1,487	1,487	-	-	-
Other financial liabilities	5,465	5,465	4,604	708	123	30
	7,786	7,786	6,925	708	123	30
2014						
Trade payables	252	252	252	-	-	-
Accruals	1,788	1,788	1,788	-	-	-
Other financial liabilities	2,444	2,444	1,873	571	-	-
	4,484	4,484	3,913	571	-	-

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 Executive management of the Group in conjunction with the Board of Directors. The following table details the Group's share repurchases during the year ended 30 June 2015:

	Consolidated	
	2015 $'000	2014 $'000
Total value of shares purchased	(570)	-
	(570)	-
Total shares purchased	531,435	-
	531,435	-

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	
	2015 $'000	2014 $'000
Revenue from continuing operations		
Services revenue	94,632	94,397
Total revenue from continuing operations	94,632	94,397
Other revenue		
Interest received	291	388
Gain on present value of future earnout liability	321	-
Other	35	19
Total other revenue	647	407

Note 6. Profit for the year

	Consolidated	
	2015 $'000	**2014 $'000**
Profit before income tax expense has been determined after the following specific expenses:		
Depreciation and amortisation of:		
Plant and equipment	255	302
Intangible assets	–	-
	255	302
Employee benefit expense		
Salary and other benefits	70,082	67,507
Superannuation	5,611	5,276
	75,693	72,783
Occupancy expenses		
Rental expense on operating leases – minimum lease rentals	1,223	1,117
	1,223	1,117
Auditor's remuneration		
Payments to Grant Thornton Audit Pty Ltd and related practices:		
Audit and other assurance services		
Audit and review of financial statements	86,200	82,000
Other assurance services		
Due diligence	95,000	42,000
Total remuneration	181,200	124,000

Note 7. Income tax

	Consolidated	
	2015 $'000	**2014 $'000**
The components of income tax expense comprise:		
Current tax expense	4,656	5,820
Deferred tax expense	103	(128)
	4,759	5,692
Profit/loss before income tax	15,158	18,589
Prima facie tax on profit from ordinary activities before income tax at 30% (2013: 30%)	4,547	5,577
Increase in income tax expense due to:		
Non-deductible entertainment	87	101
Other items	124	14
Adjusted income tax	4,758	5,692
Income tax expense	4,758	5,692
Applicable weighted average effective tax rate	31.39%	30.62%

Note 7. Income tax continued

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Consolidated						
Employee benefits	42	394	–	–	42	394
Provisions	1,743	1,907	–	–	1,743	1,907
Other	716	304	–	–	716	304
Net tax assets/liabilities	2,501	2,605	–	–	2,501	2,605

Movements in temporary differences

	Consolidated	
	2015 $'000	2014 $'000
The overall movement in the deferred tax account is as follows:		
Opening balance	2,605	2,477
Charge to Income Statement	(104)	128
	2,501	2,605
Deferred tax asset movement		
Employee benefits		
Opening balance	394	228
Charged	(352)	166
Closing balance	42	394
Provisions		
Opening balance	1,907	1,774
Charged	(164)	133
Closing balance	1,743	1,907
Other		
Opening balance	304	475
Charged	412	(171)
Closing balance	716	304
Total closing balance	2,501	2,605

Note 8. Earnings per share

	Consolidated	
	2015	**2014**
Earnings used in calculation of basic and dilutive EPS	$10,399,200	$12,897,230
Adjusted weighted average number of ordinary shares used in calculating basic earnings per share	132,145,950	132,362,763
Number for diluted earnings per share		
Ordinary shares	132,145,950	132,362,763
Effect of dilutive share options	–	–
Adjusted weighted average number of ordinary shares used in calculating diluted earnings	132,145,950	132,362,763
Basic earnings per share	$0.08	$0.10
Diluted earnings per share	$0.08	$0.10

Note 9. Operating segments

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

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

The Group earned $18.89 million (or 19 per cent) of its consultancy services revenues from one customer. 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	
	2015 $'000	**2014 $'000**
Cash at bank and on hand	10,371	16,448
Deposits at call	–	–
	10,371	16,448

Note 11. Trade and other receivables

	Consolidated 2015 $'000	Consolidated 2014 $'000
Trade receivables	20,490	15,094
	20,490	15,094

Note 12. Other current assets

	Consolidated 2015 $'000	Consolidated 2014 $'000
Prepayments	424	433
Security deposits	946	728
Work in progress	555	2,000
Other sundry	-	626
	1,925	3,787

Note 13. Non-current assets – property, plant and equipment

	Consolidated 2015 $'000	Consolidated 2014 $'000
Plant and equipment at cost	2,448	1,717
Accumulated depreciation	(1,766)	(1,272)
Total plant and equipment	682	445
Motor vehicle at cost	234	234
Accumulated depreciation	(173)	(152)
Total motor vehicles	61	82
Leasehold improvements	2,432	2,416
Accumulated depreciation	(755)	(702)
Total leasehold improvements	1,677	1,714
Total property, plant and equipment	2,420	2,241

	Leasehold Improvements $000	Plant and Equipment $000	Motor Vehicles $000	Total $000
Consolidated entity 2015				
Balance at the beginning of year	1,714	445	82	2,241
Additions	8	124	-	132
Disposals	-	-	-	-
Additions through acquisition of business	-	259	-	259
Depreciation expense	(45)	(146)	(21)	(212)
Carrying amount at the end of year	1,677	682	61	2,420
Consolidated entity 2014				
Balance at the beginning of year	1,237	541	95	1,873
Additions	521	107	13	641
Disposals	(2)	(8)	(13)	(23)
Additions through acquisition of business	-	-	-	-
Depreciation expense	(42)	(195)	(13)	(250)
Carrying amount at the end of year	1,714	445	82	2,241

Note 14. Intangible assets

	Consolidated 2015 $'000	Consolidated 2014 $'000
Goodwill		
Opening balance	32,669	32,233
Acquisition of business combination	13,925	436
Closing balance	46,594	32,669
Other intangible assets		
Capitalised software		
Opening balance	572	612
Additions	39	2
Amortisation of software expense	(42)	(42)
Closing balance	569	572
Internally generated intellectual property		
Opening balance	207	54
Development	237	153
Closing balance	444	207
Acquisition of intellectual property rights		
Brand name	25	25
Closing balance	25	25
Total non-current intangible assets	47,632	33,473

There has been no impairment of the goodwill valuation as at 30 June 2015 or subsequent to that date. Goodwill is allocated to one cash-generating unit.

Note 14. Intangible assets continued

Impairment disclosures – goodwill

The recoverable value of goodwill is based on value in use. Value in use calculations based on the present value of cash flow projections over a five-year period for the Group as a whole on the basis that an independent cash-generating unit is not readily identifiable based on the Group's operating and reporting structure. The cash flows were discounted using a rate of 10 per cent with an assumed revenue growth figure of 3 per cent per annum. Sensitivity analysis confirms there is no impairment of goodwill if revenue was to grow at a lower rate or decline marginally.

Note 15. Provisions

	Consolidated	
	2015 $'000	2014 $'000
Current liabilities – provisions		
Employee benefits	5,651	5,965
Total current provisions	5,651	5,965
Non-current liabilities – provisions		
Employee benefits	328	392
Earnout provision	4,428	–
Total non-current provisions	4,756	392
Total current and non-current provisions	10,407	6,357

Note 16. Current liabilities – other

	Consolidated	
	2015 $'000	2014 $'000
Current liabilities		
Trade payables	2,320	2,040
Other payables	3,992	1,760
	6,312	3,800
Current liabilities – other		
Unearned revenue	1,474	684
	1,474	684
Total current liabilities – other	7,786	4,484

Note 17. Non-current liabilities – interest bearing liability

	Consolidated	
	2015 $'000	2014 $'000
Non-current liabilities		
Interest bearing facility	5,000	-
	5,000	-

Note 18. Contributed equity

	Consolidated	
	2015 $'000	2014 $'000
Opening share capital	34,757	34,757
Share buy-back	(570)	-
Closing share capital	34,187	34,757

Number of shares on issue	Number	Number
Fully paid ordinary shares with no par value	131,831,328	132,362,763

	Consolidated	
	2015 $'000	2014 $'000
Ordinary shares		
Shares on issue start of period	132,362,763	132,362,763
Share buy-back	(531,435)	-
Total shares on issue at end of period	131,831,328	132,362,763

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 when a poll is called; otherwise each shareholder has one vote on a show of hands.

Note 19. Dividends

(a) Dividends paid during the year

	Cents Per Share	Total Amount $'000	Franked/ Unfranked	Payment Date
2015				
Final 2014 ordinary	4.25	5,625	Franked at 30%	3-Oct-14
Interim 2015 ordinary	3.75	4,944	Franked at 30%	3-Apr-15
2014				
Final 2013 ordinary	5.50	7,280	Franked at 30%	4-Oct-13
Interim 2014 ordinary	4.50	5,956	Franked at 30%	4-Apr-14

(b) Dividends declared

Declared final dividend	2015 $'000	2014 $'000
Declared final fully franked ordinary dividend of 3.75 cents (2014 4.25 cents) per share at the tax rate of 30%	4,944	5,625

(c) Dividend franking account

	2015 $'000	2014 $'000
30% franking credits available to shareholders of DWS Limited for subsequent financial years	24,287	23,415

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 $2,118,717 (2014: $2,410,894).

Note 20. Commitments

Operating leases

The consolidated entity leases nine business premises under operating leases.

	Consolidated 2015 $'000	Consolidated 2014 $'000
Lease commitments		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	1,273	888
Later than one year but not later than five years	1,751	2,212
Total commitments	3,024	3,100

Finance leases

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

Capital and other commitments

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

Note 21. Business combinations

On 1 June 2015, DWS Limited acquired all the issued shares of Symplicit Pty Ltd (Symplicit) for $8.50 million, with a further $1.33 million paid in respect of EBITDA achieved for the year ended 30 June 2015 and the net tangible assets position as at the completion date. This acquisition was funded equally from cash and debt. Further payments up to a total of $5.0 million will be payable conditional on EBITDA growth over a three-year period.

Symplicit is one of Australia's leading user experience (UX) digital design and innovations consultancy businesses. The acquisition expands DWS' digital solutions offering and provides the opportunity for DWS to deliver consumer-led innovation and UX solutions to its clients as an integrated package.

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

	Recognised Values 2015 $'000
Net assets acquired	
Other assets and liabilities	566
Property, plant and equipment	259
Net identifiable assets and liabilities	825
Goodwill on acquisition	13,925
Total acquisition cost	14,750
Consideration paid in cash	10,000
Consideration outstanding	4,428

The consideration outstanding represents the present value of the estimated additional consideration payable based on the potential attainment of future performance targets.

Note 22. Contingent liabilities

Details of contingent liabilities are as follows:

Bank guarantees

Bank guarantees of $898,180 have been provided as security for performance of property rental covenants. The bank guarantees are secured by a Standard Authority to Appropriate and Set-Off Term Deposits to the equivalent guarantee value.

Note 23. Investment in controlled entities

	Country of Incorporation	Class of Shares	Equity Holding 2015 %	Equity Holding 2014 %
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	-

All controlled entities other than Symplicit Pty Ltd are parties to a Deed of Cross Guarantee dated 26 June 2008.

Note 24. Reconciliation of cash flows from operations with profit after tax

	Consolidated 2015 $'000	Consolidated 2014 $'000
Profit for the year	10,399	12,897
Depreciation and amortisation of non-current assets	243	302
Increase/(decrease) in current tax liability	(213)	(228)
(Increase)/decrease in deferred tax assets	(12)	(128)
Changes in net assets and liabilities net of effects from acquisitions and disposal of businesses:		
(Increase)/decrease in assets:		
Trade and other receivables	(2,254)	6,874
Other current assets	525	(675)
Increase/(decrease) in liabilities:		
Trade and other payables	2,456	(488)
Other current liabilities	-	-
Short term provisions	(681)	572
Long term provisions	-	-
Net cash flow from operating activities	10,463	19,126

Note 25. Key management personnel

Compensation by category

	Consolidated	
	2015 $'000	**2014 $'000**
Short term benefits	1,909,858	1,791,323
Post-employment benefits	85,958	101,012
Other long term benefits	69,820	155,000
	2,065,636	2,047,335

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 22 to 26.

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 2014	Purchases/ (Disposals)	Held at 30 June 2015
Directors			
Ken Barry [1]	103,333	-	103,333
Danny Wallis [2]	56,305,283	-	56,305,283
Martin Ralston [2]	18,000	50,000	68,000
Gary Ebeyan [1]	16,130	-	16,130
Lachlan Armstrong [2]	561,939	(561,939)	-
Key management personnel			
James Hatherley	-	-	-
Andrew Rose	-	-	-

1. Held indirectly through a related entity.
2. Held both directly and indirectly through a related entity.

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 personnel during the reporting period, except as follows:

- Mr Wallis provided management consultancy services to the Company during the period he was Non-Executive Chairman. These services were provided by Mr Wallis for total consideration of $150,000 (excluding GST).
- Leasing of the Canberra office premises from an entity owned by Mr Danny Wallis. The yearly rental of the premises is $188,240 (excluding GST) and the lease terminated on 30 September 2014.

Note 26. Related parties

The wholly-owned group consists of DWS Limited and its controlled entities as set out in Note 23. The ultimate parent entity in the owned group is DWS Limited.

All transactions with non-Director related parties are on normal terms and conditions. These transactions consisted of loans advanced by and repaid to DWS Limited for the provision of services on normal commercial terms and conditions and at market rates. There are no fixed terms for the repayment of principal and the loans are at call.

Note 27. Events occurring after reporting date

On 1 September 2015, DWS acquired 75 per cent of the issued capital in Phoenix IT&T Consulting Pty Ltd (Phoenix) for $19.5 million in cash, funded by a secured debt facility in favour of National Australia Bank Limited. DWS and the founders of Phoenix have irrevocable rights to buy and sell respectively the balance of shares in Phoenix. These rights are conditional on retention of certain customer contracts through FY16. The price payable for the remaining 25 per cent will be $6.5 million and where the conditions are met, can be purchased at any time between 31 January 2016 and 31 January 2017.

As at the date of this report, the acquisition accounting has not yet been finalised.

No other matter or circumstance has arisen since 30 June 2015 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 28. Parent entity disclosures

As at, and throughout the financial year ended 30 June 2015, the parent entity of the Group was DWS Limited:

	2015 $'000	2014 $'000
Assets		
Current assets	401	7,179
Non-current assets	40,264	25,416
Total assets	40,665	32,595
Liabilities		
Current liabilities	46	1
Non-current liabilities	10,512	2,192
Total liabilities	10,558	2,193
Net assets	30,107	30,402
Equity		
Issued capital	34,186	34,757
Retained earnings	(4,079)	(4,355)
Total equity	30,107	30,402
Summarised Statement of Comprehensive Income		
Profit for the year	276	95
Other comprehensive income	-	-
Total comprehensive income	276	95

Directors' Declaration

1. In the opinion of the Directors of DWS Limited (the Company):
   (a) the financial statements and notes, set out on pages 37 to 63 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 2015 and of its performance, as represented by its results of the operations and its cash flows, for the year ended on that date;
      (ii) complying with Accounting Standards in Australia and the *Corporations Regulations 2001*;
      (iii) comply with International Financial Reporting Standards as disclosed in Note 2; and
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the controlled entities identified in Note 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 2015.

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

Danny Wallis
Director

Ken Barry
Director

Signed at Melbourne this day 29 September 2015

Independent Audit Report

Grant Thornton Audit Pty Ltd
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a subsidiary or related entity
of Grant Thornton Australia Ltd
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Independent Auditor's Report
To the Members of DWS Limited

Report on the financial report

We have audited the accompanying financial report of DWS Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, 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, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

Independent Audit Report *continued*

Independence

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

Auditor's opinion

In our opinion:

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

   (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in pages 22 to 26 of the directors' report for the year ended 30 June 2015. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of DWS Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Brad Taylor
Partner – Audit and Assurance

Melbourne, 29 September 2015

Shareholder Information

DWS Limited

Analysis of holdings as at 8 September 2015

Security classes
Fully paid ordinary shares

Holding Ranges	Holders	Total Units	%
1 – 1,000	601	412,745	0.31
1,001 – 5,000	1,534	4,777,105	3.62
5,001 – 10,000	910	7,257,814	5.51
10,001 – 100,000	1,192	33,867,436	25.69
100,001 – 9,999,999,999	87	85,516,228	64.87
Totals	**4,324**	**131,831,328**	**100.00**

Number of shareholdings with an unmarketable holding = 165.

Fully paid ordinary shares
Top 20 holdings as at 8 September 2015

Top Holders Snapshot		Units	% of Units
1	Mr Daniel Wallis	55,005,283	41.72
2	HSBC Custody Nominees (Australia) Limited	3,478,825	2.64
3	Citicorp Nominees Pty Limited	2,184,863	1.66
4	Sandhurst Trustees Ltd <Endeavor Asset Management MDA A/C>	2,059,932	1.56
5	J P Morgan Nominees Australian Limited	1,670,406	1.27
6	DSAH Holdings Pty Ltd	1,300,000	0.99
7	National Nominees Limited	1,047,920	0.80
8	RBC Investor Services Australia Pty Limited <VFA A/C>	930,299	0.71
9	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	830,113	0.63
10	G Harvey Nominees Pty Limited <Harvey 1995 Discretion A/C>	740,000	0.56
11	Fielding Johnstone Pty Ltd <Fielding Family No 2 A/C>	581,186	0.44
12	B F A Pty Ltd	552,500	0.42
13	Navigator Australia Ltd <MLC Investment Sett. A/C>	542,930	0.41
14	Mr Glenn Mafodda	517,987	0.39
15	HSBC Custody Nominees (Australia) Limited - A/C 2	500,000	0.38
16	Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett. A/C>	498,567	0.38
17	David McBride	361,924	0.28
18	Mr Robert Power <Bob Power Super Fund A/C>	350,201	0.27
19	Dr Albert Kildare Sheridan	330,033	0.25
20	Jeff Kennett Pty Ltd <JGK Super Fund A/C>	322,339	0.25
		73,805,308	55.98
Total issued capital		**131,831,328**	

Corporate Directory

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DWS