



DWS Advanced Business Solutions Ltd
And Controlled Entities
ACN 085 656 088

RESULTS ANNOUNCEMENT TO THE MARKET

2011 Full Year Financial Results

[Based on accounts currently being audited]

DWS Advanced Business Solutions Ltd (DWS) is pleased to announce the following results and highlights for the year ended 30 June 2011:

- Revenue from continuing operations of \$98.39M (up \$2.7M or 3% from the prior corresponding period (pcp)).
- EBITDA of \$24.81M (down \$2.04M or 8% on pcp).
- NPAT of \$17.39M (down \$1.13M or 6% on pcp).
- Final fully franked dividend of 6.0 cents per ordinary share declared.
 - Final Dividend 6.0 cents per ordinary share
 - Record Date 16th September 2011
 - Expected Payment Date 4th October 2011
- Increased consulting staff numbers to 540 (504 in 2010), bringing total staff numbers to 594 (550 in 2010).
- Strong balance sheet with zero debt and cash of \$10.98M.
- Two new specialist business operations have commenced and are contributing to earnings.
- New office opened in Geelong in Victoria which has 13 billable consultants.
- New clients added in all regions.
- Comprehensive organisational improvement program has been formulated and is being implemented.

	H1 2011 \$'000	H2 2011 \$'000	Total 2011 \$'000	2010 \$'000	Increase / (decrease) \$'000	Percentage Change
Revenue from continuing operations	48,454	49,932	98,386	95,653	2,733	3%
Other revenue (excl Interest)	94	9	103	69	34	49%
Employee Benefits Expense (excl. share expense)	(33,313)	(35,742)	(69,055)	(64,258)	4,797	7%
Selling, general and admin expense	(2,466)	(2,158)	(4,624)	(4,317)	307	7%
EBITDA before employee share expense	12,769	12,041	24,810	27,147	(2,337)	-9%
<i>Employee share expense</i>	0	0	0	(302)	(302)	-100%
EBITDA after employee share expense	12,769	12,041	24,810	26,845	(2,035)	-8%
EBITDA Margin %	26%	24%	25%	28%		
Depreciation and amortisation	(139)	(148)	(287)	(365)	(78)	-21%
Interest	265	307	572	283	289	102%
Profit before tax	12,895	12,200	25,095	26,764	(1,669)	-6%
Income Tax Expense	(3,926)	(3,780)	(7,706)	(8,248)	(542)	-7%
Net profit after tax	8,969	8,420	17,389	18,516	(1,127)	-6%

APPENDIX 4E

30 JUNE 2011

DWS ADVANCED BUSINESS
SOLUTIONS LIMITED



DWS Advanced Business Solutions Ltd

Appendix 4E and Preliminary Final Report

For year ended 30 June 2011

[Based on accounts that are currently being audited]

	2011	2010			
	\$'000	\$'000		Change \$'000	% Change
Revenue from continuing operations	98,386	95,653	up	2,733	3%
Total comprehensive income for the year	17,389	18,516	down	(1,127)	-6%
Dividends (distributions)	Amount per security	Franked amount per security		Record Date for dividend entitlement	
Dividends paid during the financial year	6.0 cents	6.0 cents		18 March 2011	
Dividend Declared subsequent to financial year end	6.0 cents	6.0 cents		16 September 2011	
	Current period	Previous corresponding period			
Net tangible asset backing per ordinary security	23 cents	23 cents			
Earnings per Share	\$0.13	\$0.14			

Consolidated Statement of Comprehensive Income For the year ended 30 June 2011

	Notes	Consolidated	
		2011 \$'000	2010 \$'000
Revenue from continuing operations	2	98,386	95,653
Other revenue	2	675	352
Employee benefit expense		(69,055)	(64,559)
Occupancy expense		(1,191)	(1,279)
Depreciation and amortisation expense		(287)	(365)
Other expenses		(3,433)	(3,038)
Profit before tax		25,095	26,764
Income tax expense	3	(7,706)	(8,248)
Profit for the year		17,389	18,516
Profit/(loss) attributable to members of the parent entity		17,389	18,516
Net Profit		17,389	18,516

Consolidated Statement of Financial Position As at 30 June 2011

	Notes	Consolidated	
		2011 \$'000	2010 \$'000
Current Assets			
Cash and cash equivalents		10,977	13,656
Trade and other receivables		23,945	17,742
Other		2,608	5,502
Total Current Assets		37,530	36,900
Non-Current Assets			
Property, plant and equipment		1,361	1,341
Intangible assets		26,610	26,429
Deferred tax assets	3	1,749	1,993
Total Non-Current Assets		29,720	29,763
Total Assets		67,250	66,663
Current Liabilities			
Trade and other payables		2,912	3,039
Current tax liabilities	3	2,156	2,849
Short term provisions		4,156	3,889
Other		220	314
Total Current Liabilities		9,444	10,091
Non-Current Liabilities			
Long term provisions		420	361
Total Non-Current Liabilities		420	361
Total Liabilities		9,864	10,452
Net Assets		57,386	56,211
Equity			
Issued Capital		34,757	34,757
Retained Earnings/(Accumulated losses)		22,629	21,454
Total Equity		57,386	56,211

Consolidated Statement of Changes in Equity For the year ended 30 June 2011

	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2010	34,757	21,454	56,211
Dividends paid	-	(16,214)	(16,214)
Employee share-based payment options	-	-	-
Total transactions with owners	-	(16,214)	(16,214)
Total comprehensive income	-	17,389	17,389
Total at 30 June 2011	34,757	22,629	57,386
Balance at 1 July 2009	34,455	17,475	51,930
Dividends paid	-	(14,537)	(14,537)
Employee share-based payment options	302	-	302
Total transactions with owners	302	(14,537)	(14,235)
Total comprehensive income	-	18,516	18,516
Total at 30 June 2010	34,757	21,454	56,211
Number of shares on issue		2011	2010
Fully paid ordinary shares with no par value		132,362,763	132,163,763

Consolidated Statement of Cash Flows For the year ended 30 June 2011

	Notes	Consolidated	
		2011 \$'000	2010 \$'000
Cash Flows from operating activities			
Cash receipts from customers		104,591	100,975
Cash payments to suppliers and employees		(82,938)	(75,436)
Income taxes paid		(8,155)	(8,785)
Interest received		572	283
Net cash provided by operating activities		14,070	17,038
Cash flows from investing activities			
Payments for plant and equipment		(235)	(219)
Amounts paid for subsidiaries net of cash acquired		-	(800)
Proceeds from disposal of property, plant and equipment		-	19
Payments for intangibles		(300)	-
Net cash used in investing activities		(535)	(1,000)
Cash flows from financing activities			
Dividends paid		(16,214)	(14,537)
Net cash provided by financing activities		(16,214)	(14,537)
Net (Decrease) / increase in cash and cash		(2,679)	1,501
Cash at the beginning of the financial year		13,656	12,155
Cash at the end of the financial year		10,977	13,656

Notes to the Consolidated Financial Report for Year ended 30 June 2011

Note 1 Summary of Significant Accounting Policies

This preliminary financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the consolidated group of DWS Advanced Business Solutions Ltd (DWS) and controlled entities (the Group). DWS is a listed public company, incorporated and domiciled in Australia.

The financial report of DWS Advanced Business Solutions Ltd and controlled entities complies with all International Financial Reporting Standards (IFRS) in their entirety.

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

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

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.

Accounting Policies

(a) Principles of Consolidation

A controlled entity is any entity where DWS Advanced Business Solutions Ltd has the power to control the financial and operating policies so as to obtain benefits from its activities.

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

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

Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority equity interests in the entity and results of the entities that are controlled are shown as a separate item in the consolidated financial report.

Note 1 Summary of Significant Accounting Policies (cont.)

1. 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 balance sheet date.

Deferred tax is accounted for using the balance sheet 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 income statement 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 economic entity 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 Advanced Business Solutions Ltd and its wholly-owned Australian subsidiaries have not entered into an income tax consolidated group under the tax consolidation regime. DWS Advanced Business Solutions Ltd and each of its subsidiaries are responsible for their own recognition of current and deferred tax assets and liabilities.

(b) Revenue recognition

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

Consulting services revenue is recognised on a billing entitlement basis and is matched against related costs incurred. Where fixed price contracts are used, revenue recognition is based on stage of completion. The stage of completion is measured by reference to labour hours incurred to date as a percentage of estimated total labour hours.

(c) Intangibles

Goodwill

Goodwill and goodwill on consolidation are initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates. Goodwill is tested annually for impairment and 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.

Note 1 Summary of Significant Accounting Policies (cont.)

(d) Impairment of 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. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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.

(e) Property, Plant and Equipment

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

(f) Employee benefits

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

Equity-settled Compensation

On 1 July 2007 the consolidated entity established the DWS Advanced Business Solutions Limited Employee Share Option Plan (the plan). The purpose of the plan is to provide eligible employees with an incentive to remain within the consolidated entity and to improve the longer-term performance of the consolidated entity and its return to shareholders. Pursuant to the plan, eligible employees were granted 3000 zero cost options on 1 July 2007 and eligible employees were entitled to exercise these on 1 July 2008, 1 July 2009, and 1 July 2010.

The rules of the plan stipulate that employees must work within the Group at all relevant times in order to be entitled to each equity grant. The plan is designed to encourage fulltime employees to stay with the Group and align their own remuneration with that of the interests of shareholders. Vested options must be exercised within 90 days. The value of the related employee services received over the vesting period has been determined with reference to the fair value of options granted.

All equity-settled compensation is expensed in the Income Statement at fair value during the relevant financial year.

(g) 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.

Note 1 Summary of Significant Accounting Policies (cont.)

Critical accounting estimates and judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates — Impairment

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

No impairment has been recognised in respect of goodwill for the year ended 30 June 2011.

Operating Segments

DWS Advanced Business Solutions Limited and its controlled entities, develop, manage and implement information technology solutions. There is only one reportable segment based on the aggregation criteria in AASB 8. The business operates within Australia only.

Note 2 Revenue

	Consolidated	
	2011 \$'000	2010 \$'000
Revenue from continuing operations		
Services revenue	98,386	95,653
Total revenue from continuing operations	98,386	95,653
Other revenue		
Interest received	572	283
Other	103	69
Total other revenue	675	352

Note 3 Income Tax Expense

	Consolidated	
	2011 \$'000	2010 \$'000
The components of income tax expense comprise;		
Current tax expenses	7,462	8,654
Deferred tax expense	244	(407)
	7,706	8,248
Profit/Loss before income tax	25,095	26,764
<i>Prima facie tax on profit from ordinary activities before income tax at 30% (2009 30%)</i>	7,529	8,029
Increase in income tax expense due to:		
Non-deductible entertainment	172	125
Share based payments	-	91
Other items	5	3
Adjusted income tax	7,706	8,248
Income tax expense/(benefit)	7,706	8,248
Applicable weighted average effective tax rate	30.71%	30.82%

Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
	Deferred tax assets and liabilities are attributable to the following;					
Consolidated						
Employee Benefits	72	389	-	-	72	389
Provisions	1,373	1,275	-	-	1,373	1,275
Other	304	329	-	-	304	329
Net Tax (assets)/liabilities	1,749	1,993	-	-	1,749	1,993

Note 3 Income Tax Expense Cont.

Movements in Temporary Differences	Consolidated	
	2011	2010
	\$'000	\$'000
The overall movement in the deferred tax account is as follows;		
Opening balance	1,993	1,586
Charge to income statement	(244)	407
	1,749	1,993
Deferred tax asset movement		
<i>Employee Benefits</i>		
Opening balance	389	227
Charged	(317)	162
Closing balance	72	389
<i>Provisions</i>		
Opening balance	1,275	1,059
Charged	98	216
Closing balance	1,373	1,275
<i>Other</i>		
Opening balance	329	92
Charged	(25)	237
Closing balance	304	329
<i>Transaction costs on equity issue</i>		
Opening balance	0	208
Charged	0	(208)
Closing balance	0	0
Total Closing Balance	1,749	1,993

Note 4 Dividends

(a) Dividends paid during the year				
2011	Cents per share	Total amount \$'000	Franked/Unfranked	Payment Date
Final 2010 ordinary	6.25	8,273	Franked at 30%	4-Oct-10
Interim 2011 ordinary	5.00	6,618	Franked at 30%	4-Apr-11
Special ordinary	1.00	1,323	Franked at 30%	4-Apr-11
2010				
Final 2009 ordinary	6.00	7,930	Franked at 30%	2-Oct-09
Interim 2010 ordinary	5.00	6,608	Franked at 30%	6-Apr-10
(b) Dividends Declared				
Declared final dividend	2011 \$'000	2010 \$'000		
Declared final fully franked ordinary dividend of 6.0 cents (2010 6.25 cents) per share at the tax rate of 30%	7,942	8,260		
(c) Dividend Franking Account				
30% franking credits available to shareholders of DWS Advanced Business Solutions Limited for subsequent financial years	24,822	21,535		

Note 5 Earnings per Share

	Consolidated	
	2011	2010
Earnings used in calculation of basic and dilutive EPS	\$ 17,389,792	\$ 18,516,261
Adjusted weighted average number of ordinary shares used in calculating basic earnings per share	132,331,141	132,111,116
Number for diluted earnings per share		
Ordinary shares	132,331,141	132,111,116
Effect of dilutive of share options	-	287,274
Adjusted weighted average number of ordinary shares used in calculating diluted earnings	132,331,141	132,398,390
Basic earnings per share	\$0.13	\$0.14
Diluted earnings per share	\$0.13	\$0.14

During the year, DWS Advanced Business Solutions Ltd issued a total of 199,000 shares to staff exercising options pursuant to the Employee Share Option Plan.

Note 7 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 \$310,068.00 have been provided as security for performance of property rental covenants. The bank guarantees are secured by a Standard Authority to Appropriate and Set-Off Term Deposits to the equivalent guarantee value.

Note 8 Events subsequent to reporting date

No other matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- (a) The consolidated entity's operations in future financial years
- (b) The results of those operations in future financial years
- (c) The consolidated entity's state of affairs in future financial years

Compliance Statement

1. This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 1).
2. This report, and the accounts upon which the report is based, use the same accounting policies.
3. This report gives a true and fair view of the matters disclosed.
4. This report is based on accounts that are in the process of being audited.
5. The entity has a formally constituted audit committee.

A handwritten signature in black ink, appearing to be 'Lachlan Armstrong'.

Lachlan Armstrong
Company Secretary
DWS Advanced Business Solutions Ltd

Date: 22 August 2011