Annual Report

2020

DWS

Excellence

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ABN 83 085 656 088

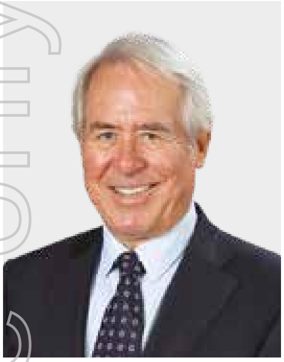
Business Profile

DWS Limited (DWS) is a leading Australian IT, business and management consulting services Group, delivering excellence and innovation in our IT business solutions since 1992. DWS has in excess of 750 employees with offices in Melbourne, Sydney, Adelaide, Brisbane and Canberra, providing services to a broad range of blue-chip corporate clients and State and Federal Government agencies. DWS provides a wide ranging and flexible suite of services including IT, Business and Management Consulting Services, Human Centred Design and Digital Transformation, Business Analytics, Customer driven innovation, Strategic Advisory and Productivity Services, Managed Application Services and Robotics Process Automation.

Corporate Direction

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

Chairman's Report



Martin Ralston
Chairman and Independent
Non-Executive Director

To the DWS Shareholders

The 2020 financial year has been another successful year for the DWS Group despite challenging conditions as a result of the COVID-19 pandemic. As a group, we were quick to adapt our operating model to enable our employees to work from home and continue to support our clients. This as well as DWS' successful strategy of increasing the share of revenue from Federal and State Government has resulted in operating revenue of $167.9 million compared to $163.5 million in 2019 and underlying EBITDA of $28.5 million, an increase of 8% from 2019.

The financial performance of the DWS Group has allowed the Board of Directors to declare fully franked dividends of $0.06 cents per share for the year ended 30 June 2020 making DWS one of the reduced number of ASX listed companies continuing to pay dividends during COVID-19. At the same time, effective cash flow management has allowed DWS to reduce bank debt by $3.0 million and to maintain a strong balance sheet.

Following the end of the 2020 financial year, the Board of Directors received a binding offer from HCL Australia Services Pty. Limited ("HCL") to acquire all of the shares of DWS Limited by way of Scheme of Arrangement (the "Scheme"). HCL is a wholly owned subsidiary of HCL Technologies Limited, which is a listed company on the National Stock Exchange of India (NSE) with a market capitalization that exceeded US$29 billion as at 21 September 2020. As at today, the Board of Directors has recommended that DWS shareholders vote in favour of the Scheme in the absence of a Superior Proposal and subject to the Independent Expert engaged by DWS to review the proposal concluding that the Scheme is in the best interests of DWS shareholders (and not changing or qualifying that conclusion).

In what may be my final Chairman's letter, I would like to thank the DWS shareholders for their continued support of the DWS Group and recognise the other stakeholders in our business: our clients, my fellow directors, the Executive Management Team and our staff for their contribution to the success of DWS. Whether as an ASX listed company or as part of HCL Technologies' worldwide group should the DWS shareholders vote to approve the Scheme of Arrangement proposed by HCL Technologies, DWS is well placed to continue its growth and to continue to support its clients' business and IT requirements.

Martin Ralston
Chairman and Independent
Non-Executive Director

30 September 2020

"The continued success of DWS despite challenging trading conditions associated with the COVID-19 pandemic has enabled the Board of Directors to continue to pay dividends to its shareholders and to pay down bank debt as well as ultimately leading to HCL Technologies' offer to acquire the DWS Limited Group."

CEO and Managing Director's Report

Danny Wallis
CEO and Managing Director

2020 was another successful year for the DWS Group with operating revenue increasing to $167.9 million and underlying EBITDA increasing from $26.4 million to $28.5 million. Projects Assured continued to grow during 2020 and the acquisition of the Objects Consulting business increased the Group's footprint in State Government.

DWS' margins and successful operating model enabled DWS to pay down $3.0 million of the acquisition debt taken on to fund the acquisitions of Projects Assured and to pay dividends of approximately $9.2 million ($0.07 per share) during the year ended 30 June 2020.

DWS finished the year with billable headcount of approximately 720 a decrease of approximately 30 compared to 2019 as we managed billable headcount to maintain productivity and match client demand impacted by COVID-19. Symplicit was impacted more by COVID-19 than the rest of the DWS Group and received support under the Federal Government's JobKeeper initiative.

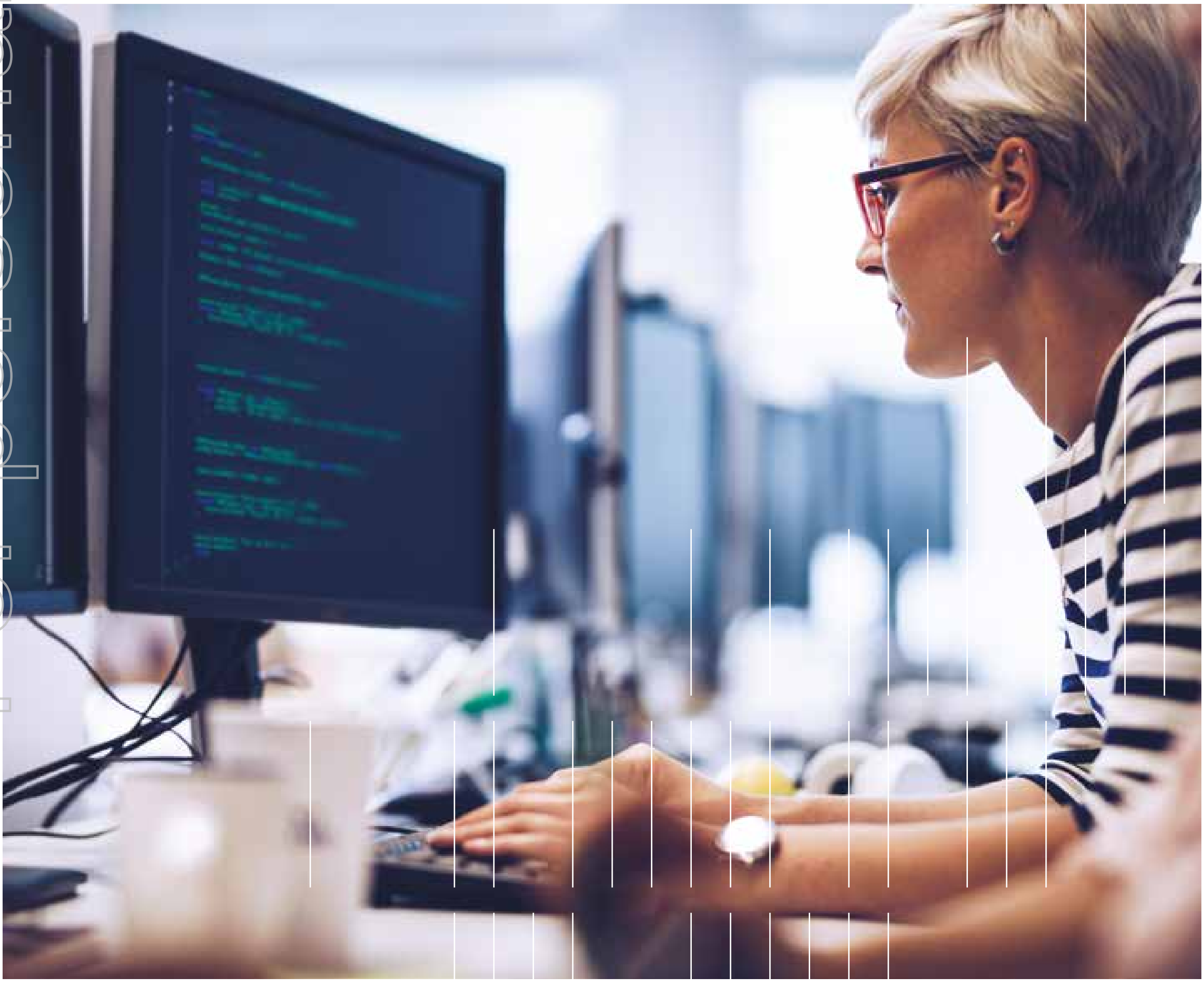
DWS continues to be a partner of choice for Australian based businesses looking to take advantage of customer led innovation and digital IT strategies. As such, DWS will support our long term and new clients to achieve their goals in 2021 as we look to grow the DWS Group's businesses when trading conditions improve.

On behalf of the DWS Executive, I would like to thank our staff for their commitment and dedication and our clients for their continued support. In addition, I would like to thank our staff and clients for their flexibility during 2020 which has allowed us to mitigate the impact of COVID-19 on the operations of the group and our services to our clients. The DWS Group is well placed to maintain its strong market position, to continue the execution of our strategy of breadth and depth and maintain DWS's reputation in the Australian IT services industry as a premier innovation, business and technology partner of choice.

Danny Wallis
CEO and Managing Director

30 September 2020

"In 2020, DWS continued to diversify earnings by focusing on growth in Federal and State Government clients. With stable demand from Federal and State Government clients and by moving quickly to a remote working platform for our employees, we were able to continue to support our clients and mitigate the impact of COVID-19 on the operations of the Group."



Year in Review

Evolving and Adapting to the Market

For over 25 years DWS has been providing clients with high-quality IT, business and management consulting services. As the IT industry continues to evolve and the growing demand for digital strategies increases, DWS has positioned itself to be a strategic innovation partner for its clients. DWS is maintaining its operational focus coupled with strong financial discipline which will enable DWS to continually deliver high-quality IT, business and management consulting services in 2020 and beyond. Where appropriate, DWS has undertaken earnings accretive acquisitions to diversify earnings and increase the range of services it offers its clients.

The Operating Environment

FY20 was an extremely challenging year due to the impact of COVID-19 but it also resulted in continued demand for high quality consulting services provided by the DWS Group. Projects Assured continued its strong performance in Canberra by increasing its exposure to Federal Government clients. Demand for IT, business and management consulting services is dependent on industry conditions, but is expected to remain at current levels and potentially increase in certain sectors in 2021. The industry remains highly competitive and DWS will look to increase scale of operations as well as focusing on areas of high demand.

Moving Forward

DWS will continue to leverage its enhanced service offering to meet the demand of its existing and new clients. DWS' growth strategy will be realised through the expansion of its suite of integrated solutions and service offerings with a focus on DWS' footprint in digital and Federal and State Government sectors. DWS will continue to provide a positive and inspiring environment for our people while maintaining a strong focus on being our clients' partner of choice.

Total Revenue From Continuing Operations

$167.95m

2020

$163.50m	2019
$126.10m	2018
$137.44m	2017

Underlying EBITDA

$28.48m

2020

$26.44m	2019
$22.86m	2018
$26.99m	2017

Revenue

$167.95m

UP 2.7%

NPAT

$7.51m

DOWN 27.1%

Underlying EBITDA

$28.48m

UP 7.7%

Dividends Per Share

6.0¢

Total Earnings Per Share

5.70¢

Cash at Bank

$14.36m

Financial Highlights

	2016	2017	2018	2019	2020
Revenue ($ million)	144.49	137.44	126.10	163.50	**167.95**
NPAT ($ million)	16.79	17.39	15.92	10.30	**7.51**
Operating cash flow (before interest and tax) ($ million)	23.92	32.83	21.71	23.03	**33.64**
Earnings per share (cents)	12.74	13.19	12.07	7.80	**5.70**
Cash balance ($ million)	10.16	10.87	8.13	8.88	**14.36**
Net assets ($ million)	65.20	69.41	72.15	70.58	**68.86**
Total dividend attributable to the year (cents)	9.75	10.00	10.00	8.00	**6.00**

IT, Business and Management Consulting Services

DWS is one of Australia's leading IT, business and management consulting services companies and has been delivering end-to-end IT and business solutions for over 25 years. During 2020, the Company has built on its strengths, particularly in the Government, banking and finance and utilities sector.

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

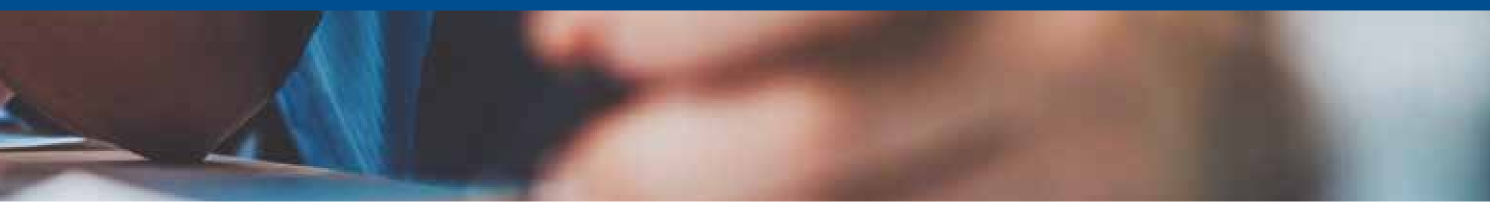
Standout projects for DWS during FY20 included:

- working with one of the world's premium car manufacturers, Symplicit was engaged to undertake a user-centred review of the online finance application processes for the car manufacturer. The work involved a market and competitor review and explorative in-depth research and testing of a prototype with customers who had and hadn't financed their vehicles. Symplicit then produced a full set of mobile and desktop designs to complete a further round of testing and validation. The end result was a prototype with high fidelity screen designs that maximised the experience for the user and led to a positive and seamless online finance application;

- working with a State Government to design and develop an on-line form using DWS iApply technology that would enable businesses to create their COVID-Safe plan and allow businesses to have a plan that outlined how to keep their staff and patrons safe from COVID-19. Due to the benefits of iApply's ease of form creation, the State Government agencies were able to create and manage forms without the need to engage a developer which allowed the agencies to apply immediate changes, updates and redesign required to deliver 'Digital by Default' and support the economy during its COVID recovery; and
- working with one of the world's leading agricultural solution developers, DWS was engaged to undertake an assessment of adopting an agile delivery methodology for the internal Business Intelligence ("BI") team. The delivery of the pilot was successful and DWS was engaged to implement the agile delivery methodology based on SAFe Agile framework in conjunction with redefining the data warehouse architecture, which completely transformed the output of all BI reports and dashboards. The success of this broad and complex work by DWS for the business is evident by DWS becoming the preferred partner of choice (previously a 'Big 4' consultancy) and all other projects other than large global transformation projects are now run using the Agile methodology DWS introduced.

Revenue by Industry Sector

43% Govt & Defence 2019 – 35%	**29%** Banking & Finance 2019 – 34%	**7%** IT & C 2019 – 9%
7% Utilities 2019 – 7%	**8%** Other 2019 – 6.5%	**3%** Transport 2019 – 5%
1% Healthcare 2019 – 2%	**1%** FMCG & Retail 2019 – 1%	**1%** Resources 2019 – 0.5%



IT, Business and Management Consulting Services continued

Major Capability Program Team

Client Issue

One of the largest Australian Government Departments adopted an integrated approach to bring together the key elements of investment needed to deliver and sustain some of its most strategically significant major capabilities.

The Department recognised that strong senior leadership and specialist skills with significant Project Management, Commercial and Capability Development experience were required to manage the successful progression of major capability acquisition projects through Departmental committee consideration and Government approval.

Projects Assured Solution

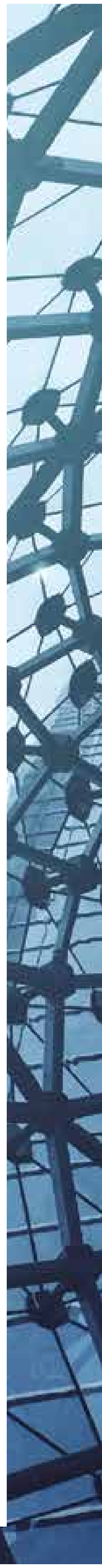
Projects Assured was engaged for the provision of specialist skills to manage and coordinate the forward program of major capability acquisition projects for Government approval. This solution involved:

- integration with the APS workforce and operational personnel to provide capacity and establish skills and knowledge transfer; ensuring the ability to solve immediate problems for the Department and enhancing their organic capability and capacity in the future;
- application of leadership through shaping strategic thinking, the provision of consulting and subject matter expertise, demonstrating integrity and communicating with influence;
- preparation and maintenance of a consolidated and integrated program of major capability acquisition projects;
- performing cost estimation, cost advisory and cost assurance support utilising best practice methodologies, leveraging and enhancing existing Departmental capabilities;
- development and implementation of processes to increase efficiency and enhance communications; and
- rapid response to 'ramp up' and 'ramp down' requirements for project resources depending on the stage in the project life cycle and COVID-19 impacts.

Client Benefits

Projects Assured provided the client with a coordinated and centralised approach to the management of the forward plan of projects and the development of investment proposals, with the successful submission of a number of major capability acquisition projects for Government approval.

Projects Assured also provided important resource surge capacity during the COVID-19 crisis and facilitated the department's workforce demand for enhanced Major Capability Project development.



Delivering Customer Centred Design in Transport Infrastructure

Client Issue

A state-based transport agency in one of Australia's largest cities engaged Symplicit as part of a consortia to design, test and build a new train station and surrounding precinct. The client was seeking expertise in customer centred design and behavioural research to understand the needs and challenges that citizens experience with their public transport journeys, specific to this station and precinct.

The citizen-centred design research was embedded through the design and test process to make sure due consideration was given to the needs and challenges of commuters to increase patronage, safety, accessibility, comfort and economic return on the significant infrastructure investment.

Symplicit Solution

Symplicit undertook multiple rounds of qualitative in-depth user research with local users and non-users of public transport to build an understanding of the behaviours and needs of these citizens. The insights from the first round of research informed the architectural and engineering design work to ensure the train station and precinct was designed with the users in mind. Following the completion of the draft designs of the station and precinct, Symplicit undertook a second round of qualitative in-depth user research as well as virtual reality (VR) testing of the 3D station with future users.

The findings and insights from the second round of research and VR testing enabled further iterative changes to the station and precinct designs. The insights resulted in the designs producing more user-centred outcomes and followed through to a more customised and improved station.

Client Benefits

Through our customer-centred design work, there was a significant reduction in the risk of having to change physical infrastructure later (which comes at a significant cost), there was an increased likelihood that the station will be fit for purpose and will increase customer experience, patronage and satisfaction through improved accessibility, function and integration of the customers' journey.

Business Process Automation Through Robotics Processing

Client Issue

A leading water utility was well known for delivering Innovation and had been experimenting with Robotic Process Automation ("RPA") as a means of automating business tasks without expensive and time-consuming integration processes. After a few false starts the client was looking for a partner who they could successfully work with collaboratively delivering RPA solutions across the business.

DWS Solution

The DWS team was initially engaged by the innovation team to assist in the identification of the suitable technology approach providing Advisory services which required an understanding of the technology landscape and an appreciation of how a water utility conducts business. Following a successful strategy submission a decision was made to proceed with an initial proof of concept ("PoC") project covering processes related to Site Induction, Contractor Training and Resource Allocation processes.

The initial PoC proved to the business that RPA could be rolled out relatively easily and provide great benefit to the business. The business also learned that the flexibility of RPA technologies meant that processes that previously they had been unable to improve were now in-scope for improved efficiencies. Adoption of the RPA tools then proceeded to other departments within the utilities company which enabled DWS to develop processes including:

- automation of customer invoicing to other state-based utilities;
- automation of supplier goods receipting if there was sufficient budget for a payment to proceed;
- Field Assurance Safety Checks that ensures that every time an inspection is carried out information automatically flows through to the Safety systems for further analysis; and
- automating access requests ensuring that security access is applied correctly each time a new user is onboarded with full auditing and notifications.

Client Benefits

The successful implementation demonstrated the collaboration between the business and DWS. RPA is now embraced by the business as a technology approach that will allow fast and cost-effective integration of processes and systems. Additional benefits realised by the business include full auditability and security of the new automation technologies and a mindset of innovation and continuous improvement throughout the business.

Executive Management Team

Danny Wallis
CEO and Managing Director

Danny founded DWS in 1992 and is the Managing Director and Chief Executive Officer. He identified the market opportunity for a high-quality, professional, client-focused IT services organisation and in true entrepreneurial spirit set about building DWS into the success story it has become today. From humble beginnings in a one-room operation in Melbourne, DWS now has a national presence and employs over 750 staff. DWS has been built on a philosophy of honesty, ethics and transparency and a thorough appreciation by all staff of the importance of the client-centric focus of the business model and services. As Managing Director and Chief Executive Officer, Danny draws on his over 30 years of skills and experience in the IT industry to lead DWS.

Stuart Whipp
CFO and Company Secretary

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

Management Team

Campbell Johnston

National Sales Manager

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

Malcolm Sheehan

National Operations Manager

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

Mark Thomas

General Manager New South Wales

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

Jason Dreimanis

General Manager South Australia

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

Sally Cullinane

General Manager
Human Resources

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

Gerard Murphy

National General Manager – Symplicit

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

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

David O'Rourke

Executive General Manager

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

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

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

Greg Sly

Executive General Manager

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

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

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

Board of Directors

Danny Wallis

Managing Director and
Chief Executive Officer

Danny founded DWS in 1992 and is the Managing Director and Chief Executive Officer. He identified the market opportunity for a high-quality, professional, client-focused IT services organisation and in true entrepreneurial spirit set about building DWS into the success story it has become today. From humble beginnings in a one-room operation in Melbourne, DWS now has a national presence and employs over 750 staff. DWS has been built on a philosophy of honesty, ethics and transparency and a thorough appreciation by all staff of the importance of the client-centric focus of the business model and services. As Managing Director and Chief Executive Officer, Danny draws on his over 30 years of skills and experience in the IT industry, leading DWS and providing support to the executive and management team.

Martin Ralston

Chair and Independent
Non-Executive Director

A veteran of the information technology sector, Martin has been involved in the IT industry since 1970. Over the span of his career, he worked in various roles with BHP Billiton, Computer Accounting Services and Accenture (previously Andersen Consulting) where he became a Partner in 1985. Filling a number of senior management positions during his tenure with Accenture, Martin held roles of Managing Partner – Technology Competence, Managing Partner – Government Services, and Managing Partner – Business Outsourcing. He retired from Accenture in August 2001. Martin holds a Bachelor of Economics from Monash University and was awarded an Honorary Fellowship by Monash in 2019. He is the Non-Executive Chairman of Oliver Hume Corporation and is a Trustee of the Royal Melbourne Hospital Neurological Science Foundation.

Gary Ebeyan

Independent
Non-Executive Director

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

Resigned 24 September 2020.

Selina Lightfoot

Independent
Non-Executive Director

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

Resigned 27 June 2020.

Hayden Kelly

Independent
Non-Executive Director

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

Danny Gorog

Independent
Non-Executive Director

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

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Directors' Report
For the Year Ended 30 June 2020

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 2020 and the auditor's report thereon.

Directors

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

Name, Qualifications and Independence Status	Experience, Special Responsibilities, and Other Directorships
Danny Wallis, BCS Managing Director and Chief Executive Officer Elected 28 December 1998 Re-elected 24 October 2006	Danny Wallis founded DWS in 1992 when he identified the market opportunity for a high quality, professional, client-focused IT services organisation and has led the Company through its various growth and development initiatives. Immediately prior to forming DWS, Danny worked with ANZ Bank.
Martin Ralston, B. Economics Chair and Independent Non-Executive Director Elected 5 November 2008 Re-elected 16 November 2017	Martin Ralston has over 30 years' experience in the IT sector and has held senior roles at BHP Billiton, Computer Accounting Services and Accenture (previously Andersen Consulting), where he was the Managing Partner of numerous business divisions until his retirement in 2001. Martin is the Non-Executive Chairman of Oliver Hume Corporation and is a Trustee of the Royal Melbourne Hospital Neurological Science Foundation and was previously Non-Executive Chairman of Transol Corporation Limited. Martin is a member of the Audit, Risk and Compliance Committee and the Remuneration and Nominations Committee.
Gary Ebeyan, B. Sci Independent Non-Executive Director Elected 8 November 2010 Re-elected 15 November 2018 Resigned 24 September 2020.	Gary Ebeyan is a seasoned professional with over 25 years' experience in the IT industry. Gary has built several successful businesses within the IT industry including Expert Information Services for which Gary was recognised by 'The Age/D&B Awards' for 'Best Victorian IT Business' in 2001 and 2002, and 'Best Overall Victorian Business' in 2001. In 2004, Gary became the CEO of Infosys Australia following the acquisition of Expert Information Services by the global offshore outsourcing Company, Infosys Technologies Limited. Under Gary's leadership, Infosys Australia grew to over 2,500 staff servicing the Australian market with consolidated revenues reaching well over $250 million. Gary was Chair of the Remuneration and Nominations Committee and was member of the Audit, Risk and Compliance Committee.
Selina Lightfoot, BA/LLB, GAICD Independent Non-Executive Director Elected 16 November 2017 Re-elected 14 November 2019 Resigned 27 June 2020	Selina Lightfoot is a company Director and consultant, joining the Board in December 2016. Selina has extensive experience as a commercial and legal adviser, including as a former Partner of Freehills (now Herbert Smith Freehills) for over 10 years in the Mergers & Acquisitions and TMT teams. Her experience includes advising on private M&A, restructuring and business integration, technology outsourcing and procurement as well as risk and corporate governance, across a range of industries including health, financial services, consumer goods and professional services. Other roles held by Selina include directorships with JDRF Australia, Nuchev Limited, Hydro Tasmania and The Reject Shop Limited as well as an advisory board role with TLC Aged Care. Selina was Chair of the Audit, Risk and Compliance Committee and was a member of the Remuneration and Nominations Committee.
Hayden Kelly Independent Non-Executive Director Elected 15 November 2016 Re-elected 15 November 2018	Hayden Kelly purchased Phoenix in 2006 and was instrumental in the double digit growth of the Company year on year. From 2006 until the acquisition of Phoenix by the DWS Limited Group, Hayden oversaw the business & IT Consulting, productivity & sourcing and the technical services of Phoenix. Prior to purchasing Phoenix, Hayden was a senior executive in Telstra with a variety of roles and responsibilities including responsibility for procurement, fleet, properties and supply chain as well as running significant cost reduction projects. Hayden is Chair of the Audit, Risk and Compliance Committee.

Directors' Report continued
For the Year Ended 30 June 2020

Danny Gorog, B. Sci, B. Comm Independent Non-Executive Director Elected 14 November 2019	Danny Gorog is a founder, investor and currently the CEO of Snap Send Solve. In September 2009, Danny co-founded Outware Mobile (outware.com.au), Australia's leading mobile app developer responsible for developing apps for ASX 100 companies. After selling Outware to ARQ Group Limited (formerly Melbourne IT Limited) (ASX: ARQ) in 2015, Danny became the Executive Director, Customer Solutions & Marketing for Melbourne IT until his departure in January 2018. In addition to being a Non-Executive Director of DWS Limited, Danny is a Director and Board member of the Melbourne Symphony Orchestra ("MSO"), and a Trustee of the Telematics Trust.
Ken Barry, LLB Independent Non-Executive Director Elected 9 May 2006 Resigned 1 July 2019	Ken Barry practised as a lawyer and was the Chairman of national law firm Deacons (now called Norton Rose Fulbright Australia) from 2004–2009. In addition to being a Non-Executive Director of DWS, Ken was the Chairman of the advisory Board of leading thoroughbred stud Coolmore Australia, and a Director of Thoroughbred Breeders Australia Ltd and Next Generation Australia Pty Ltd. Ken was Chair of the Audit, Risk and Compliance Committee and a member of the Remuneration and Nominations Committee during the year ended 30 June 2019.

Company Secretary

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

Officers who were previously partners of the audit firm

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

Directors' meetings

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

	Board of Directors		Audit, Risk and Compliance		Remuneration and Nomination	
Director	Held	Attended	Held	Attended	Held	Attended
Danny Wallis	13	13	-	-	-	-
Gary Ebeyan	13	13	6	6	2	2
Martin Ralston	13	13	6	5	2	2
Selina Lightfoot	13	13	6	6	2	2
Hayden Kelly	13	11	-	-	-	-
Danny Gorog	13	11	-	-	-	-

Election of Directors

Clause 15.3 of the Company's Constitution requires that at each Annual General Meeting one-third of the Directors must retire from office. Therefore, Mr Martin Ralston will retire by rotation and is eligible for re-election.

Remuneration and Nominations Committee

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

The members of the Committee during the financial year were:

Gary Ebeyan (Chair)	Independent Non-Executive
Martin Ralston	Independent Non-Executive
Selina Lightfoot	Independent Non-Executive

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

A Board appointment must stand for election at the next general meeting of shareholders where material information is provided to shareholders.

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

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

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

Principal activities and operations review

Activities

DWS Limited (DWS) provides information technology, management and business consulting services to a broad range of large corporations and government bodies. Established in 1992 with three employees, DWS has grown to in excess of 750 staff and contractors with operations in Melbourne, Sydney, Brisbane, Adelaide and Canberra and is listed on the Australian Securities Exchange (ASX). DWS provides an innovative approach to service delivery by offering a suite of integrated solutions spanning:

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

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

Likely developments, business strategies and prospects

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

Unless otherwise stated in this Statement, the Group has followed the ASX Corporate Governance Principles and Recommendations (third edition) throughout the financial year ending 30 June 2020.

Operations Review

A summary of the 2020 financial year results is presented below.

In a challenging operating environment, revenue from operations increased by $4.452 million (or 2.7%) to $167.948 million for the 2020 financial year and billable staff decreased by 31 to be 720 at 30 June 2020. Adjusted EBITDA was $28.480 million compared to $26.435 million for the prior year and adjusted NPAT was $16.925 million compared to $16.782 million for the prior year. Reported NPAT was $7.510 million for the 2020 financial year (down 27.1%) after the impact of $8.679 million of acquisition costs related to the acquisition of Projects Assured.

Net assets for the DWS Group at 30 June 2020 were $68.860 million a decrease of $1.718 million. Bank debt decreased to $39 million for the 2020 financial year compared to $42 million for the prior year. The Group's balance sheet remains strong and liquid with $14.358 million of cash in hand at 30 June 2020 allowing the DWS Limited Board to declare a fully franked final dividend for the year ended 30 June 2020 of 3.0 cents per ordinary share which brings the total return to shareholders for the 2020 financial year to 6.00 cents (fully franked).

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

Directors' Report continued
For the Year Ended 30 June 2020

Principal activities and operations review continued

Following a review of the operations of Site Supervisor, DWS has chosen to exit its investment and sold its shareholding to its Joint Venture partner.

Other than the above, there have been no significant changes to the operations or state of affairs of the consolidated Group or parent entity for the year ended 30 June 2020.

Environmental regulation

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

Dividends

Dividends	Cents Per Share	Total Amount $'000	Franked/ Unfranked	Payment Date
2020				
Final 2019 ordinary	4.00	5,273	Franked at 30%	2-Oct-19
Interim 2020 ordinary	3.00	3,955	Franked at 30%	3-Apr-20

Declared final dividend	2020 $'000	2019 $'000
Declared final fully franked ordinary dividend of 3.00 cents (2019: 4.00 cents) per share at the tax rate of 30%	3,955	5,273

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:

Directors	Ordinary Shares Number	Options Over Ordinary Shares
Danny Wallis[2]	56,305,283	-
Martin Ralston[1]	18,000	-
Gary Ebeyan[1]	16,130	-
Hayden Kelly[1]	20,000	-
Danny Gorog[1]	10,000	-

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

Indemnification and insurance of officers and auditors

During the financial year, the Group paid a premium to insure officers of the Company and related bodies corporate. The officers of the Company and related bodies corporate covered by the insurance policy at 30 June 2020 included the Directors, the CFO and Company Secretary.

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

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

Proceedings on behalf of Company

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

Non-audit services

During the year Grant Thornton Audit Pty Ltd, the Company's auditor and its related entities, did not provide any other assurance services to DWS in addition to their statutory audit duties.

Events subsequent to reporting date

Following a review of the operations of Site Supervisor, DWS has chosen to exit its investment and sold its shareholding to its Joint Venture partner.

Due to COVID-19, Melbourne entered into stage 4 lock down during August and September 2020. Other than has been addressed in specific notes, there does not appear to be any significant impact upon the financial statements and any uncertainties with respect to events or conditions which may impact the Group unfavourable as a result of the stage 4 lock down.

On 21 September 2020, DWS received a binding offer from HCL Technologies Limited to acquire 100% of the share capital of DWS Limited by way of scheme of arrangement. As part of HCL Technologies Limited, DWS will leverage HCL's significant global resources and expertise to offer an expanded platform to it its Australian clients. Further information regarding the potential acquisition of 100% of the share capital of DWS Limited is provided in DWS Limited's ASX Announcement released on 21 September 2020.

Other than the above, no other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

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

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

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

COVID-19

As with many other Australian businesses, trading conditions for the DWS Group have been impacted by COVID-19. Overall, DWS has successfully transitioned to remote working but has seen some client projects delayed or cancelled. Within the DWS Group, Symplicit has been the most impacted by the COVID-19 affected trading conditions and has received JobKeeper payments and is negotiating rent relief for its offices in Melbourne and Sydney.

Remuneration Report (Audited)

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

Remuneration policies

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

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

Remuneration packages include a fixed and variable component for Executives and Executive Directors and are reviewed periodically. A performance review has been carried out for the year ended 30 June 2020.

Elements of remuneration

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

Directors' Report continued
For the Year Ended 30 June 2020

Remuneration policies continued

Fixed remuneration

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

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

Performance-linked remuneration

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

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

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

Short term incentive bonus

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

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

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

At the end of the financial year the Remuneration and Nominations Committee assesses the actual performance of the Group and the individual in meeting the Group's quantitative and qualitative performance objectives. The performance evaluation in respect of the year ended 30 June 2020 has taken place in accordance with this process.

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

Analysis of STI included in remuneration

Details of the percentage of the available STI that was expensed in the 2020 financial year to the named KMP and the percentage that was forfeited because the person did not meet the performance criteria is set out below. Non-Executive Directors do not participate in the STI scheme.

Short Term Incentive	Included in Remuneration $	Vested in Year %	Forfeited in Year %
Stuart Whipp (CFO)	126,000	90	10

Long term incentive deferred bonus

In 2012, the Company introduced a LTI structure for senior Executives. The Remuneration and Nominations Committee has assessed KPIs for the senior Executives relevant to the qualitative and quantitative performance of the Company over the previous 12 months. These KPIs relate to the Group's financial performance, implementation of the Group's strategic plan and staff engagement initiatives.

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

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

The Remuneration and Nominations Committee recommends the quantum of the LTI to be paid to the individuals for approval by the Board. Assessment methods, including KPIs, have been chosen to provide the Committee with an objective assessment of each individual's performance.

Details of the percentage of the available bonus that was expensed in the 2020 financial year to the named KMP and the percentage that was forfeited because the person did not meet the performance criteria is set out below.

Long Term Incentive	Included in Remuneration $	Vested in Year %	Forfeited in Year %
Stuart Whipp (CFO)	126,000	90	10

Other benefits

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

Consequences of performance on shareholders' wealth

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

Measure	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
EBITDA	20,461	21,915	22,804	26,243	25,502
Net Profit After Tax	7,510	10,298	15,917	17,390	16,790
	Cents	Cents	Cents	Cents	Cents
Dividend	6.0	8.0	10.0	10.0	9.75
Change in share price	(36.0)	(9.0)	(24.0)	38.0	53.5
Share price close	81.0	117.0	126.0	150.0	112.0

EBITDA is calculated as Net Income plus interest, taxes, depreciation and amortisation. EBITDA (along with other measures) is considered in determining the STI and LTI amounts paid. The Remuneration and Nominations Committee considers that the above performance-linked remuneration structure is generating the desired outcomes.

Service agreements and contract details

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

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

Non-Executive Directors

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

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

Directors' Report continued
For the Year Ended 30 June 2020

Directors and Executive Officers' remuneration

	Year	Short-term Remuneration			Post-employment Benefits	Long-term Benefits			
		Base Remun-eration $	STI Cash Bonus/ Other Cash Bonus $	Non-cash Benefits (a) $	Super-annuation/ Pension Benefits $	Other Long-term Benefits $	LTI Deferred Cash Bonus $	Total $	Proportion of Remun-eration Performance Related %
Director Non-Executive									
Martin Ralston	2020	130,896	-	-	24,355	-	-	155,251	-
	2019	120,605	-	-	24,987	-	-	145,592	-
Ken Barry[1]	2020	-	-	-	-	-	-	-	-
	2019	82,192	-	-	7,808	-	-	90,000	-
Gary Ebeyan[6]	2020	82,192	-	-	7,808	-	-	90,000	-
	2019	82,192	-	-	7,808	-	-	90,000	-
Hayden Kelly	2020	82,192	-	-	7,808	-	-	90,000	-
	2019	82,192	-	-	7,808	-	-	90,000	-
Danny Gorog[2]	2020	80,611	-	-	7,658	-	-	88,269	-
	2019	-	-	-	-	-	-	-	-
Selina Lightfoot[3]	2020	82,192	-	-	7,808	-	-	90,000	-
	2019	82,192	-	-	7,808	-	-	90,000	-
Executive									
Danny Wallis CEO	2020	200,962	-	-	18,269	-	-	219,231	-
	2019	275,000	-	-	25,000	-	-	300,000	-
Jodie Moule[4]	2020	-	-	-	-	-	-	-	-
	2019	148,265	-	-	9,476	-	-	157,741	-
Total all Directors	2020	659,045	-	-	73,706	-	-	732,751	-
	2019	872,638	-	-	90,695	-	-	963,333	-
Key Management Personnel									
Stuart Whipp (CFO/ Company Secretary)	2020	390,371	126,000	-	25,000	12,421	126,000	679,792	37
	2019	383,745	101,000	-	25,000	-	101,000	610,745	33
David O'Rourke (Executive General Manager)[5]	2020	-	-	-	-		-	-	-
	2019	432,507	-	-	25,000		-	457,507	-
Greg Sly (Executive General Manager)[5]	2020	-	-	-	-		-	-	-
	2019	446,301	-	-	25,000		-	471,301	-
Total all Key Management Personnel	2020	1,049,416	126,000	-	98,706	12,421	126,000	1,412,543	18
	2,019	2,135,191	101,000	-	165,695	-	101,000	2,502,886	8

1. Mr Barry resigned on 1 July 2019.
2. Mr Gorog was appointed on 1 July 2019.
3. Ms Lightfoot resigned on 27 June 2020.
4. Ms Moule resigned 10 September 2018.
5. Mr O'Rourke and Mr Sly are the Executive General Managers of Project Assured. As Projects Assured is now integrated into the Group, Mr O'Rourke and Mr Sly do not meet the definition of Key Management Personnel as outlined in AASB 124 *Related Party Disclosures*.
6. Mr Ebeyan resigned on 24 September 2020.

Other Long-term benefits are defined as Long Service Leave in accordance with the relevant State's Long Service Leave Act. Executive Directors may elect to have a combination of benefits provided out of their fixed annual remuneration. The value of any non-cash benefits provided includes the cost of any fringe benefits tax payable by the Group as a result of providing the benefit.

Shares held by key management personnel

	Held at 30 June 2019	Purchases/ (Disposals)	Held at 30 June 2020
Directors			
Ken Barry[1]	103,333	-	103,333
Danny Wallis[2]	56,305,283	-	56,305,283
Martin Ralston[1]	18,000	-	18,000
Gary Ebeyan[1]	16,130	-	16,130
Hayden Kelly[1]	20,000	-	20,000
Selina Lightfoot[1]	13,200	-	13,200
Danny Gorog[3]	10,000		10,000
Key management personnel			
Stuart Whipp[2]	60,000	-	60,000

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

End of Remuneration Report

Audit, Risk and Compliance Committee

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

The members of the Committee during the period were:

Selina Lightfoot	Chair and Independent Non-Executive Director
Martin Ralston	Independent Non-Executive Director
Gary Ebeyan	Independent Non-Executive Director

The external auditors and CFO are invited to the Committee meetings at the discretion of the Committee. The Committee met six 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 2020 comply with the accounting standards and present a true and fair view of the Group's financial condition and operational results. This statement is updated annually.

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

Directors' Report continued
For the Year Ended 30 June 2020

Audit, Risk and Compliance Committee continued

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

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

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

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

Risk management

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

Risk management and compliance and control

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

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

Quality and integrity of personnel

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

Financial reporting

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

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

The lead auditor's independence declaration is set out on page 30 and forms part of the Directors' Report for the year ended 30 June 2020.

Rounding off

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

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

Danny Wallis
Director

Signed at Melbourne this day 30 September 2020

Auditor's Independence Declaration

GrantThornton

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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 2020, 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 Audit Pty Ltd
Chartered Accountants

S C Trivett
Partner – Audit & Assurance

Melbourne, 30 September 2020

Corporate Governance Statement

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

The Group's Corporate Governance Statement for the financial year ending 30 June 2020 is dated as at 30 June 2020 and was approved by the Board on 30 September 2020. Further information on the Company's corporate governance policies and practices can be found on the Company's website at www.dws.com.au.

Principle 1: Lay solid foundations for management and oversight

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

Principle 2: Structure the Board to add value

The Board is structured to bring a range of skills, experience, expertise and diversity to the Company. Pages 19 and 20 of this Director's report sets out the qualifications, expertise and experience of each Director in office as at the date of this Directors' Report. Under the Board Charter and the ASX Principles, the Board should comprise a majority of independent Non-Executive Directors. In determining whether a Director is independent or otherwise, the Board considers the matters set out in the Charter. The Board currently has four Directors of whom three are independent Non-Executive Directors, with the Chairman being one of the independent Non-Executive Directors and having a casting vote. The Company Secretary is accountable to the Board through the Chairman for the functioning of the Board. The Board carries out a number of its duties and responsibilities through the Remuneration and Nominations Committee and the Audit, Risk and Compliance Committee. Details of the Remuneration and Nominations Committee are set out on pages 20 and 21 and the Audit, Risk and Compliance Committee on pages 27 and 28 of this report.

Principle 3: Promote ethical and responsible decision making

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

Principle 4: Safeguard integrity in financial reporting

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

Principle 5: Making timely and balanced disclosure

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

Principle 6: Respect the rights of shareholders

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

Principle 7: Recognise and manage risk

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

Corporate Governance Statement continued

Principle 8: Remunerate fairly and responsibly

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

Board of Directors

Role of the Board

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

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

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

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

Board processes

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

The Board has approved a Risk Management Framework for the Company. Risk management is an integral part of the governance of DWS and oversight of the Group's risk management is one of the main responsibilities of the Board and senior management. The Board reviews the Framework periodically and a review was conducted during the year ended 30 June 2020.

The objectives of the Framework are to ensure that:

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

The main elements of the risk management process are:

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

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

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

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

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

Board skills

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

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

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

Director and Executive education

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

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

Corporate Governance Statement continued

Board of Directors continued

Performance reviews

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

The reviews were conducted during the year ended 30 June 2020.

Independent professional advice and access to Company information

Each Director has the right, subject to prior consultation with the Chair, to seek independent professional advice from a suitably qualified adviser at the Company's expense concerning any aspect of the Company's operations or undertaking in order to 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 pages 19 and 20. The composition of the Board is determined using the following principles:

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

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

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

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

Ethical standards

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. There is a dedicated Human Resources function 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 27 of the Financial Statements.

Code of Conduct

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

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

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

Trading in general Company securities by key management personnel

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

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

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

Corporate Governance Statement continued

Diversity

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

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

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

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

The DWS Diversity Statement can be found on our website at www.dws.com.au. On 2 July 2020, DWS lodged its Annual Report with the Workplace Gender Equality Agency pursuant to the requirements of the Workplace Gender Equality Act 2012 (the Act). The Act is designed to put a focus on promoting and improving gender equality and outcomes for both women and men in the workplace. All non-public sector employers with more than 100 employees are required to report annually under the Act.

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

			No. 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	1	1
Key management personnel	-2	Full-time permanent	0	2	2
Other executives/General managers	-1	Full-time permanent	1	7	8
Other executives/General managers	-2	Full-time permanent	2	15	17
Other executives/General managers	-2	Full-time contract	0	0	0
Other executives/General managers	-2	Part-time permanent	0	0	0
Senior Managers	-2	Full-time permanent	0	1	1
Senior Managers	-2	Part-time permanent	1	0	1
Other managers	-3	Full-time permanent	5	8	13
Grand Total: All managers			**9**	**35**	**44**

		No. of Employees (Excluding Graduates and Apprentices)		No. of Graduates (if Applicable)		No. of Apprentices (if Applicable)		
Non-manager Occupational Categories	**Employment Status**	**F**	**M**	**F**	**M**	**F**	**M**	**Total Employees**
Professionals	Full-time permanent	179	515	0	0	0	0	694
	Full-time contract	3	2	0	0	0	0	5
	Part-time permanent	5	3	0	0	0	0	8
	Part-time contract	0	0	0	0	0	0	0
	Casual	1	4	0	0	0	0	5
Clerical and administrative	Full-time permanent	4	4	0	0	0	0	8
	Full-time contract	0	0	0	0	0	0	0
	Part-time contract	0	0	0	0	0	0	0
Grand total: all non-managers		192	528	0	0	0	0	720

For the year ended 30 June 2020 the gender diversity objective was for the proportion of females to be no less than 20% of all Key Management Personnel (excluding executive director), general managers and senior managers. Based on the results of the WGEA Report submitted, this objective was met.

DWS is committed to achieving the gender diversity objective and will actively recruit the best candidates for senior management positions.

Communication with shareholders

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

In summary, the continuous disclosure policy operates as follows:

- the Board is responsible for determining whether information is required to be disclosed in order for the Company to meet its continuous disclosure obligations. The Company Secretary is responsible for all communications with the ASX. Matters required to be disclosed to the ASX are disclosed on the day they are discovered;
- the full annual Financial Report is made available to all shareholders via the Company's website. Where a shareholder has specifically requested one, a physical 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 ASIC and the ASX, and sent to any shareholder who requests it;
- proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a vote of shareholders;
- all announcements made to the market, and related information (including information provided to analysts or the media during briefings), are placed on the Company's website after they are released to the ASX;
- the full texts of notices of meetings and associated explanatory material are placed on the Company's website; and
- the external auditor attends the Annual General Meetings to answer any questions concerning the conduct of the audit, the preparation of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

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

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

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

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

		Consolidated	
	Notes	2020 $'000	2019 $'000
Revenue from continuing operations	5	167,948	163,496
Other income	5	807	719
Employee benefit expense	6	(143,426)	(135,518)
Depreciation and amortisation expense	6	(3,797)	(1,943)
Other expenses		(4,687)	(6,460)
Financing Expense	6	(2,286)	(3,094)
Share of profit/(loss) from equity accounted investments		(701)	(813)
Profit before tax		13,858	16,387
Income tax expense	7	(6,348)	(6,089)
Profit from continuing operations		7,510	10,298
Profit for the year		7,510	10,298
Other comprehensive income		-	-
Total comprehensive income for the year		7,510	10,298
Basic earnings per share	8	$0.06	$0.08
Diluted earnings per share	8	$0.06	$0.08

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 2020

		Consolidated	
	Notes	2020 $'000	2019 $'000
Current assets			
Cash and cash equivalents	10	14,358	8,880
Trade and other receivables	11	24,254	30,575
Other	12	686	1,133
Total current assets		39,298	40,588
Non-current assets			
Property, plant and equipment	13	2,609	2,701
Right-of-use asset	16	5,425	-
Intangible assets	14	98,859	96,995
Investment in associates	15	-	187
Other financial assets	15	511	-
Deferred tax assets	7	5,299	3,673
Total non-current assets		112,703	103,556
Total assets		152,001	144,144
Current liabilities			
Trade and other payables	18	20,898	17,150
Current tax liabilities		3,083	3,270
Provisions	17	8,542	7,261
Lease liabilities	16	1,404	-
Contract liabilities	18	2,717	2,472
Total current liabilities		36,644	30,153
Non-current liabilities			
Interest bearing liability	19	39,000	42,000
Lease liabilities	16	4,448	-
Provisions	17	3,049	1,413
Total non-current liabilities		46,497	43,413
Total liabilities		83,141	73,566
Net assets		68,860	70,578
Equity			
Issued capital	20	34,187	34,187
Retained earnings		34,673	36,391
Total equity		68,860	70,578

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 2020

	Notes	Consolidated 2020 $'000	2019 $'000
Cash flows from operating activities			
Cash receipts from customers		192,855	175,978
Cash payments to suppliers and employees		(159,214)	(152,951)
Income taxes paid		(7,922)	(6,320)
Interest received		52	86
Interest and financing expenses		(1,792)	(1,816)
Net cash provided by operating activities	25	23,979	14,977
Cash flows from investing activities			
Payments for plant and equipment		(202)	(911)
Payments for intangibles		(129)	(236)
Payments for acquisitions		(3,318)	(33,000)
Cash acquired within business acquisitions		-	787
Payment for investment in associates		(1,025)	(1,000)
Net cash used in investing activities		(4,674)	(34,360)
Cash flows from financing activities			
Dividends paid		(9,228)	(11,865)
Payment of principal portion of lease liabilities		(1,419)	-
Payment of interest portion of lease liabilities		(180)	-
Repayment of external financing		(9,000)	(5,000)
Receipt of external financing		6,000	37,000
Net cash used in financing activities		(13,827)	20,135
Net increase/(decrease) in cash and cash equivalents held		5,478	752
Cash at the beginning of the financial year		8,880	8,128
Cash at the end of the financial year	10	14,358	8,880

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 2020

	Share Capital $'000	Retained Earnings $'000	Total Equity $'000
Balance at 1 July 2019	34,187	36,391	70,578
Dividends paid	-	(9,228)	(9,228)
Total transactions with owners	-	(9,228)	(9,228)
Total comprehensive income	-	7,510	7,510
Total at 30 June 2020	34,187	34,673	68,860
Balance at 1 July 2018	34,187	37,958	72,145
Dividends paid	-	(11,865)	(11,865)
Total transactions with owners	-	(11,865)	(11,865)
Total comprehensive income	-	10,298	10,298
Total at 30 June 2019	34,187	36,391	70,578

Number of shares on issue	**2020**	**2019**
Fully paid ordinary shares with no par value	131,831,328	131,831,328

	Consolidated
Movement in shares on issue	
Ordinary shares on issue at 1 July 2019	131,831,328
Changes to number of shares on issue during the reporting period	-
Ordinary shares on issue at 30 June 2020	131,831,328

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

Notes to the Financial Statements

Note 1. Reporting entity

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

Note 2. Basis of preparation

(a) Statement of compliance

The Financial Report is a general purpose report which has been prepared in accordance with Australian Accounting Standards (AASs) (including Australian interpretations) issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*. The consolidated Financial Report of the Group complies with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB). The consolidated entity is a for-profit entity for the purpose of preparing the financial statements. The financial statements were approved by the Board of Directors on 30 September 2020.

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Foreign subsidiaries

Subsidiaries that have a functional currency different to the presentation currency of the Group are translated as follows;

- assets and liabilities are translated at the closing rate on reporting date; and
- income and expenses are translated at actual exchange rates or average exchange rates for the period, where appropriate.

All resulting exchange differences are recognised in other comprehensive income.

(e) 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. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The judgements, estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Revenue from contracts with customers

As revenue from services rendered is recognised over time, the amount of revenue recognised in a reporting period depends on the extent to which the performance obligation has been satisfied. Recognised amounts of fixed price contract revenues and related receivables and contract liabilities reflect management's best estimate of each contract's outcome and stage of completion. (refer to Note 3 (c) Revenue recognition for further information).

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include historical collection rates, the health of the overall economy and the subset of it that comprises the customer base. (refer to Note 11 (a) Trade and other receivables for further information).

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with AASB 136 *Impairment of Assets*. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. (refer to Note 14 Intangible Assets for further information).

Business combinations

Business combinations are initially accounted for on a provisional basis. Management uses valuation techniques when determining the fair values of certain assets and liabilities acquired in a business combination taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Identification of cash generating units (CGUs)

In accordance with AASB 136 *Impairment of Assets*, the goodwill recognised in the consolidated financial statements of the Group as a result of business combinations has been allocated to an individual CGU that will benefit from the combination. A CGU is the smallest group of assets that generates largely independent cash inflows.

In identifying such CGUs, management took account of the specific nature of its assets and the business in which it is involved, verifying that the cash flows of a given group of assets were closely independent and largely autonomous of those associated with other assets (or groups of assets). The assets of the CGU were also identified on the basis of the manner in which management manages and monitors those assets within the business model adopted. The CGU identified by management to which the goodwill recognised in these consolidated financial statements has been allocated are indicated in the section on goodwill, to which the reader is invited to refer.

The number and scope of the CGUs are updated systematically to reflect the impact of new business combinations and any reorganisations carried out by the Group, and to take account of external factors that could impact the ability of groups of assets to generate independent cash flows.

In regards to the financial year ended 30 June 2020, from an assessment undertaken to identify CGUs from both existing and new business combinations, management has determined to disclose the Group as one single CGU.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Group's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Group reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

Notes to the Financial Statements continued

Note 2. Basis of preparation continued

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Employee benefits provision

Provisions for employee entitlements to wages, salaries and annual leave (which are expected to be settled wholly within 12 months of the reporting date) represent the amount which the Group has a present obligation to pay, resulting from employees' services up to the reporting date. All other short-term employee benefit obligations are presented as payables.

Liabilities for long service leave (which are not expected to be settled wholly within 12 months of the reporting date) are recognised within the non-current provision for employee benefits and measured as the present value of expected future payments to be made in respect of services up to the reporting date.

In determining the level of provisions required for earn out and incentive scheme payments management has made judgements and assumptions from the expectation of EBITDA to be achieved and the successful completion of relevant tenure based conditions. The provision is measured at the present value of estimated future payments from such assumptions.

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

The Group has adopted AASB 16 *Leases* and AASB Interpretation 23 *Uncertainty over Income Tax Treatments* with an initial adoption of 1 July 2019.

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

AASB 16 *Leases* and AASB Interpretation 23 *Uncertainty over Income Tax Treatments* became effective for periods beginning on or after 1 January 2019. Accordingly, the Group applied AASB 16 and AASB Interpretation 23 for the first time to the period ended 30 June 2020. There have been no significant changes to the Group's financial performance and position as a result of the adoption of the new and amended accounting standards and interpretations effective for annual reporting periods beginning on or after 1 January 2019. Changes to the Group's accounting policies arising from these standards are summarised below.

AASB 16 *Leases*

AASB 16 *Leases* replaces AASB 117 *Leases* and introduces a single lessee accounting model that requires a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

(a) right-of-use assets are accounted for on a similar basis to non-financial asset, whereby the right-of-use asset is accounted for on a cost basis unless the underlying asset is accounted for on a revaluation basis, in which case the underlying asset is:
    - (i) investment property, the lessee applies the fair value model in AASB 140 *Investment Property* to the right-of-use asset; or
    - (ii) property, plant or equipment, the lessee applies the revaluation model in AASB 116 *Property, Plant and Equipment* to all of the right-of-use assets that relate to that class of property, plant and equipment; and

(b) lease liabilities are accounted for on a similar basis to other financial assets, whereby interest expense is recognised in respect of the lease liability and the carrying amount of the lease liability is reduced to reflect the principal portion of lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements of AASB 117. Accordingly, under AASB 16 a lessor continues to classify its leases as operating leases or finance leases subject to whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset, and accounts for each type of lease in a manner consistent with the current approach under AASB 117.

AASB 16 has been applied using the modified retrospective approach. Under this method, the cumulative effect of initial application has been recognised as an adjustment to the opening balance of retained earnings at 1 July 2019 and comparatives are not restated.

The Group has elected to apply the following practical expedients to the measurement of right-of-use assets and lease liabilities in relation to those leases previously classified as operating leases under AASB 117:

- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease;
- to not recognise a right-of-use asset and a lease liability for leases for which the underlying asset is of low value; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The initial application of AASB 16 resulted in the Group recognising a right-of-use asset of $5.85 million and related lease liability recorded of $5.85 million which represents the present future value of payments on the Group's lease commitments except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The impact to the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the results for the period ended 30 June 2020 is an increase in depreciation of the right-of-use assets of $1.6 million. The depreciation of right-of-use assets is materially consistent to the expected occupancy expense recorded under AASB 117.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 3.1705%.

The following is a reconciliation of total operating lease commitments at 30 June 2019 (as disclosed in the financial statements to 30 June 2019) to the lease liabilities recognised at 1 July 2019.

	$'000
Total operating lease commitments disclosed at 30 June 2019	**6,360**
Recognition exemptions:	
Leases of low value assets	-
Leases with remaining lease term of less than 12 months	-
Operating lease liabilities before discounting	**6,360**
Discounted using incremental borrowing rate	(515)
Total lease liabilities recognised under AASB 16 at 1 July 2019	**5,845**

Further details of the Group's accounting policy in relation to accounting for leases under AASB 16 are contained in Note 3(e) Leases.

Notes to the Financial Statements continued

Note 2. Basis of preparation continued

AASB Interpretation 23 *Uncertainty over Income Tax Treatments*

AASB Interpretation 23 *Uncertainty over Income Tax Treatments* specifies how an entity should reflect uncertainty in accounting for income taxes. AASB 12 *Income Taxes* specifies how to account for current and deferred tax but not how to reflect the effects of uncertainty which Interpretation 23 addresses.

The table below illustrates the main issues that are addressed by Interpretation 23.

Issue	Interpretation
When and how the effect of uncertainty over income tax treatments should be included in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates	• an entity is required to consider whether it is 'probable' that a taxation authority will accept an uncertain tax treatment • if it is, the entity would determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings • if the entity concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it uses either the most likely amount or the expected value in determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates (depending on which method is expected to better predict the resolution of the uncertainty)
The assumptions that an entity should make about the examination of tax treatments by taxation authorities	• an entity is required to assume that a tax authority will examine amounts it has a right to examine and will have full knowledge of all relevant information when making those examinations
Changes in facts and circumstances	• the entity is also required to reassess their judgements and estimates if facts and circumstances change (e.g. upon reaching a time limit where the taxation authority is no longer able to challenge an entity's tax treatments) or as a result of new information that affects the judgement or estimate becoming available
Whether uncertain tax treatments should be considered separate	• the entity would be required to use judgement to determine whether each uncertain tax treatment should be considered separately, or whether some uncertain tax treatments should be considered together. In determining the approach to be followed, the entity shall consider which approach better predicts the resolution of the uncertainty
Disclosure	• when addressing uncertainty over income tax treatments, the entity is required to disclose judgements, assumptions and estimates made in accordance with the normal requirements of AASB 101 *Presentation of Financial Statements* • in addition, if an entity concludes it is probable that a taxation authority will accept an uncertain tax treatment, it should consider whether to disclose the potential effect of the uncertainty as a tax-related contingency under AASB 112.88

AASB Interpretation 23 has been applied retrospectively with the cumulative effect of initially applying the interpretation recognised at the date of initial application and there has been no impact to the opening balance of retained earnings as at 1 July 2019 and comparatives have not been restated.

(g) Accounting Standards issued and interpretations issued but not yet effective at 30 June 2020

Certain new 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 2020. These standards are not expected to have a material impact on the Group 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 and controlled entities. DWS is a listed public company, incorporated and domiciled in Australia and New Zealand.

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

(a) Principles of consolidation

The Group financial statements consolidate those of DWS Limited and all of its subsidiaries as of 30 June 2019. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

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

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

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

(b) Income tax

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

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the Consolidated Statement of Profit or Loss and Other Comprehensive Income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

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

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

The Group undertakes an assessment, under Interpretation 23, of whether the effect of uncertainty over income tax treatments should be included in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The assessment is to determine whether any entity considers uncertain tax treatments separately, the assumptions an entity makes about the examination of tax treatments by taxation authorities, how an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates and how an entity considers changes in facts and circumstances. There has been no financial reporting impact from the assessment in this reporting period.

(c) Revenue recognition

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

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

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

Notes to the Financial Statements continued

Note 3. Significant accounting policies continued

The Group at times enters into transactions involving a range of the Group's products or services, for example the delivery and customisation of software. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price excludes any amounts collected on behalf of third parties. The Group does not have multiple concurrent contracts with variable consideration and does not have any contracts that coincide which require an allocation of value between contracts.

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

Revenue is recognised over time if;

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

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

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

IT, business and management consulting services

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

Licensing revenue

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

(d) Goods and services tax

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

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

(e) Leases

Accounting policy applied to the information presented for the current period under AASB 16 *Leases*:

The Group as a lessee

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, and initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the preset value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or alternatively the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to the initial measurement, the liability will be reduced for payments made and increased for interest. It is measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When the lease liability is reassessed, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use-asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients method. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

The Group has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

In the Consolidated Statement of Financial Position, right-of-use assets have been presented separately to property, plant and equipment and lease liabilities (current and non-current) have been presented separately to trade and other payables.

The Group as a lessor

The Group's accounting policy under AASB 16 has not changed from the comparative period.

Where the Group acts in the capacity of lessor, the Group will classify its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all of the risks and rewards incidental ownership of the underlying asset, and classified as an operating lease if it does not.

Notes to the Financial Statements continued

Note 3. Significant accounting policies continued

Accounting policy for comparative figures (30 June 2019)

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.

(f) 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.

AASB 9 contains three measurement classifications for financial assets;

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

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

The classification is determined by both;

- the entity's business model for managing the financial asset;
- the contractual cash flow characteristics of the financial asset; and
- all income and expenses relating to financial assets and financial liabilities that are recognised in profit or loss are presented within other income or financing expense, except for impairment of trade receivables, which is presented within other expenses.

Recognition

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

Financial assets at amortised costs

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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 9 *Financial Instruments*. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

Financial liabilities

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

Derivative instruments

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

Fair value

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

Impairment of financial assets

AASB 9 impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 39's 'incurred loss model'. The AASB 9 impairment model applies to financial assets measured at amortised cost, contract assets and debt instruments at fair value through other comprehensive income (FVOCI), but not to investments in equity instruments. Under AASB 9, credit losses are recognised earlier than under AASB 139.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

The Group makes use of a simplified approach under AASB 9 in accounting for receivables from contracts with customers as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit loss. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses from receivables with customers, contract assets and lease receivables on the basis of the lifetime ECL of the financial asset. The Group uses historical experience, external indicators and forward looking information to calculate the ECL using a provision matrix. The Group allows 100% for amounts that are more than 90 past due that represent an expected credit loss. The Group does not make an allowance for receivable amounts that are less than 90 days post due as the credit risk is not material. Lifetime expected credit losses represent the credit losses that are expected to result from default events over the expected life of the financial asset.

(g) Business combinations

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

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

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

(h) 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.

Notes to the Financial Statements continued

Note 3. Significant accounting policies continued

Software products & intellectual property

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

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

Software	25 – 40%
Intellectual Property	10%

(i) Impairment of non-financial assets

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

(j) Property, plant and equipment

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

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

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

Depreciation

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

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

Plant and Equipment	7.5 – 40%
Motor Vehicles	18.75 – 25%
Leasehold Improvements	2.5 – 20%

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

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

(k) Employee benefits

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

Superannuation

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

(l) 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.

(m) Receivables

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

(n) 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.

(o) 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.

(p) Comparative figures

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

(q) COVID-19

Other than has been addressed in specific notes, there does not appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

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.

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, 60 days and 90 days.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date of recognised financial assets is the carrying amount of those assets, net of any provisions for impairment of those assets, as disclosed in the Consolidated Statement of Financial position and notes to the consolidated statements.

Notes to the Financial Statements continued

Note 4. Financial risk management continued

The Group does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Group.

The Group minimises concentrations of credit risk in relation to trade receivables by undertaking transactions with a large number of customers.

(c) Interest rate risk

The consolidated entity has exposure to interest rate risk. The consolidated entity's current exposure to interest rate risk and the effective weighted average interest rate are attributable to cash and cash equivalents and to its external loan facility that was entered into the purpose of completing its acquisitions of Symplicit Pty Ltd, Phoenix IT&T Consulting Pty Ltd and Projects Assured Pty Ltd. The weighted average interest rate on cash and cash equivalents for 2020 was 0.6 per cent (2019 1.2 percent). The Group had an external debt facility drawn as at 30 June 2020 of $39.0 million. The external debt facility includes an interest rate swap with a notional value of $15 million and a fair value at 30 June 2020 of approximately $1.019 million (2019: $0.849 million) The table below provides a sensitivity if the loan had remained drawn for the full year.

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

	Consolidated	
	Profit $'000	Equity $'000
Year ended 30 Jun 2020		
+/- 1.0% in interest rates	+/- 716	+/- 716
Year ended 30 Jun 2019		
+/- 1.0% in interest rates	+/- 734	+/- 734

* One per cent sensitivity has been used as interest rates have decreased by 0.75% over the past 12 months (as at 30 June 2020) and using a rate less than what was achieved on cash and cash equivalents for 2020 will result in an inaccurate sensitivity.

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

(d) Liquidity risk

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

Consolidated Entity	Carrying Amount $'000	Contractual Cash Flows $'000	Less Than 1 Month $'000	1 to 3 Months $'000	3 Months to 1 Years $'000	Greater Than 1 year $'000
2020						
Trade payables	2,620	2,620	2,620	-	-	-
Other financial liabilities	10,453	10,453	10,453	-	-	-
Lease liabilities	5,852	5,852	121	343	939	4,448
Interest on interest bearing debt	1,213	1,213	1,213	-	-	-
Interest bearing liabilities	39,000	39,000	-	-	-	39,000
	59,138	59,138	14,408	343	939	43,448
2019						
Trade payables	3,478	3,478	3,478	-	-	-
Other financial liabilities	9,906	9,906	9,906	-	-	-
Interest on interest bearing debt	1,166	1,166	1,166	-	-	
Interest bearing liabilities	42,000	42,000	-	-	-	42,000
	56,550	56,550	14,550	-	-	42,000

(e) Currency risk

As at the date of this report, the Group has minimal currency risk. The Board of Directors will continue to monitor currency risk and take appropriate measures to mitigate as required.

(f) Capital management

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

From time to time the Group may purchase its own shares on the market; the timing of these purchases depends on market prices. These repurchase decisions are made by the Board of Directors in conjunction with the Executive Management of the Group. The Group did not purchase any of its shares during the year ended 30 June 2020.

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.

(g) 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	
	2020 $'000	2019 $'000
Revenue from continuing operations		
Services revenue over time	167,035	162,685
Licensing revenue at point in time	913	811
Total revenue from continuing operations	167,948	163,496
Other income		
Interest received	52	86
Other	755	633
Total other revenue	807	719

Note 6. Profit for the year

	Consolidated	
	2020 $'000	2019 $'000
Profit before income tax expense has been determined after the following specific expenses:		
Depreciation and amortisation of:		
Plant and equipment	324	300
Intangible assets	1,706	1,643
Right-of-use asset	1,767	-
	3,797	1,943
Employee benefit expense		
Salary and other benefits	134,165	125,785
JobKeeper[1]	(417)	-
Superannuation	9,678	9,733
	143,426	135,518
Occupancy expense		
Rental expense on operating leases – minimum lease rentals	-	1,992
	-	1,992
Financing expense		
Bank borrowings	2,105	3,094
Lease liabilities	181	-
	2,286	3,094

1. During the year, the Group has received the JobKeeper payments of $417,000 from Federal Government in response to the ongoing COVID-19 pandemic. The government grant is:
   - recognised at their fair values when there is a reasonable assurance that the Group will comply with the requirements and that the grant will be received; and
   - presented in the financial statements as a deduction from employee benefit expense.

Notes to the Financial Statements continued

Note 6. Profit for the year continued

	Consolidated	
Auditors Remuneration	**2020 $**	**2019 $**
Payments to Grant Thornton Audit Pty Ltd and related practices:		
Audit and other assurance services		
Audit and review of financial statements	125,300	116,300
Other assurance services		
Due diligence	-	-
Total remuneration	125,300	116,300

Note 7. Income tax

	Consolidated	
	2020 $'000	**2019 $'000**
The components of income tax expense comprise:		
Current tax expense	7,487	7,278
Impact of under provision of income tax in prior year	249	-
Prior year tax refund	(10)	(15)
Deferred tax expense	(1,378)	(1,174)
	6,348	6,089
Profit/Loss before income tax	13,858	16,387
Prima facie tax on profit from ordinary activities before income tax at 30% (2019 30%)	4,157	4,916
Increase in income tax expense due to:		
Non-deductible entertainment	151	143
Non-deductible acquisition costs and other payments	1,800	1,045
Prior year tax payment adjustment	249	-
Other items	-	-
Prior year tax refund	(10)	(15)
Adjustment for tax rate differences in foreign jurisdictions	-	-
Adjusted income tax	6,348	6,089
Income tax expense	6,348	6,089
Applicable weighted average effective tax rate	45.80%	37.16%

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
Consolidated	**2020 $'000**	**2019 $'000**	**2020 $'000**	**2019 $'000**	**2020 $'000**	**2019 $'000**
Employee benefits	504	501	-	-	504	501
Provisions	3,064	2,479	-	-	3,064	2,479
Customer relationships	-	-	-	(447)	-	(447)
Other	1,483	1,140	-	-	1,483	1,140
Sub-total	5,051	4,120	-	(447)	5,051	3,673
Deferred tax assets through business combinations	248	-	-	-	248	-
Net tax assets and liabilities	5,299	4,120	-	(447)	5,299	3,673

	Consolidated	
Movements in Temporary Differences	**2020 $'000**	**2019 $'000**
The overall movement in the deferred tax account is as follows:		
Opening balance	3,673	3,067
Charge to Income Statement	1,378	1,174
Acquisition of Group Entity	248	(568)
	5,299	3,673
Deferred tax asset movement		
Employee benefits		
Opening balance	501	567
Charged to Income Statement	3	(151)
Acquisition of Group Entity	-	85
Closing balance	504	501
Provisions		
Opening balance	2,479	2,196
Charged to Income Statement	585	185
Acquisition of Group entity	-	98
Closing balance	3,064	2,479
Customer relationships		
Opening balance	(447)	-
Charged to Income Statement	447	447
Acquisition of Group entity	-	(894)
Closing balance	-	(447)
Other		
Opening balance	1,140	304
Charged to Income Statement	343	693
Acquisition of Group entity	-	143
Closing balance	1,483	1,140
Deferred tax assets through business combinations		
Opening balance	-	-
Acquisition of Group entity	248	-
Charged to retained earnings	-	-
Closing balance	248	-
Total closing balance	5,299	3,673

Note 8. Earnings per share

	Consolidated	
	2020	**2019**
Earnings used in calculation of basic and dilutive EPS	$7,510,027	$10,298,968
Adjusted weighted average number of ordinary shares used in calculating basic earnings per share	131,831,328	131,831,328
Number for diluted earnings per share		
Ordinary shares	131,831,328	131,831,328
Effect of dilutive share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings	131,831,328	131,831,328
Basic earnings per share	5.7 cents	7.8 cents
Diluted earnings per share	5.7 cents	7.8 cents

Notes to the Financial Statements continued

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 and New Zealand only. The New Zealand entity is not a material entity within the Group. The Group's operations are predominantly in the provision of information technology, business and management consulting services. Any other revenue attributable to the Group is disclosed in Note 5.

The Group earned $55.8 million (or 33 per cent) of its consultancy services revenues from its top two customers. Of all other clients, no single client contributes more than 10 per cent to total revenue. All revenues from external customers are attributable to the Group's country of domicile and all physical assets are located within Australia.

Note 10. Current assets – cash and cash equivalents

	Consolidated	
	2020 $'000	2019 $'000
Cash at bank and on hand	14,358	8,880
	14,358	8,880

Note 11. Trade and other receivables

	Consolidated	
	2020 $'000	2019 $'000
Gross trade receivables	22,622	29,786
Contract assets	2,025	1,243
Allowance for credit losses	(393)	(454)
	24,254	30,575

(a) Provision for impairment

(i) Trade receivables

Trade receivables are non-interest bearing in range from 30 to 120 day terms. An impairment loss is recognised when there is objective evidence that an individual trade receivable is impaired. All trade receivables that are not impaired, are expected to be received within trading terms.

Movements in the provision for impairment were:

	2020 $'000	2019 $'000
Opening balance 1 July	454	24
Allowance for credit loss	155	454
Amounts written off	(216)	(24)
Closing balance at 30 June	393	454

(ii) Ageing analysis

Trade and other receivables ageing analysis at 30 June is:

	Gross 2020 $'000	Allowance for Credit Loss 2020 $'000	Gross 2019 $'000	Allowance for Credit Loss 2019 $'000
Not past due	22,972	-	27,987	-
Past due 0 – 60 days	1,055	(155)	2,169	-
61 – 90 days	432	(126)	419	-
91 – 120 days	66	(10)	-	-
120 days +	123	(102)	454	(454)
	24,647	(393)	31,029	(454)

The Group makes use of a simplified approach under AASB 9 in accounting for receivables from contracts with customers as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit loss. Under the AASB 9 simplified approach, the Group determines the allowance for credit losses from receivables with customers, contract assets and lease receivables on the basis of the lifetime expected credit loss of the financial asset. Lifetime expected credit losses represent the credit losses that are expected to result from default events over the expected life of the financial asset.

Note 12. Other current assets

	Consolidated 2020 $'000	Consolidated 2019 $'000
Prepayments	457	1,009
Security deposits and other sundry	229	124
	686	1,133

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

	Consolidated 2020 $'000	Consolidated 2019 $'000
Plant and equipment at cost	2,225	2,235
Accumulated depreciation	(1,880)	(1,829)
Total plant and equipment	345	406
Motor vehicle at cost	132	122
Accumulated depreciation	(76)	(62)
Total motor vehicles	56	60
Leasehold improvements	2,820	2,662
Accumulated depreciation	(612)	(427)
Total leasehold improvements	2,208	2,235
Total property plant and equipment	2,609	2,701

Notes to the Financial Statements continued

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

	Leasehold Improvements $'000	Plant and Equipment $'000	Motor Vehicles $'000	Total $'000
Consolidated entity 2020				
Balance at the beginning of year	2,235	406	60	2,701
Additions	158	32	12	202
Disposals	-	-	-	-
Additions through acquisition of business	-	30	-	30
Depreciation expense	(185)	(123)	(16)	(324)
Carrying amount at the end of year	2,208	345	56	2,609
Consolidated entity 2019				
Balance at the beginning of year	1,590	426	45	2,061
Additions	727	147	37	911
Disposals	-	(9)	(5)	(15)
Additions through acquisition of business	-	43	-	43
Depreciation expense	(82)	(201)	(17)	(299)
Carrying amount at the end of year	2,235	406	60	2,701

Note 14. Intangible assets

	Consolidated	
	2020 $'000	2019 $'000
Goodwill		
Opening balance	94,643	67,060
Acquisition of business combination	3,442	27,583
Closing balance	98,085	94,643
Other intangible assets		
Capitalised software		
Opening balance	356	356
Additions	-	-
Amortisation of software expense	(19)	-
Closing balance	337	356
Internally generated intellectual property		
Opening balance	481	398
Development	129	236
Amortisation of internally generated intellectual property	(197)	(153)
Closing balance	413	481
Customer relationships in acquisition		
Opening balance	1,490	-
Additions	-	2,980
Amortisation of customer relationships	(1,490)	(1,490)
Closing balance	-	1,490
Acquisition of intellectual property rights		
Brand name	25	25
Closing balance	25	25
Total non-current intangible assets	98,859	96,995

There has been no impairment of the goodwill valuation as at 30 June 2020 or subsequent to that date. Goodwill is allocated to one cash generating unit.

Impairment disclosures – goodwill

Under AASB 136, the consolidated entity will undertake impairment testing of the relevant cash generating units as required. Impairment testing was performed at 30 June 2020 to test the carrying amount of goodwill.

The recoverable value of goodwill is based on value-in-use. Value-in-use calculations are based on the present value of cash flow projections over a five year period for the Group as a whole on the basis that independent cash-generating units are not readily identifiable based on the Group's operating structure. The cash flows were discounted using a pre-tax rate of 10.5% (2019: 11.5%) with an assumed revenue growth figure of 2.2% per annum (2019: 1.9%). Assumed revenue growth figures were estimated based on available market information. Sensitivity analysis confirms there is no impairment of goodwill if revenue was to grow at a lower rate or decline marginally.

Note 15. Other financial assets

			Equity Holding	
Investment in associates	Country of Incorporation	Class of Shares	2020 %	2019 %
Site Supervisor Pty Ltd	Australia	Ordinary	50	50

	Consolidated	
	2020 $'000	2019 $'000
Investment in associates		
Opening balance	187	-
Investment in associates	1,025	1,000
Share of profit/(loss) from equity accounted investments	(701)	(813)
Closing balance	511	187

DWS Limited entered into a Shareholders Agreement to acquire 50% of the shareholding in Site Supervisor Pty Ltd in November 2018. The investment was initially recognised as an investment in associate but subsequently reclassified as other financial assets as fair value through profit and loss due to the share of the loss being greater than the original investment.

Following a review of the operations of Site Supervisor, DWS has chosen to exit its investment and sold its shareholding to its Joint Venture partner subsequent to 30 June 2020.

Note 16. Lease assets and lease liabilities

The following information relates to the current reporting period only and is presented in accordance with AASB16 *Leases* which was applied by the Group for the first time in the current reporting period.

	Consolidated
	2020 $'000
Lease assets	
Carrying amount of lease assets by class of underlying asset	
Buildings under lease arrangements	
At cost	7,192
Accumulated depreciation	(1,767)
Total carrying amount of lease assets	5,425

	Buildings $'000
Reconciliation of the carrying amount of lease assets at the beginning and end of the year:	
Carrying amount at 1 July 2019	-
Initial recognition at 1 July 2019	5,845
Additions	1,436
Disposals	(89)
Depreciation expense	(1,767)
Carrying amount at 30 June 2020	5,425

The table below describes the nature of the Group's leasing activities by type of right-of-use-asset recognised in the Consolidated

Notes to the Financial Statements continued

Note 16. Lease assets and lease liabilities continued

Statement of Financial Position:

Right-of-use Asset	No of Right-of-use Assets Leased	Range of Remaining Term	Average Remaining Lease Term	No of Leases with Extension Options	No of Leases with Purchase Options	No of Leases with Variable Payments Linked to an Index	No of Leases with Termination Options
Office building	8	0 – 7 years	3 years	2	0	0	0

Lease liabilities are presented in the Consolidated Statement of Financial Position as follows:

	2020 $'000
Lease liabilities	
Current lease liabilities	1,404
Non-current lease liabilities	4,448
Total carrying amount of lease assets	5,852

An analysis of the remaining contractual maturities of lease liabilities is included in Note 4 (d).

Total cash outflow for leases for the year ended 30 June 2020 was $1.59 million.

As at 30 June 2020 the Group had not committed to any leases which had not yet commenced.

Note 17. Provisions

	Consolidated 2020 $'000	Consolidated 2019 $'000
Current liabilities – provisions		
Employee benefits	8,542	7,261
Total current provisions	8,542	7,261
Non current liabilities – provisions		
Employee benefits	918	1,413
Earnout provision	2,131	0
Total non-current provisions	3,049	1,413
Total current and non-current provisions	11,591	8,674

Movements in earnout provision

	Consolidated 2020 $'000	Consolidated 2019 $'000
Opening balance	790	-
Payments made or payable	1,341	790
Closing balance	2,131	790

Earnout is payable based upon achieving the EBITDA target for each of the financial years (FY19 to FY23). In addition, these payments are contingent on both the EBITDA targets and retention of key personnel until relevant dates. Consequently, this is treated as remuneration for post-combination services in current and non-current liabilities.

Note 18. Current liabilities – other

	Consolidated 2020 $'000	2019 $'000
Current liabilities		
Trade payables	9,233	6,078
Other payables	11,665	11,072
	20,898	17,150
Current liabilities – contract liabilities		
Unearned revenue	2,717	2,472
	2,717	2,472
Total current liabilities – other	23,615	19,622

Note 19. Non-current liabilities – interest bearing liability

	Consolidated 2020 $'000	2019 $'000
Non-current liabilities		
Interest bearing facility	39,000	42,000
	39,000	42,000

The main terms of the facility are indicated below:

- $55 million total facility with $16 million undrawn as at 30 June 2020 (excluding bank guarantee's);
- loan facility used for prior acquisitions and working capital;
- interest only repayments;
- facility term for the loan to June 2021; and
- debt covenants under the facility include interest cover ratio, leverage ratio and minimum net worth. The Group has complied with the covenants throughout the reporting period.

Borrowings are secured over the assets of the Group.

Note 20. Contributed equity

	Consolidated 2020 $'000	2019 $'000
Opening share capital	34,187	34,187
Closing share capital	34,187	34,187
Number of shares on issue	**Number**	**Number**
Fully paid ordinary shares with no par value	131,831,328	131,831,328

	Consolidated 2020	2019
Ordinary shares		
Shares on issue start of period	131,831,328	131,831,328
Total shares on issue at end of period	131,831,328	131,831,328

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

Notes to the Financial Statements continued

Note 21. Dividends

(a) Dividends paid during the year

	Cents Per Share	Total Amount $'000	Franked/ Unfranked	Payment Date
2020				
Final 2019 ordinary	4.00	5,273	Franked at 30%	2-Oct-19
Interim 2020 ordinary	3.00	3,955	Franked at 30%	3-Apr-20
2019				
Final 2018 ordinary	5.00	6,592	Franked at 30%	2-Oct-18
Interim 2019 ordinary	4.00	5,273	Franked at 30%	4-Apr-19

(b) Dividends declared

Declared Final Dividend	2020 $'000	2019 $'000
Declared final fully franked ordinary dividend of 3.00 cents (2019: 4.00 cents) per share at the tax rate of 30%	3,955	5,273

(c) Dividend franking account

	2020 $'000	2019 $'000
30% franking credits available to shareholders of DWS Limited for subsequent financial years	34,781	30,819

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 $1,694,974 (2019: $2,259,966).

Note 22. Business Combinations

On 4 October 2019, DWS Limited acquired certain assets of the software services and products business operated by Object Consulting Pty Ltd. The acquisition was funded by cash.

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

	Recognised Values 2020 $'000
Net assets acquired	
Other assets and liabilities	(402)
Property, plant & equipment	30
Net deferred tax asset	248
Net identifiable assets and liabilities	(124)
Goodwill on acquisition	3,442
Total acquisition cost	3,318
Consideration paid in cash	3,318
Consideration outstanding	-

The value of the goodwill represents the future benefit arising from future earnings, synergies and human capital acquired via the acquisition. The business assets were acquired to access the human capital developed by the entity and expand the product offerings available to the wider DWS client-base. Given the nature of relationships with customers and the technology platforms utilised, the identifiable intangible assets acquired were determined to be immaterial.

Goodwill is not deductible for tax purposes.

The accounting for the Object consulting acquisition has not separately recognised any identifiable intangible assets separate from goodwill. DWS Limited expects this will be resolved within the measurement period prescribed by AASB 3 *Business combinations*.

Transaction costs

Transaction costs of $34,710 relating to the acquisition have been expensed through other expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Note 23. Contingent liabilities

The directors are of the opinion that provisions are not required in respect of the matter stated below as there is no probability of future sacrifice of economic benefits nor are the amounts capable of reliable measurement.

Bank guarantees

Bank guarantees of $975,010 have been provided as security for performance of property rental covenants. The bank guarantees are secured by a Standard Authority to Appropriate or Set-Off Term Deposits to the equivalent guarantee value.

Note 24. Investment in controlled entities

			Equity Holding	
Name of Entity	Country of Incorporation	Class of Shares	2020 %	2019 %
Wallis Nominees (Computing) Pty Ltd	Australia	Ordinary	100	100
DWS (NSW) Pty Ltd	Australia	Ordinary	100	100
G V Jones & Ass Pty Ltd (formerly named GlobalSoft Australia Pty Ltd)	Australia	Ordinary	100	100
DWS Product Solutions Pty Ltd (formerly Equest Consulting Pty Ltd)	Australia	Ordinary	100	100
Strategic Data Management Pty Ltd	Australia	Ordinary	100	100
SDM Sales Pty Ltd	Australia	Ordinary	100	100
Symplicit Pty Ltd	Australia	Ordinary	100	100
Phoenix IT&T Consulting Pty Ltd	Australia	Ordinary	100	100
Projects Assured Pty Ltd	Australia	Ordinary	100	100
DWS (New Zealand) Limited	New Zealand	Ordinary	100	-

All controlled entities are parties to a Deed of Cross Guarantee originally dated 26 June 2008. Both Symplicit Pty Ltd and Phoenix IT & T Consulting Pty Ltd entered into an Assumption deed to the Deed of Cross Guarantee on 17 May 2016. Projects Assured Pty Ltd entered into an Assumption deed to the Deed of Cross Guarantee on 27 June 2019.

Notes to the Financial Statements continued

Note 25. Reconciliation of cash flows from operations with profit after tax

	Consolidated 2020 $'000	2019 $'000
Profit for the year	7,510	10,298
Depreciation and amortisation of non-current assets	3,797	1943
Increase/(decrease) in current tax liability	62	943
(Increase)/decrease in deferred tax assets	(1,378)	(1,175)
Loss attributable to equity accounted investments	701	813
Changes in net assets and liabilities net of effects from acquisitions and disposal of businesses:		
(Increase)/decrease in assets:		
Trade and other receivables	6,321	(4,504)
Other current assets	447	(212)
Increase/(decrease) in liabilities:		
Trade and other payables	4,185	6,484
Contract liabilities	245	(641)
Short term provisions	453	58
Long term provisions	1,636	970
Net cashflow from operating activities	23,979	14,977

Note 26. Key management personnel

Compensation by category

	Consolidated 2020 $'000	2019 $'000
Short-term benefits	1,175,416	2,236,191
Post-employment benefits	98,706	165,695
Other long-term benefits	138,421	101,000
	1,412,543	2,502,886

There are no other compensation benefits paid.

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

Equity holding and transactions

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

	Held at 30 June 2019	Purchases/ (Disposals)	Held at 30 June 2020
Directors			
Ken Barry[1]	103,333	-	103,333
Danny Wallis[2]	56,305,283	-	56,305,283
Martin Ralston[1]	18,000	-	18,000
Gary Ebeyan[1]	16,130	-	16,130
Hayden Kelly[1]	20,000	-	20,000
Selina Lightfoot[1]	13,200	-	13,200
Danny Gorog[3]	10,000	-	10,000
Key management personnel			
Stuart Whipp[2]	60,000	-	60,000

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

Loans and other transactions with Directors and key management personnel

Loans

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

Other transactions with the Company or its controlled entities

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

Note 27. Related parties

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

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

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

Notes to the Financial Statements continued

Note 28. Events occurring after reporting date

Following a review of the operations of Site Supervisor, DWS has chosen to exit its investment and sold its shareholding to its Joint Venture partner.

Due to COVID-19, Melbourne entered into stage 4 lock down during August and September 2020. Other than has been addressed in specific notes, there does not appear to be any significant impact upon the financial statements and any uncertainties with respect to events or conditions which may impact the Group unfavourable as a result of the stage 4 lock down.

On 21 September 2020, DWS received a binding offer from HCL Technologies Limited to acquire 100% of the share capital of DWS Limited by way of scheme of arrangement. As part of HCL Technologies Limited, DWS will leverage HCL's significant global resources and expertise to offer an expanded platform to it its Australian clients. Further information regarding the potential acquisition of 100% of the share capital of DWS Limited is provided in DWS Limited's ASX Announcement released on 21 September 2020.

Other than the above, no other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

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

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

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

Note 29. Parent entity disclosures

As at, and throughout the financial year ended 30 June 2020, the parent entity of the Group was DWS Limited:

	2020 $'000	2019 $'000
Assets		
Current assets	631	779
Non-current assets	60,455	65,359
Total assets	61,086	66,138
Liabilities		
Current liabilities	8,295	5,732
Non-current liabilities	31,380	28,990
Total liabilities	39,675	34,722
Net assets	21,411	31,416
Equity		
Issued capital	34,187	34,187
Retained earnings	(12,776)	(2,771)
Total equity	21,411	31,416
Summarised Statement of Comprehensive Income		
Profit for the year	(776)	(1,540)
Other comprehensive income	-	-
Total comprehensive income	(776)	(1,540)

Directors' Declaration

1. In the opinion of the Directors of DWS Limited (the Company):
   (a) the financial statements and notes, set out on pages 38 to 68 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 2020 and of its performance, as represented by its results of the operations and its cash flows, for the year ended on that date;
      (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001;
      (iii) complying with International Financial Reporting Standards as disclosed in Note 2; and
   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the controlled entities identified in Note 24 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 2020.

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

Martin Ralston
Non-Executive Chairman

Hayden Kelly
Non-Executive Director

Signed at Melbourne this 30 September 2020

Independent Auditor's Report

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Independent Auditor's Report

To the Members of DWS Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of DWS Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Key audit matters

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

Grant Thornton

Key audit matters (cont'd)

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition – Note 3 (c) and Note 5	
For the year ended 30 June 2020 the group recognised revenue of $167,948,000 (2019: $163,496,000) from variable and fixed price service contracts. Revenue is recognised in accordance with AASB 15 *Revenue from Contracts with Customers*. Revenue is derived from delivery of services and may be complex, involving significant management judgement due to revenue being recognised in accordance with the stage of completion for fixed price contracts. The audit team is required to obtain sufficient audit evidence as to whether the assumptions used by management to recognise revenue are reasonable and disclosures are adequate in accordance with ASA 540 *Auditing for Accounting Estimates.* This area is a key audit matter due to the complexity and judgement associated with service revenue.	Our procedures included, amongst others: • Assessing revenue recognition policies for compliance with AASB 15; • Evaluating the design and operating effectiveness of key controls over the capture and measurement of key revenue transactions, including evaluating the relevant IT systems; • Testing a sample of variable priced revenue to supporting documentation and assessing whether revenue had been recorded accurately in the correct period; • Assessing the progress of fixed price contracts to gain an understanding of the stage of completion of the project and progress against the project budget; and • Assessing the adequacy of disclosures in the financial statements.
Carrying Value of Goodwill – Note 14	

The Group has recorded goodwill totalling $98,085,000 (2019: $94,643,000) at 30 June 2020 across one Cash Generating Unit. Goodwill is required to be assessed for impairment annually by management as prescribed by AASB 136 *Impairment of Assets*.
 	
Management test goodwill annually for impairment by comparing their carrying amounts against their recoverable amounts determined by either, the greater of its fair value less costs to sell, or its value in use.
 	
This area is a key audit matter due to the significant balance carried by the Group and the inherent subjectivity around key inputs used.
	Our procedures included, amongst others:
	• Enquiries with management to obtain and document an understanding of their process and controls related to the determination of cash generating units and the calculation of recoverable amount;
	• Evaluating the impairment calculations prepared by management against the requirements of AASB 136;
	• Assessing management's assessment of impairment and management's value in use calculations;
	• Assessing management's determination of one cash generating unit;
	• Involving our internal valuation specialists to:
	  ○ assess and evaluate the reasonableness of key assumptions, where relevant to the impairment test, including discount rates, terminal growth rates, market evidence of industry earnings valuation multiples and forecast growth assumptions;
	  ○ perform a sensitivity analysis on the significant inputs and assumptions made by management in preparing its calculations, and
	• Assessing the adequacy of the disclosures in the financial statements.

Independent Auditor's Report continued

Grant Thornton

Key audit matters (cont'd)

Key audit matter	How our audit addressed the key audit matter
Object Consulting Business Combination – Note 22	
On 4 October 2019, DWS Limited acquired Object Consulting Pty Ltd, with the transaction to be effective on the same date. The consideration for the acquisition was $3,318,000. The acquisition was recognised in accordance with AASB 3 *Business Combinations*. The accounting for business combinations requires significant judgement and estimates to be made in relation to: - The fair value of the purchase consideration, including any contingent consideration; - The fair value of the assets and liabilities acquired. Including separately identifiable intangible assets; and - Evaluating the fair value of assets and liabilities acquired during the provisional accounting period. This area is a key audit matter due to the level of estimation, judgement and key personnel time involved.	Our procedures included, amongst others: • Examining transaction documentation to obtain an understanding of key terms and conditions of the transaction; • Assessing the identified assets and liabilities transferred as part of the business acquisition; • Evaluating management's assessment in identifying intangible assets as part of the acquisition during the provisional accounting period; • Evaluating management's assessment of the fair value of the identified assets and liabilities acquired during the provisional accounting period; • Ensuring the recognition of goodwill as part of the acquisition is in accordance with AASB 3; and • Assessing the adequacy of the disclosures in the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

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

Grant Thornton

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 23 to 27 of the Directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of DWS Limited, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

S C Trivett
Partner – Audit & Assurance

Melbourne, 30 September 2020

Shareholder Information

DWS Limited

Analysis of Holdings as at 21 September 2020

Security classes

Fully paid ordinary shares

Holdings Ranges	Holders	Total Units	%
1–1,000	646	397,659	0.302
1,001–5,000	1,306	4,062,163	3.081
5,001–10,000	743	5,904,342	4.479
10,001–100,000	1,134	33,690,823	25.556
100,001–9,999,999,999	89	87,776,341	66.582
Totals	**3,918**	**131,831,328**	**100.000**

Number of shareholdings with an unmarketable holding = 231

Fully paid ordinary shares

Top 20 Holdings as at 21 September 2020

Top Holders Snapshot		Units	% of Units
1	MR DANIEL WALLIS	56,305,283	42.710%
2	CITICORP NOMINEES PTY LIMITED	4,105,202	3.114%
3	MUTUAL TRUST PTY LTD	2,632,493	1.997%
4	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	1,650,741	1.252%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,447,887	1.098%
6	SARGON CT PTY LTD <CHARITABLE FOUNDATION>	1,445,097	1.096%
7	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	1,350,321	1.024%
8	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	890,754	0.676%
9	G HARVEY NOMINEES PTY LIMITED <HARVEY 1995 DISCRETION A/C>	740,000	0.561%
10	MR PETER JOHN STIRLING & MRS ROSALIND VERENA STIRLING	650,000	0.493%
11	MR DAVID PATRICK JOHN MULRONEY & MRS ELISABETH SUZANNE MULRONEY <MULRONEY SUPER FUND A/C>	625,000	0.474%
12	ACN 106966401 PTY LTD	504,003	0.382%
13	MR GLENN MAFODDA	479,186	0.363%
14	FIELDING JOHNSTONE PTY LTD <FIELDING FAMILY NO 2 A/C>	450,000	0.341%
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	392,244	0.298%
16	DR ANDREW RICHARD CONWAY & DR VANESSA JOY TEAGUE	372,384	0.282%
17	LUTON PTY LTD	350,000	0.265%
18	JACK MIRIKLIS NOMINEES PTY LTD <JACK MIRIKLIS STAFF S/F A/C>	340,000	0.258%
19	JE & FJ CUNNINGHAM SUPERANNUATION PTY LTD <JE & FJ CUNNINGHAM SUPER A/C>	335,894	0.255%
20	MR PETER BIVEN & MRS KIRSTEN BACH BIVEN <PK SUPER FUND A/C>	334,988	0.254%
Total securities of top 20 holdings		75,401,477	57.195%
Total of securities		**131,831,328**	

Substantial Shareholders

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

Unquoted Equity Securities

There are no unquoted equity securities.

Escrow shares

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

Voting Rights for fully paid ordinary shares

The Constitution provides for votes to be cast:

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

Corporate Directory

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DWS

Excellence