230 Captain Cook Drive
KURNELL NSW 2231
**Freecall: 1800 688 586**
**Freefax: 1800 688 486**
**www.dickerdata.com.au**

*Dicker Data is the registered trading name for*
*Dicker Data Ltd ABN 95-000-969-362*

14 January 2011

Company Announcements Office
ASX Limited
20 Bridge St
SYDNEY NSW 2000

Attached are the audited financial reports for Dicker Data Limited (formerly named Rodin Corporation Pty Limited) for the financial years ended 30 June 2008.

Yours sincerely

MARY STOJCEVSKI
Company Secretary

# Rodin Corporation Pty Limited

(ABN 95 000 969 362)
Financial Statements
Year ended 30 June 2008

# RODIN CORPORATION PTY LIMITED
## ABN 95 000 969 362

## CONTENTS

# RODIN CORPORATION PTY LIMITED
# ABN 95 000 969 362

## DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2008.

The names of the directors in office at anytime during or since the end of the year are:

David John Dicker
Fiona Tudor Brown

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The net profit of the company for the financial year after providing for income tax amounted to $3,758,008.

A review of the operations of the company during the financial year and the results of those operations are as follows:

Profit before income tax expense increased by just over 30% on the prior year. The directors considered that the company acted satisfactorily during the year in accordance with its obligations.

No significant changes in the company's state of affairs occurred during the financial year.

The principal activities of the company during the financial year were:

Wholesale distribution of computers and related products

No significant change in the nature of these activities occurred during the financial year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of the State.

Dividends paid or declared since the start of the financial year are as follows:

Fully franked dividends of $1,916,000 were paid during the year.
The directors do not recommend the payment of a dividend for the year ended 30 June, 2008

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

## RODIN CORPORATION PTY LIMITED
## ABN 95 000 969 362

## DIRECTORS' REPORT

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

No person has applied for leave of 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 part of those proceedings.

The company was not a party to any such proceedings during the year.

**Auditor's Independence Declaration**
A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act 2001 is attached to this financial report.

Signed in accordance with a resolution of the board of directors:

**Director** ____________________
**David John Dicker**

**3 December 2008**

**PKF**

Chartered Accountants
& Business Advisers

# Auditor's Independence Declaration

To the Directors of Rodin Corporation Pty Limited

As lead auditor for the audit of Rodin Corporation Pty Limited for the year ended 30 June 2008, 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.

PKF

PKF

Gary Holbrook
Partner
Sydney

3 December 2008

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DX 10173 I Sydney Stock Exchange I New South Wales

## RODIN CORPORATION PTY LIMITED
## ABN 95 000 969 362

## INCOME STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2008

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| Revenue | 2 | 215,997,121 | 179,079,957 |
| Other income | 2 | 207,301 | - |
| Changes in inventories of finished goods | | 2,589,409 | 4,422,092 |
| Consumables used | | (202,239,399) | (171,851,320) |
| Employee benefits expense | | (4,521,556) | (3,013,000) |
| Depreciation and amortisation expenses | | (480,119) | (245,775) |
| Finance costs | 3 | (2,836,760) | (1,840,398) |
| Other expenses | | (3,326,849) | (2,791,568) |
| **Profit before income tax expense** | 3 | 5,389,147 | 3,759,987 |
| Income tax benefit (expense) | 4 | (1,631,139) | (1,123,034) |
| **Profit attributable to members of the company** | | **3,758,008** | **2,636,954** |
| Dividend per share | | 191.64 | 591.19 |

The accompanying notes form part of these financial statements.

# RODIN CORPORATION PTY LIMITED
# ABN 95 000 969 362

## BALANCE SHEET

## AS AT 30 JUNE 2008

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **CURRENT ASSETS** | | | |
| Cash and cash equivalents | **8** | 15,150 | 1,600 |
| Trade and other receivables | **9** | 27,268,400 | 22,289,557 |
| Inventories | **10** | 20,173,328 | 17,583,919 |
| **TOTAL CURRENT ASSETS** | | 47,456,878 | 39,875,076 |
| **NON-CURRENT ASSETS** | | | |
| Property, plant and equipment | **11** | 7,900,966 | 8,749,336 |
| Deferred tax assets | **12** | 108,364 | 104,033 |
| **TOTAL NON-CURRENT ASSETS** | | 8,009,330 | 8,853,369 |
| **TOTAL ASSETS** | | 55,466,208 | 48,728,445 |
| **LIABILITIES** | | | |
| **CURRENT LIABILITIES** | | | |
| Trade and other payables | **13** | 27,569,630 | 13,521,265 |
| Financial liabilities | **14** | 15,310,481 | 24,698,386 |
| Current tax liabilities | **12** | 318,580 | 319,685 |
| Short-term provisions | **15** | 44,783 | 40,568 |
| **TOTAL CURRENT LIABILITIES** | | 43,243,474 | 38,579,904 |
| **NON-CURRENT LIABILITIES** | | | |
| Deferred tax liabilities | **12** | 1,143,744 | 930,284 |
| Long-term provisions | **15** | 82,518 | 63,792 |
| **TOTAL NON-CURRENT LIABILITIES** | | 1,226,262 | 994,076 |
| **TOTAL LIABILITIES** | | 44,469,736 | 39,573,980 |
| **NET ASSETS** | | **10,996,472** | **9,154,465** |
| **EQUITY** | | | |
| Issued capital | **16** | 9,998 | 9,998 |
| Reserves | | 1,422,334 | 1,979,920 |
| Retained profits | | 9,564,140 | 7,164,547 |
| **TOTAL EQUITY** | | **10,996,472** | **9,154,465** |

The accompanying notes form part of these financial statements.

# RODIN CORPORATION PTY LIMITED
## ABN 95 000 969 362

## STATEMENT OF CHANGES IN EQUITY

## AS AT 30 JUNE 2008

| | Note | Share Capital Class 'A' $ | Share Capital Class 'B' $ | Retained Earnings $ | Asset revaluation reserve $ | Capital profits reserve (Pre-CGT) $ | Total $ |
|---|---|---|---|---|---|---|---|
| **Balance at 1 July 2006** | | 4,999 | 4,999 | 10,438,286 | 1,010,711 | 369,422 | 11,828,417 |
| Profit attributable to equity shareholders | | | | 2,636,954 | | | 2,636,954 |
| Transfer to retained earnings | | | | | (303,213) | | (303,213) |
| Revaluation increment | | | | | 903,000 | | 903,000 |
| Sub-total | | 4,999 | 4,999 | 13,075,240 | 1,610,498 | 369,422 | 15,065,158 |
| Dividend paid or provided for | 7 | | | (5,910,693) | | | (5,910,693) |
| **Balance at 30 June 2007** | | 4,999 | 4,999 | 7,164,547 | 1,610,498 | 369,422 | 9,154,465 |
| Profit attributable to equity shareholders | | | | 3,758,007 | | | 3,758,007 |
| Transfer from asset revaluation reserve | | | | 557,586 | | | 557,586 |
| Transfer to retained earnings | | | | | (557,586) | | (557,586) |
| Sub-total | | 4,999 | 4,999 | 11,480,140 | 1,052,912 | 369,422 | 12,912,472 |
| Dividend paid or provided for | 7 | | | (1,916,000) | | | (1,916,000) |
| **Balance at 30 June 2008** | | 4,999 | 4,999 | 9,564,140 | 1,052,912 | 369,422 | 10,996,472 |

The accompanying notes form part of these financial statements.

# RODIN CORPORATION PTY LIMITED
## ABN 95 000 969 362

## CASH FLOW STATEMENT

## FOR THE YEAR ENDED 30 JUNE 2008

| | Note | 2008<br>$ | 2007<br>$ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers | | 211,066,799 | 172,865,160 |
| Interest received | | 80,906 | 414,467 |
| Payments to suppliers and employees | | (196,184,232) | (173,349,674) |
| Interest and other finance costs paid | | (2,785,055) | (1,840,398) |
| Income tax paid | | (1,421,808) | (1,258,165) |
| **Net cash provided by operating activities** | 24 | 10,756,610 | (3,168,610) |
| **Cash flows from investing activities** | | | |
| Proceeds from sale of property, plant and equipment | | 2,725,000 | 47,907 |
| Payments for property, plant and equipment | | (2,027,118) | (816,794) |
| **Net cash provided by investing activities** | | 697,882 | (768,887) |
| **Cash flows from financing activities** | | | |
| Proceeds from borrowings | | (8,802,895) | 6,245,282 |
| Dividends paid | | (1,916,000) | (3,700,000) |
| Loans to related parties | | (137,038) | 1,829,919 |
| **Net cash used in financing activities** | | (10,855,933) | 4,375,201 |
| Net increase in cash held | | 598,559 | 437,704 |
| Cash at beginning of financial year | | (583,409) | (1,021,113) |
| Cash at end of financial year | 24 | 15,150 | (583,409) |

The accompanying notes form part of these financial statements.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

## 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report covers Rodin Corporation Pty Limited as an individual entity. Rodin Corporation Pty Limited is a company limited by shares, incorporated and domiciled in Australia.

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

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.

The financial report is presented in Australian Dollars and was authorised for issue by the directors on 3 December 2008.

**(a) Income Tax**
Income tax expense for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balance during the year as well unused tax losses.

Current and deferred income tax expense is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the assets is realised or the liability settled, based on tax rates enacted or substantively enacted at reporting date. There measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

**(b) Inventories**
Inventories are measured at the lower of cost and net realisable value.

**(c) 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.

**Property**
Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount related to the revalued amount of the asset.

**Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

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

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charges against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

**Depreciation**

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis over their estimated useful lives to the entity commencing from the time the asset is held ready for use.

The useful life in years used for each class of depreciable asset are:

| Class of Fixed Asset: | Useful Life |
|---|---|
| Buildings | 25 Yrs |
| Plant and equipment | 4 - 16 2/3 Yrs |
| Motor vehicles | 8 Yrs |
| Plant and equipment - Sponsorship | 6 Yrs |

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(d) Financial Instruments**

**Recognition and Initial Measurement**

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs, where the instrument is not classified at fair value through profit or loss. Transactions costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

**Classification and Subsequent Measurement**

(i) *Financial assets at fair value through profit and loss*
Financial assets are classified at fair value through profit or loss where they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) *Held-to-maturity investments*
Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) *Available-for-sale financial assets*
Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) *Financial liabilities*
Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method

**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**

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

**(e) Impairment of assets**

At each reporting date, the company 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 company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(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. Employee benefits payable later than one year 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 company 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.

**(h) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within financial liabilities in current liabilities on the balance sheet.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

**(i) Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted as a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Revenue recognition relating to the provision of a service is determined with reference to the stage of completion of the transaction at reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

All revenue is stated net of the amount of goods and services tax (GST).

**(j) Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in income in the period in which they are incurred.

**(k) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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

**(l) Comparative Figures**

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

**(m) Early application of new or revised Australian Accounting Standards or Interpretations**

There have been a number of amendments made to Australian Accounting Standards which do not have application until future accounting periods. It is not anticipated that the amendments will have a material impact on the financial reports in the periods of initial application.

**Critical accounting estimates and adjustments**

The directors evaluate estimates and judgements 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 company.

## 2. REVENUE

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| Revenue | | | |
| Sales revenue: | | | |
| Sale of goods | | 212,733,687 | 176,204,444 |
| Other revenue: | | | |
| Interest received | 2(a) | 80,906 | 48,978 |
| Discounts received | | 1,934,700 | 2,050,319 |
| Recoveries | | 711,647 | 277,246 |
| Other revenue | | 536,179 | 498,970 |
| Total Revenue | | 215,997,121 | 179,079,957 |
| Other Income | | | |
| Gain on disposal of property, plant and equipment | | 207,301 | - |
| (a) Interest received from: | | | |
| Directors | | 600 | 507 |
| Other corporations | | 80,306 | 48,471 |
| Total interest received | | 80,906 | 48,978 |

## 3. PROFIT BEFORE INCOME TAX

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| **Expenses:** | | | |
| Finance costs: | | | |
| External | | 2,836,760 | 1,840,398 |
| Total finance costs | | 2,836,760 | 1,840,398 |
| Cost of sales | | 199,649,990 | 167,429,228 |
| Bad and doubtful debts | | 715,354 | 308,300 |
| Net loss on disposal of non-current assets: | | | |
| Property, plant and equipment | | - | 16,101 |

## 4. INCOME TAX EXPENSE

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| (a) The components of tax expense comprise: | | | |
| Current tax | | 1,182,848 | 1,005,275 |
| Deferred tax | 12 | 448,291 | 118,290 |
| Under (over)provision in respect of prior years | | - | (531) |
| | | 1,631,139 | 1,123,034 |

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| **(b)** The prima facie tax payable on profit before income tax is reconciled to the income tax as follows: | | | |
| Prima facie tax payable on profit before income tax at 30% (2007: 30%) | | 1,616,744 | 791,086 |
| **Add tax effect of:** | | | |
| Non-deductible expenses | | 1,559 | 3,193 |
| Underprovision for income tax last year | | 5,758 | - |
| Difference in tax and accounting bases on disposal of property, plant and equipment | | - | 99 |
| Other | | 7,078 | - |
| | | 1,631,139 | 794,378 |
| **Less tax effect of:** | | | |
| Over provision for income tax in prior year | | - | (531) |
| **Income tax expense attributable to entity** | | 1,631,139 | 794,909 |
| The applicable weighted average effective tax rates are as follows: | | 30.27% | 29.88% |

## 5. KEY MANAGEMENT PERSONNEL COMPENSATION

| | 2008 $ | 2007 $ |
|---|---|---|
| Short-term benefits | 511,571 | 467,184 |
| Post employment benefits | 195,290 | - |
| Total compensation | 706,861 | 467,184 |

## 6. AUDITORS' REMUNERATION

| | 2008 $ | 2007 $ |
|---|---|---|
| Auditing or reviewing the financial report | 44,000 | 40,000 |
| Other services | 94,115 | 35,560 |

Other services provided by the audit firm include taxation compliance services and taxation advice in relation to potential acquisitions. These services are not seen to breach the independence requirements for auditors.

| | | Note | 2008 $ | 2007 $ |
|---|---|---|---|---|
| **7.** | **DIVIDENDS** | | | |
| | Distributions paid | | | |
| | Dividend paid: | | | |
| | Fully franked 'A' class dividend of $202.641 (2007: $1076.354) per share franked at the rate of 30% (2007: 30%) | | 1,013,000 | 5,380,693 |
| | Fully franked 'B' class dividend of $180.636 (2007: $106.021) per share franked at the rate of 30% (2007: 30%) | | 903,000 | 530,000 |
| | | | 1,916,000 | 5,910,693 |
| **8.** | **CASH AND CASH EQUIVALENTS** | | | |
| | Cash on hand | | 600 | 600 |
| | Deposits | | - | 1,000 |
| | Cash at bank | | 14,550 | - |
| | | | 15,150 | 1,600 |
| **9.** | **TRADE AND OTHER RECEIVABLES** | | | |
| | **CURRENT** | | | |
| | Sundry debtors | | 2,870,899 | 1,214,381 |
| | Trade debtors | | 23,819,192 | 20,268,303 |
| | Less provision for impairment of receivables | | (40,089) | (31,666) |
| | | | 23,779,103 | 20,236,637 |
| | Loans to related corporations: | | | |
| | Dicker Data Direct Pty Ltd | | 4,397 | 4,397 |
| | Rodin Cars Limited (NZ) | | 503,591 | 434,067 |
| | Project Eagle | | 75,785 | - |
| | Loans to directors: | | | |
| | F.T. Aleksov | | - | 7,458 |
| | Good and services tax | | - | 392,617 |
| | Deposits | | 34,625 | - |
| | | | 27,268,400 | 22,289,557 |

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|

**Provision for Impairment of Receivables**

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Non-current trade and term receivables are assessed for recoverability based on underlying terms of the contract. A provision for impairment is recognised when there is objective evidence than an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

There are no balances within trade and other receivables that contain assets that are not impaired and past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

| | 2008 $ | 2007 $ |
|---|---|---|
| Provision for doubtful debts - trade receivables | | |
| Opening balance | 31,666 | 18,340 |
| Charge for the year | 8,423 | 13,326 |
| Closing balance | 40,089 | 31,666 |

## 10. INVENTORIES

**CURRENT**

**At cost:**

| | 2008 $ | 2007 $ |
|---|---|---|
| Stock on hand | 20,370,446 | 17,781,038 |
| Less provision for impairment of stock | (197,118) | (197,119) |
| | 20,173,328 | 17,583,919 |

## 11. PROPERTY, PLANT AND EQUIPMENT

| | 2008 $ | 2007 $ |
|---|---|---|
| Freehold land | 5,274,582 | 4,270,000 |
| Property improvements | 978,807 | 203,973 |
| Less accumulated depreciation | (218,321) | - |
| | 760,486 | 203,973 |
| Buildings | 1,447,299 | 3,630,000 |
| Less accumulated depreciation | (30,991) | (82,400) |
| | 1,416,308 | 3,547,600 |
| **Total land and buildings** | 7,451,376 | 8,021,573 |
| Plant and equipment | 832,120 | 1,541,690 |
| Less accumulated depreciation | (470,669) | (930,804) |
| | 361,451 | 610,886 |

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| Motor vehicles | | 436,662 | 436,662 |
| Less accumulated depreciation | | (349,449) | (321,005) |
| | | 87,213 | 115,657 |
| Plant and equipment - Sponsorship | | 39,484 | 39,484 |
| Less accumulated depreciation | | (38,558) | (38,264) |
| | | 926 | 1,220 |
| **Total plant and equipment** | | 449,590 | 727,763 |
| **Total property, plant and equipment** | | 7,900,966 | 8,749,336 |

**(a)** Movement in carrying amounts
For disclosure on movement in carrying amounts please refer to note 25(a) in the end of this financial report.

**(b)** The directors have revalued freehold land in accordance with independent valuations completed in 2007 by W.K. Wotton & Partners and Jones Lang LaSalle.

## 12. TAX

### (a) Liabilities

| | 2008 | 2007 |
|---|---|---|
| **CURRENT** | | |
| Provision for income tax | 318,580 | 319,685 |
| **NON-CURRENT** | | |
| **Deferred Tax Liability** | | |
| **Accruals** | | |
| Opening balance | 197,221 | 54,682 |
| Charged to the income statement | 446,132 | 142,539 |
| Closing balance | 643,353 | 197,221 |
| **Other** | | |
| Opening balance | 42,850 | 38,079 |
| Charged to the income statement | 6,490 | 4,771 |
| Closing balance | 49,340 | 42,850 |
| **Asset revaluations** | | |
| Opening balance | 690,213 | - |
| Charged (credited) directly to equity | (239,162) | 690,213 |
| Closing balance | 451,051 | 690,213 |
| **Balance at year end** | 1,143,744 | 930,284 |

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| **Deferred Tax Assets** | | | |
| **Provisions** | | | |
| Opening balance | | 40,807 | 30,237 |
| Credited to the income statement | | 9,410 | 10,570 |
| Closing balance | | 50,217 | 40,807 |
| **Other** | | | |
| Opening balance | | 63,226 | 44,776 |
| Credited (charged) to the income statement | | (5,079) | 18,450 |
| Closing balance | | 58,147 | 63,226 |
| **Balance at year end** | | 108,364 | 104,033 |

## 13. TRADE AND OTHER PAYABLES

| | 2008 $ | 2007 $ |
|---|---|---|
| **CURRENT** | | |
| Good and services tax | 291,663 | - |
| Trade creditors | 29,317,850 | 15,331,577 |
| Other creditors | - | 2,340,000 |
| Purchase provision | (2,246,811) | (4,150,312) |
| Withholding taxes payable | 206,115 | - |
| Loans from directors: | | |
| D.J. Dicker | 267 | - |
| F.T. Aleksov | 546 | - |
| | 27,569,630 | 13,521,265 |

## 14. FINANCIAL LIABILITIES

| | 2008 $ | 2007 $ |
|---|---|---|
| **CURRENT** | | |
| Bank overdraft | - | 585,009 |
| Debtors finance | 13,811,155 | 14,530,283 |
| Bills payable | 1,500,000 | 9,625,000 |
| Less: unexpired interest | (674) | (41,906) |
| | 15,310,481 | 24,698,386 |

(a) Total current and non-current secured liabilities:

| | 2008 $ | 2007 $ |
|---|---|---|
| Bank overdrafts | - | 585,009 |
| Bank loans | 13,811,155 | 14,530,283 |
| Bank bills | 1,499,326 | 9,583,094 |
| | 15,310,481 | 24,698,386 |

(b) The carrying amounts of non-current assets pledged as security are:

| | 2008 $ | 2007 $ |
|---|---|---|
| Mortgaged land and buildings | 6,476,561 | 4,410,000 |

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|

(c) The bank overdraft, debtor finance and bills are secured by a registered mortgage over the company and each of the freehold properties of the entity, a personal guarantee from director David Dicker, a debtor finance agreement and assignment of debtor insurance.

The covenants within the bank borrowings require meeting minimum interest cover ratios and tangible net worth calculations, restrictions on dividend payments and loans to related parties and a limit on the maximum amount of debt. Rodin Corporation has complied with all externally imposed capital requirements during the year.

## 15. PROVISIONS

| | 2008 $ |
|---|---|
| **Provision for long service leave:** | |
| Opening balance at 1 July 2007 | 104,360 |
| Additional provisions raised | 22,940 |
| Balance at 30 June 2008 | 127,301 |

**Analysis of Total Provisions**

| | 2008 $ | 2007 $ |
|---|---|---|
| Current | 44,783 | 40,568 |
| Non-current | 82,518 | 63,792 |
| | 127,301 | 104,360 |

## 16. ISSUED CAPITAL

| | 2008 | 2007 |
|---|---|---|
| 4,999 fully paid 'A' class shares | 4,999 | 4,999 |
| 4,999 fully paid 'B' class shares | 4,999 | 4,999 |
| | 9,998 | 9,998 |

The company has authorised share capital amounting to:
4,999 'A' class shares fully paid.
4,999 'B' class shares fully paid.

**RODIN CORPORATION PTY LIMITED**
**ABN 95 000 969 362**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| **(a) Ordinary 'A' Class Shares** | | | |
| | | No. | No. |
| At beginning of reporting period | | 4,999 | 4,999 |
| At reporting date | | 4,999 | 4,999 |
| The number of issued shares at reporting date that are fully paid | | 4,999 | 4,999 |
| At reporting date | | 4,999 | 4,999 |

These shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

A' class shares are available for issue to the Governing Director and confer on him the right to the whole management, government and control of the company. At shareholders meetings the holder of 'A' class shares is entitled to as many votes as shall constitute a majority.

**(b) Ordinary 'B' Class Shares**

| | No. | No. |
|---|---|---|
| At beginning of reporting period | 4,999 | 4,999 |
| At reporting date | 4,999 | 4,999 |
| The number of issued shares at reporting date that are fully paid | 4,999 | 4,999 |
| At reporting date | 4,999 | 4,999 |

These shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

B' class shares are under the control of the Board, who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as they see fit.

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|

### (c) Capital Management

Management controls the capital of the company in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and to ensure that the company can fund its operations and continue as a going concern.

The company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

The company's financiers impose minimum capital requirements which are disclosed in note 14.

Management effectively manage the company's capital by assessing the company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholder and share issues.

There have been no changes in the strategy adopted by management to control the capital of the company since the prior year.

The gearing ratios for the year ended 30 June 2008 and 30 June 2007 are as follows:

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| Total borrowings | 13,14 | 42,880,111 | 38,219,651 |
| Less cash and cash equivalents | 8 | (15,150) | (1,600) |
| Net Debt | | 42,864,961 | 38,218,051 |
| Total Equity | | 10,996,472 | 9,154,465 |
| Total Capital | | 53,861,433 | 47,372,516 |
| Gearing ratio | | 80% | 81% |

## 17. RESERVES

### (a) Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets. Under certain circumstances dividends can be declared from this reserve.

### (b) Capital Profits Reserve (Pre-CGT)

The capital profits reserve records non-taxable profits on sale of investments.

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|

## 18. LEASING COMMITMENTS

**(a) Operating Lease Commitments**

Non-cancellable operating leases contracted for but not capitalised in the financial statements

| | | | |
|---|---|---|---|
| Payable: | | | |
| not later than 12 months | | 32,810 | 32,810 |
| between 12 months and 5 years | | 106,451 | 139,261 |
| | | 139,261 | 172,071 |

## 19. CAPITAL COMMITMENTS & CONTINGENT LIABILITIES

The Directors have entered into a contract to purchase land which they intend to develop into new warehouse facilities from which the company will operate. The contracted purchase price is $7 million. There are a number of unfulfilled development consent conditions to be met by the vendor prior to completion.

Rodin Corporation has entered into hire purchase contracts on behalf of Rodin Cars Limited (NZ). Neither the carrying amount of these assets, nor associated liability, have been recognised in the financial statements. An obligation for payment exists only in the event of default by Rodin Cars Limited (NZ).

The directors are not aware of any other contingent liabilities.

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|

## 20. RELATED PARTY TRANSACTIONS

Other than the noted transactions all dealings with related parties are trivial or domestic in nature and occurred within a normal employee/customer/supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted than if dealing at arm's length in the circumstances.

Transactions with related parties:

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| **(a) Loans to/(from) directors** The directors have unsecured loan accounts. When the loan accounts are in debit the directors are required to pay interest to the company in line with Division 7A of the Income Tax Assessment Act 1936 (Cth). | | (813) | 7,458 |
| **(b) Loans to related entities** Rodin Corporation has made loans to associated companies. These loans are unsecured and at call and subject to interest at the same rate as loans to directors. | | 507,988 | 438,464 |
| **(c) Interest received** Interest received by Rodin Corporation on loans to related entities: | | 600 | 507 |

## 21. SEGMENT REPORTING

The company was involved in the wholesale distribution of computers and related products. Its operations were carried out solely in Australia.

| | Note | 2008 | 2007 |
|---|---|---|---|
| | | $ | $ |

## 22. FINANCIAL RISK MANAGEMENT

**(a) Financial Risk Management Policies**

The company's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and loans from related parties, bills and leases.

Although the company does not have any documented policies and procedures, the key management personnel manage the different types of risks to which the company is exposed by considering risk and monitoring levels of exposure to interest rate and credit risk and by being aware of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is managed through general business budgets and forecasts.

The main purpose of non-derivative instruments is to raise finance for company operations.

The company does not have any derivative instruments at period end.

(ii) Financial Risk Exposures and Management

The main risks the company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

Foreign currency risk

The company is not exposed to fluctuations in foreign currencies.

Liquidity risk

The company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

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

There are no material amounts of collateral held as security at year end.

Credit risk is managed on a company basis and reviewed regularly by the directors and key management personnel. It arises from exposures to customers as well as through deposits with financial institutions.

| | Note | 2008 | 2007 |
|---|---|---|---|
| | | $ | $ |

The company monitors credit risk by actively assessing the rating quality and liquidity of counterparties:

- all potential customers are rated for credit worthiness taking into account their size, market position and financial standing; and
- customers that do not meet the company's strict credit policies may only purchase in cash or using recognised credit cards.

The company does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the company.

Price risk

The company is not exposed to any material commodity price risk.

**(b) Financial Instrument Composition and Maturity Analysis**

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such the amounts may not reconcile to the balance sheet.

| | Weighted Average Effective Interest | |
|---|---|---|
| | % | % |
| **Financial Assets** | | |
| Cash and cash equivalents | 1.25 | - |
| Trade and other receivables | 8.05 | 7.55 |
| **Financial Liabilities** | | |
| Financial liabilities | 8.78 | 7.62 |

| | Floating Interest Rate Amount | |
|---|---|---|
| **Financial Assets** | | |
| Cash and cash equivalents | 14,550 | - |
| Trade and other receivables | 507,988 | 7,458 |
| Total Financial Assets | 522,538 | 7,458 |
| **Financial Liabilities** | | |
| Financial liabilities | 13,811,155 | 15,115,292 |
| Total Financial Liabilities | 13,811,155 | 15,115,292 |

| | Fixed Interest Rate Maturing Within 1 Year | |
|---|---|---|
| **Financial Liabilities** | | |
| Financial liabilities | 1,499,326 | 9,583,094 |
| Total Financial Liabilities | 1,499,326 | 9,583,094 |

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| | | Non Interest Bearing | |
| **Financial Assets** | | | |
| Cash and cash equivalents | | 600 | 1,600 |
| Trade and other receivables | | 26,760,412 | 22,282,099 |
| Total Financial Assets | | 26,761,012 | 22,283,699 |
| **Financial Liabilities** | | | |
| Trade and other payables | | 27,569,630 | 13,521,265 |
| Total Financial Liabilities | | 27,569,630 | 13,521,265 |
| | | Total | |
| **Financial Assets** | | | |
| Cash and cash equivalents | | 15,150 | 1,600 |
| Trade and other receivables | | 27,268,400 | 22,289,557 |
| Total Financial Assets | | 27,283,550 | 22,291,157 |
| **Financial Liabilities** | | | |
| Trade and other payables | | 27,569,630 | 13,521,265 |
| Financial liabilities | | 15,310,481 | 24,698,386 |
| Total Financial Liabilities | | 42,880,111 | 38,219,651 |

**(c) Sensitivity Analysis**

Interest Rate Risk

The company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest Rate Sensitivity Analysis

At year end the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

| | 2008 | 2007 |
|---|---|---|
| Change in Profit | | |
| Increase in interest rate by 2% | (309,431) | (300,825) |
| Decrease in interest rate by 2% | 309,431 | 300,825 |
| Change in Equity | | |
| Increase in interest rate by 2% | (309,431) | (300,825) |
| Decrease in interest rate by 2% | 309,431 | 300,825 |

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|

## 23. COMPANY DETAILS

The registered office of the company is:
Rodin Corporation Pty Limited
8/18-28 Sir Joseph Banks Drive
Kurnell NSW 2231

## 24. CASH FLOW INFORMATION

**(a) Reconciliation of Cash**

Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| Cash | | 600 | 1,600 |
| Cash at Bank | | 14,550 | - |
| Bank Overdraft | | - | (585,009) |
| | | 15,150 | (583,409) |

**(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax**

| | Note | 2008 $ | 2007 $ |
|---|---|---|---|
| Profit from ordinary activities after income tax | | 3,758,009 | 2,861,117 |
| Non-cash flows in profit from ordinary activities: | | | |
| Depreciation | | 480,119 | 245,775 |
| Profit on disposal of fixed assets | | 227,955 | 14,620 |
| Changes in Assets & Liabilities: | | | |
| Decrease (increase) in current inventories | | (2,589,409) | (4,535,436) |
| Decrease (increase) in current receivables | | (4,840,992) | (6,941,643) |
| Decrease (increase) in deferred tax assets | | (4,331) | 5,385 |
| (Decrease) increase in deferred tax liabilities | | 213,459 | 147,310 |
| (Decrease) increase in payables | | 14,047,551 | 5,158,319 |
| (Decrease) increase in provisions | | 22,940 | 21,911 |
| Movement in reserves | | (557,586) | - |
| (Decrease) increase in current tax liabilities | | (1,105) | (145,968) |
| **Net cash provided by (used in) operating activities** | | 10,756,610 | (3,168,610) |

**(c) Credit Stand-by Arrangement and Loan Facilities**

The company has bank overdraft, debtor finance, credit cards and commercial bill facility amounting to $32,657,500 (2007: $27,832,500). The unused limits of the facility amount to $17,185,937 (2007: $3,213,288)

## 25. (a) MOVEMENT IN CARRYING AMOUNTS

Movements in carrying amounts for each class of property, plant and equipment.

| | Freehold land $ | Property improvements $ | Buildings $ | Plant and equipment $ | Motor vehicles $ | Plant and equipment - Sponsorship $ | Total $ |
|---|---|---|---|---|---|---|---|
| Balance at 1 July 2006 | 2,979,999 | - | 1,802,311 | 445,985 | 215,053 | 1,607 | 5,444,955 |
| Additions | 2,795,890 | 203,972 | 260,000 | 354,367 | - | - | 3,614,229 |
| Disposals | - | - | - | (11,938) | (52,301) | - | (64,239) |
| Depreciation expense | - | - | (20,600) | (177,527) | (47,095) | (387) | (245,609) |
| **Carrying amount at 30 June 2007** | 5,775,889 | 203,972 | 2,041,711 | 610,887 | 115,657 | 1,220 | 8,749,336 |
| Additions | - | 774,835 | 1,101,281 | 151,002 | - | - | 2,027,118 |
| Disposals | (1,270,000) | - | (917,263) | (208,106) | - | - | (2,395,369) |
| Depreciation expense | - | (218,321) | (40,728) | (195,667) | (25,109) | (294) | (480,119) |
| **Carrying amount at 30 June 2008** | 4,505,889 | 760,486 | 2,185,001 | 358,116 | 90,548 | 926 | 7,900,966 |

## RODIN CORPORATION PTY LIMITED
## ABN 95 000 969 362

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 5 to 31 are in accordance with the Corporations Act 2001, including:

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

   (b) giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date

2. the financial report also complies with International Financial Reporting Standards as disclosed in note 1; and

3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

**Director** ______________________
**David John Dicker**

**3 December 2008**

PKF

Chartered Accountants
& Business Advisers

# Independent Auditor's Report

To the members of Rodin Corporation Pty Limited

### *Report on the Financial Report*

We have audited the accompanying financial report of Rodin Corporation Pty Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with Australian Equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and the remuneration disclosures contained in the directors' report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report and the remuneration disclosures contained in the directors' report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

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***Independence***

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

***Auditor's Opinion***

In our opinion:

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

i. giving a true and fair view of the company's financial position as at 30 June 2008 and of its performance for the year ended on that date; and

ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

PKF

Gary Holbrook
Partner
Sydney

3 December 2008