



DWS Ltd (and Controlled Entities)
ACN 085 656 088

RESULTS ANNOUNCEMENT TO THE MARKET

2012 Full Year Financial Results

[Based on accounts currently being audited]

DWS Ltd (DWS) is pleased to announce the following results and highlights for the year ended 30 June 2012:

- **Revenue from continuing operations of \$109.66M (up \$11.28M or 11% from the prior corresponding period (pcp)).**
- **EBITDA of \$26.40M (up \$1.59M or 6% on pcp).**
- **NPAT of \$18.22M (up \$832K or 5% on pcp).**
- **Cash flow from operations (before interest and tax) 115% of EBITDA.**
- **Balance sheet remains strong with zero debt and cash of \$15.21M.**
- **Final fully franked dividend of 6.25 cents per ordinary share declared.**
 - **Final Dividend** **6.25 cents per ordinary share**
 - **Record Date** **14th September 2012**
 - **Expected Payment Date** **4th October 2012**
- **Increased consulting staff numbers to 568 (540 in 2011), bringing total staff numbers to 620 (594 in 2011).**
- **Two new specialist practices are continuing to expand and contribute to earnings.**
- **Established an office in Perth during Q4 to service existing client demand.**
- **Improve, Extend, Grow** four year organisation development program is continuing to yield positive results for the DWS Group.
- **Examining opportunities for the establishment of an offshore capability aimed at complementing DWS' existing Australian operations.**

	H1 2012	H2 2012	Total 2012	2011	Increase / (decrease)	Percentage Change
	\$'000	\$'000	\$'000	\$'000	\$'000	
Revenue from continuing operations	55,306	54,358	109,664	98,386	11,279	11%
Other revenue (excl Interest)	199	26	225	103	122	119%
Employee Benefits Expense	(39,224)	(39,802)	(79,026)	(69,055)	9,971	14%
Selling, general and admin expense	(2,260)	(2,205)	(4,465)	(4,624)	(159)	-3%
EBITDA	14,021	12,378	26,399	24,810	1,589	6%
EBITDA Margin %	25%	23%	24%	25%		
Depreciation and amortisation	(612)	(174)	(786)	(287)	499	174%
Interest	321	321	642	572	70	12%
Profit before tax	13,731	12,524	26,255	25,095	1,160	5%
Income Tax Expense	(4,210)	(3,824)	(8,033)	(7,706)	327	4%
Net profit after tax	9,521	8,701	18,221	17,389	832	5%

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Appendix 4E

30 June 2012
DWS Limited



DWS

DWS Ltd

Appendix 4E and Preliminary Final Report

For year ended 30 June 2012

[Based on accounts that are currently being audited]

	2012	2011		Change	% Change
	\$'000	\$'000		\$'000	
Revenue from continuing operations	109,664	98,386	up	11,278	11%
Total comprehensive income for the year	18,221	17,389	up	832	5%

Dividends (distributions)	Amount per security	Franked amount per security	Record Date for dividend entitlement
Dividends paid during the financial year	6.25 cents	6.25 cents	19 March 2012
Dividend Declared subsequent to financial year end	6.25 cents	6.25 cents	14 September 2012

	2012	2011
Net tangible asset backing per ordinary security	24 cents	23 cents
Earnings per Share	\$0.14	\$0.13

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Consolidated Statement of Comprehensive Income For the year ended 30 June 2012

	Notes	Consolidated	
		2012 \$'000	2011 \$'000
Revenue from continuing operations	2	109,664	98,386
Other revenue	2	867	675
Employee benefit expense		(79,026)	(69,055)
Occupancy expense		(1,008)	(1,191)
Depreciation and amortisation expense		(786)	(287)
Other expenses		(3,457)	(3,433)
Profit before tax		26,255	25,095
Income tax expense	3	(8,033)	(7,706)
Profit for the year		18,221	17,389
Profit attributable to members of the parent entity		18,221	17,389
Net Profit		18,221	17,389

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes

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Consolidated Statement of Financial Position As at 30 June 2012

	Notes	Consolidated	
		2012 \$'000	2011 \$'000
Current Assets			
Cash and cash equivalents		15,206	10,977
Trade and other receivables		23,568	23,945
Other		3,559	2,608
Total Current Assets		42,333	37,530
Non-Current Assets			
Property, plant and equipment		1,564	1,361
Intangible assets		27,105	26,610
Deferred tax assets	3	2,205	1,749
Total Non-Current Assets		30,874	29,720
Total Assets		73,207	67,250
Current Liabilities			
Trade and other payables		6,039	2,912
Current tax liabilities		1,526	2,156
Short term provisions		5,258	4,156
Other		611	220
Total Current Liabilities		13,433	9,444
Non-Current Liabilities			
Long term provisions		380	420
Total Non-Current Liabilities		380	420
Total Liabilities		13,813	9,864
Net Assets		59,393	57,386
Equity			
Issued Capital		34,757	34,757
Retained Earnings		24,636	22,629
Total Equity		59,393	57,386

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

Consolidated Statement of Changes in Equity For the year ended 30 June 2012

	Share Capital \$'000	Retained Earnings \$'000	Total Equity \$'000
Balance at 1 July 2011	34,757	22,629	57,386
Dividends paid	-	(16,214)	(16,214)
Employee share-based payment options	-	-	-
Total transactions with owners	-	(16,214)	(16,214)
Total comprehensive income	-	18,221	18,221
Total at 30 June 2012	34,757	24,636	59,393
Balance at 1 July 2010	34,757	21,454	56,211
Dividends paid	-	(16,214)	(16,214)
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
Number of shares on issue		2012	2011
Fully paid ordinary shares with no par value		132,362,763	132,362,763

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

Consolidated Statement of Cash Flows For the year ended 30 June 2012

	Consolidated 2012 \$'000	2011 \$'000
Cash Flows from operating activities		
Cash receipts from customers	120,575	104,591
Cash payments to suppliers and employees	(90,182)	(82,938)
Income taxes paid	(9,120)	(8,155)
Interest received	642	572
Net cash provided by operating activities	21,915	14,070
Cash flows from investing activities		
Payments for plant and equipment	(1,120)	(235)
Payments for intangibles	(352)	(300)
Net cash used in investing activities	(1,472)	(535)
Cash flows from financing activities		
Dividends paid	(16,214)	(16,214)
Net cash provided by financing activities	(16,214)	(16,214)
Net (Decrease) / increase in cash and cash	4,229	(2,679)
Cash at the beginning of the financial year	10,977	13,656
Cash at the end of the financial year	15,206	10,977

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

Notes to the Consolidated Financial Report for Year ended 30 June 2012

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 Ltd (DWS) and controlled entities (the Group). DWS is a listed public company, incorporated and domiciled in Australia.

The financial report of DWS 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 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, Borealis DWS Consulting Services, 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.

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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 Ltd and its wholly-owned Australian subsidiaries have not entered into an income tax consolidated group under the tax consolidation regime. DWS 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 acquisition 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.

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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.

(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.

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 2012.

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Note 1 Summary of Significant Accounting Policies (cont.)

Operating Segments

DWS 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	
	2012 \$'000	2011 \$'000
Revenue from continuing operations		
Services revenue	109,664	98,386
Total revenue from continuing operations	109,664	98,386
Other revenue		
Interest received	642	572
Other	225	103
Total other revenue	867	675

Note 3 Income Tax Expense

	Consolidated	
	2012 \$'000	2011 \$'000
The components of income tax expense comprise;		
Current tax expenses	8,489	7,462
Deferred tax expense	(456)	244
	8,033	7,706
Profit/Loss before income tax	26,255	25,095
<i>Prima facie tax on profit from ordinary activities before income tax at 30% (2011 30%)</i>	7,876	7,529
Increase in income tax expense due to:		
Non-deductible entertainment	156	172
Other items	1	5
Adjusted income tax	8,033	7,706
Income tax expense	8,033	7,706
Applicable weighted average effective tax rate	30.60%	30.71%

Note 3 Income Tax Expense (cont.)

Recognised deferred tax assets and liabilities						
Deferred tax assets and liabilities are attributable to the following;						
	Assets		Liabilities		Net	
	2012	2011	2012	2011	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated						
Employee Benefits	138	72	-	-	138	72
Provisions	1,577	1,373	-	-	1,577	1,373
Other	489	304	-	-	489	304
Net Tax (assets)/liabilities	2,205	1,749	-	-	2,205	1,749

Movements in Temporary Differences	Consolidated	
	2012	2011
	\$'000	\$'000
The overall movement in the deferred tax account is as follows;		
Opening balance	1,749	1,993
Charge to income statement	456	(244)
	2,205	1,749
Deferred tax asset movement		
<i>Employee Benefits</i>		
Opening balance	72	389
Charged	66	(317)
Closing balance	138	72
<i>Provisions</i>		
Opening balance	1,373	1,275
Charged	204	98
Closing balance	1,577	1,373
<i>Other</i>		
Opening balance	304	329
Charged	186	(25)
Closing balance	490	304
Total Closing Balance	2,205	1,749

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Note 4 Dividends

(a) Dividends paid during the year

	2012	Cents per share	Total amount \$'000	Franked/ Unfranked	Payment Date
Final 2011 ordinary		6.00	7,942	Franked at 30%	4-Oct-11
Interim 2012 ordinary		6.25	8,273	Franked at 30%	4-Apr-12
	2011				
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

(b) Dividends Declared

	2012	2011
Declared final dividend	\$'000	\$'000
Declared final fully franked ordinary dividend of 6.25 cents (2011 6.0 cents) per share at the tax rate of 30%	8,273	7,942

(c) Dividend Franking Account

30% franking credits available to shareholders of DWS Limited for subsequent financial years	24,132	22,031
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Note 5 Earnings per Share

	Consolidated	
	2012	2011
Earnings used in calculation of basic and dilutive EPS	\$ 18,221,400	\$ 17,389,792
Adjusted weighted average number of ordinary shares used in calculating basic earnings per share	132,362,763	132,331,141
Number for diluted earnings per share		
Ordinary shares	132,362,763	132,331,141
Effect of dilutive of share options	-	-
Adjusted weighted average number of ordinary shares used in calculating diluted earnings	132,362,763	132,331,141
Basic earnings per share	\$0.14	\$0.13
Diluted earnings per share	\$0.14	\$0.13

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 2012 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.



Lachlan Armstrong
Company Secretary
DWS Ltd

Date: 13 August 2012

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