



Dicker Data Limited

ABN: 95 000 969 362

Annual Financial Report

Year ended 30 June 2011

Dicker Data Ltd

Australia

ABN: 95 000 969 362

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Auditors:

PKF Chartered Accountants

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Australian Securities Exchange:

ASX Code: DDR

Dicker Data Ltd

Table of Contents

THE BOARD OF DIRECTORS	3
THE SENIOR MANAGEMENT TEAM	3
CEO AND CHAIRMAN'S COMMENTARY	4
DIRECTORS' REPORT	5
CORPORATE GOVERNANCE STATEMENT	17
STATEMENT OF COMPREHENSIVE INCOME	25
STATEMENT OF FINANCIAL POSITION	26
STATEMENT OF CHANGES IN EQUITY	27
STATEMENT OF CASH FLOWS	28
NOTES TO THE FINANCIAL STATEMENTS	29
SHAREHOLDER INFORMATION	56
DIRECTORS' DECLARATION	58
AUDITOR'S INDEPENDENCE DECLARATION	59
INDEPENDENT AUDITOR'S REPORT	60

Dicker Data Ltd – Board of Directors

David Dicker

Chairman and Chief Executive Officer

Mary Stojcevski

Executive Director

(Appointed 31st August, 2010)

Michael Demetre

Executive Director

(Appointed 21st September, 2010)

Fiona Brown

Non-Executive Director

Chris Price

Executive Director

(Appointed 21st September, 2010)

The Senior Management Team

Senior Management Team Serving at Year End

David Dicker

Executive Director and Chief Executive Officer

Mary Stojcevski

Chief Financial Officer

Michael Demetre

Logistics Director

Chris Price

Commercial Director

Vladimir Mitnovetski

Category Manager

CEO Commentary

The Business in 2011

Welcome to our first annual report as an ASX listed public company.

On behalf of the board I am pleased to report on the 2011 financial year.

Our profit from operations was \$10m. This excludes the loss on the property disposals and IPO expenses that were identified as costs in the financial year. The inclusion of these resulted in a final profit before tax of \$8.8m.

Operating revenues finished at \$385m for the year, a record number for the company. This was up by 34.4% on the same period last year of \$287m.

Both profit and revenue were a record number for the company and a very encouraging result, due to our dedicated staff and management team who performed extremely well.

During the year we moved into a new and larger facility at 230 Captain Cook Drive, Kurnell.

We sold the land that we had acquired for expansion of our Taren Point facility and also our old facility in Sir Joseph Banks Drive.

We recorded a small profit on the land sale but took a loss on the property transaction. We were able to partially offset that loss with the land gain.

With the disposal of the old property assets and our new facility fully operational we expect continued growth to follow in 2012.

Best Regards



David Dicker
CEO and Chairman
Sydney, 7 September 2011

Directors' Report

Your directors present their report on Dicker Data Limited (Dicker Data) for the year ended 30 June 2011.

1. Principal activities

The principal activities of the company during the year were wholesale distribution of computer hardware and related products. There were no significant changes in the nature of the activities carried out during the year.

2. Dividends

		\$'000
<i>Ordinary Shares</i>		
Current Period - Interim Period (cents)	\$ 0.01	1,250
<i>Class "A" Shares</i>		
Final Dividend 2010	\$ 360.07	1,800
<i>Class "B" Shares</i>		
Final Dividend 2010	\$ 211.04	1,055

3. Operating and financial review

A snapshot of the operations of the company for the full year and the results of those operations are as follows:

	2011 (in 000's)	2010 (in 000's)	% Change
Operating Revenues	385,246	286,731	34.4%
Gross Profit	26,178	17,907	46.2%
Earnings before tax from Continuing Activities	10,043	6,509	54.3%
Earnings Before Tax	8,788	6,509	35.0%
Earnings Before Interest, Tax and Depreciation (EBITDA)	11,779	8,809	33.7%
Net Profit after Tax	6,132	4,523	35.6%
Earnings Per Share (cents)	5.02	3.77	33.2%

Total revenue for the full year was \$385,246,074 (2010 - \$286,731,311), an improvement of 34.4% on the same period last year. This was due to strong sales in the second half of FY2011, with higher than expected vendor sales for Hewlett Packard, Toshiba and Asus products. Growth in our software and licensing business has also led to an increase in revenue during the period.

Gross margin for the full year was \$26,177,700 (2010 - \$17,906,852) an increase of 46.2% which is reflective of increased sales volume in the current year. Gross margin percentage increased marginally from 6.2% to 6.8% with better margins across major product lines.

Earnings before tax from continuing activities amounted to \$10,043,325 an increase of 54.3% for the full year (2010: \$6,509,032). Earnings from continuing operations exclude a net loss on sale of property of \$816,132 and IPO expenses of \$438,847 that were expensed in the current year.

Directors' Report

Profit before tax amounted to \$8,788,346 an increase of 35% for the full year (2010: \$6,509,029).

Net Profit after tax increased by 35.6% to \$6,132,045 an increase of 35.6% compared to previous year (2010 :\$4,523,404).

Earnings Per share increased by 33.2% to 5.02 cents per share.

4. Earnings per share

	2011	2010
Basic Earnings Per Share (cents)	5.02	3.77
Diluted Earnings Per Share (cents) *	5.00	3.77
* on basis options exercised		

5. Significant changes in the state of affairs

(a) During the financial year the company converted from a private proprietary limited company to a listed public company and changed its name from Rodin Corporation Pty Limited to Dicker Data Limited. On 14 October 2010 the 4,999 A class shares and 4,999 B class shares were converted to ordinary shares and then subsequently split to 120,000,000 ordinary shares. A prospectus was lodged with the Australian Securities & Investment Commission (ASIC) on 26 October 2010 for an Initial Public Offering (IPO) of its shares to raise \$1,000,000 by the issue of 5,000,000 new shares at issue price of \$0.20 per share. The company was successfully admitted to the official list of the Australian Securities Exchange (ASX) on 24 January 2011.

(b) During the financial year the company disposed of two properties which were in excess of its requirements for its operations - land owned at Production Rd, Taren Point and warehouse facility at Sir Joseph Banks Drive, Kurnell. The sale of the land settled during the year and the proceeds from the disposal were applied against borrowings. Contracts for the sale of the warehouse facility were exchanged on 29th June, 2011 and settled on 17th August, 2011. The proceeds from this sale were applied against borrowings at the time.

6. Significant events after the balance date

(a) The following options had been granted at balance date:

- 1,500,000 Options to acquire 1,500,000 fully paid ordinary shares, exercisable at \$0.20 anytime within 36 months from the date of granting to Newport Capital Pty Ltd, expiring 24 January, 2014
- 1,200,000 Options to acquire 1,200,000 fully paid ordinary shares, exercisable at \$0.25 anytime within 36 months from the date of granting to Stonebridge Securities Limited and related parties, expiring 24 January, 2014.

On the 9th of August 2011 Newport Capital Pty Ltd exercised all the options held at the strike price of \$0.20c per share. The company has received the payment for the options and has issued the shares to Newport Capital Pty Ltd

(b) The company had disclosed in its Half Year Report that it had received a Statement of Claim for preference payments. The claim was in relation to payments received from a debtor that had since gone into liquidation. Whilst the claim was highly defensible based on legal advice sought, in an effort to avoid incurring further costs and inconvenience of trial a confidential settlement was agreed on and a confidential Deed of Settlement was entered into on 11 August 2011.

Directors' Report

7. Likely developments and expected results

In the 2012 financial year, we will focus on reviewing our vendor and supplier mix and adjust accordingly to meet current market conditions. Consequently, the objective will be long term profitability for Dicker Data. During the year, we reviewed our existing vendor line up and ceased vendors that were unprofitable so to improve the financial performance of the company.

Further information on likely developments in the operations of the company and the expected results of operations has not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

8. Directors

The following persons were directors of Dicker Data Limited during the whole of the financial year end up to the date of this report. Directors were in office for this entire period unless otherwise stated.

David J Dicker
Fiona T Brown
Mary Stojcevski (*Appointed 31st August, 2010*)
Chris Price (*Appointed 21st September, 2010*)
Michael Demetre (*Appointed 21st September, 2010*)

David Dicker – CEO and Chairman

David is the co-founder of the Company. He began his career of entrepreneur and businessman by taking over his father's steel fabrication business and successfully growing its operations over a short period. A self-trained programmer, David developed a keen interest in micro computing technologies in the 1980's and he continued to challenge his entrepreneurial ability by establishing a new microcomputer distribution company – Dicker Data, for which he believed there was a growing market. David's role as Managing Director required focus on Dicker Data's business strategy and decision making, rather than on day-to-day operations, which were the responsibility of the co-founder Fiona Brown. Under David's strategic guidance the Company enjoyed material growth, establishing Dicker Data as one of the leading Australia-based distributors of IT products.

Interest in Equities

63,750,000 shares in Dicker Data Limited

Interest in Contracts

Nil

Special Responsibilities

Responsible for the overall business management as chief executive officer.

Other Current Listed Company Directorships

None

Other Current Listed Company Directorships Held in Previous 3 Years

None

Directors' Report

Fiona Brown – Non-Executive Director

Fiona Brown is the co-founder of Dicker Data and currently serves as Non-Executive Director of the Company.

Fiona acted as General Manager and Marketing Manager of Dicker Data from the inception of the Company until 2004 when she left her executive position due to family commitments. Fiona's business development, negotiation, management and leadership skills were of material importance to the success and growth of Dicker Data. During the period of Fiona's executive involvement, Dicker Data was voted several times as the number one distributor by resellers - based on customer service levels, speed of delivery and technical support. Fiona was voted one of the top 5 figures in the Australian computer industry in July 2002 by Australian Reseller News.

As a Non-Executive Director, Fiona brings her knowledge of the business and 25 years of experience in the IT distribution industry.

Interest in Equities

56,250,000 shares in Dicker Data Limited

Interest in Contracts

Nil

Special Responsibilities

None

Other Current Listed Company Directorships

None

Other Current Listed Company Directorships Held in Previous 3 Years

None

Mary Stojcevski – Chief Financial Officer

Mary joined Dicker Data as Financial Controller in 1999. Her responsibilities include the management of all financial and management accounting duties and functions, all Company compliance and management of administration staff. Mary is also an Executive Director of the Company.

Mary has over 15 years of experience in accounting and taxation. She started her career as an Accountant Trainee at Jago, Apolloni & Associates Chartered Accountants. She quickly progressed to an Intermediate Accountant at Horwath & Horwath Chartered Accountants and then to Senior Accountant at Quinn Consultants Chartered Accountants, which position she held for about seven years. Prior to joining Dicker Data, Mary spent about 18 months at Colonial Ltd as Assistant Tax Manager.

Mary holds a Bachelor of Commerce Degree with major in Accounting from the University of New South Wales.

Interest in Equities

10,000 shares in Dicker Data Limited

Interest in Contracts

Nil

Directors' Report

Special Responsibilities

Responsible for the overall financial management of the Company.

Other Current Listed Company Directorships

None

Other Current Listed Company Directorships Held in Previous 3 Years

None

Chris Price – Commercial Director

Chris joined Dicker Data as Sales Manager in 2006. His sales experience and IT industry knowledge have been instrumental in the Company's growth over recent years. Dicker Data's revenues have grown materially since Chris has been heading the Company's sales team. Chris is also an Executive Director of the Company.

Chris brings over 13 years of IT industry experience to the Company. Prior to joining Dicker Data, Chris worked in various positions with distributors Ingram Micro and Tech Pacific as well as with vendors Dell and IBM.

Chris holds a Bachelor of Commerce Degree from the University of Newcastle.

Interest in Equities

15,500 shares in Dicker Data Limited

Interest in Contracts

Nil

Special Responsibilities

Responsible for the sales operations of the Company.

Other Current Listed Company Directorships

None

Other Current Listed Company Directorships Held in Previous 3 Years

None

Michael Demetre – Logistics Director

Michael joined Dicker Data in 2001 as a Web/System Maintenance Administrator. He later took up the position of Warehouse Storeman which he held for about 5 years. Michael's experience in the operations of the warehouse, general knowledge of the Company and established relationships with other employees allowed him to undertake the position of Logistics Director. He has successfully held this position since 2007. Michael is also an Executive Director of the Company.

Interest in Equities

10,000 shares in Dicker Data Limited

Interest in Contracts

Nil

Directors' Report

Special Responsibilities

Responsible for the warehouse and logistic operations of the Company.

Other Current Listed Company Directorships

None

Other Current Listed Company Directorships Held in Previous 3 Years

None

9. Company secretary

Mrs Leanne Ralph B.Bus, CPA, ACIS, AAICD was appointed to the position of Company Secretary on the 8th of February 2011. Leanne has over 20 years experience as Chief Financial Officer and Company Secretarial roles for various publicly listed and unlisted entities.

Leanne is a qualified Chartered Secretary and Director of Boardworx Australia Pty Ltd which provides bespoke outsourced Company Secretarial services to companies.

10. Director meetings

The numbers of meetings of the Company's Board of directors and of each Board committee held during the year and the number of meetings attended by each director were:

Board Meetings	Number Eligible to Attend	Number Attended
David Dicker	7	7
Fiona Brown	7	5
Mary Stojcevski	7	6
Chris Price	7	6
Michael Demetre	7	6
Leanne Ralph (Secretary)	3	3

11. Remuneration report

All information in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001. The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation
- E Additional information

Directors' Report

(A) Principles used to determine the nature and amount of remuneration

The board addresses remuneration policies and practices generally, and determines remuneration packages and other terms of employment for senior executives. Executive remuneration and other terms of employment are reviewed annually by the board having regard to performance against goals set at the start of the year and relevant comparative information. Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the company's operations, achieving the company's strategic objectives, and increasing shareholder wealth.

Executives

The executive pay and reward framework includes the following components:

- Base pay and benefits
- Performance-related bonuses
- Other remuneration such as superannuation.

The combination of these comprises the executive's remuneration.

Base pay

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executive's discretion. There are no guaranteed base pay increases included in any senior executives' contracts.

Performance-related bonuses

Performance-related cash bonus entitlements are linked to the achievement of financial and non-financial objectives which are relevant to meeting the company's business objectives. A major part of the bonus entitlement is determined by the actual performance against net profit margin targets. Using a profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan.

The executives' cash bonus entitlements are assessed and paid monthly based on the actual performance against the relevant monthly profit with a reconciliation at the end of the financial year against full-year actual profit. The chairman and CEO is responsible for assessing whether an individual's targets have been met

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. The board determines remuneration of non-executive directors within the maximum amount approved by the shareholders from time to time. This maximum currently stands at \$250,000 per annum in total for salary and fees, to be divided among the non-executive directors in such a proportion and manner as they agree. The Board does not currently have any independent directors. The only current non-executive director is Fiona Brown, who represents a major shareholder. No director fees have been received by Fiona Brown

(B) Details of remuneration

Compensation paid to key management personnel is set out below. Key management personnel include all directors of the company and executives who, in the opinion of the board and CEO, have authority and responsibility for planning, directing and controlling the activities of the group directly or indirectly. Comparative information is not shown for individuals who were not considered to be key management personnel in the previous year. The following also includes the four most highly remunerated executives of the company.

Directors' Report

Details of Remuneration for Directors and Key Management Personnel

Short-Term					Long-Term	Share Based Payments			Proportion of remuneration that is performance based	% of Value of remuneration that consists of share Based Payments
	Cash	Short term Incentive Cash Bonus	Super-annuation	Non-Cash	Long Service	Shares	Options	Total		
FY	Salary & Fees			FBT Reportable	Leave					
	\$	\$	\$	\$	\$	\$	\$	\$	\$	%
Executive Directors										
David Dicker - Chief Executive Officer										
2011								0		0.00%
2010								0		0.00%
Chris Price - Commercial Director										
2011		556,164	50,055	11,955				618,174	100.00%	0.00%
2010		338,145	30,433	14,241				382,819	100.00%	0.00%
Mary Stojcevski - Chief Financial Officer										
2011	191,003	89,822	25,274					306,099	29.34%	0.00%
2010	144,970	69,545	19,306					233,821	29.74%	0.00%
Michael Demetre - Logistics Director										
2011	184,505	89,822	24,689					299,017	30.04%	0.00%
2010	129,230	69,545	17,890					216,665	32.10%	0.00%
Non-Executive Directors										
Fiona Brown										
2011								0		0.00%
2010								0		0.00%
Other Key Management Personnel										
Vladimir Mitnovetski - Category Manager										
2011	95,673	235,416	29,798					360,887	65.23%	0.00%
2010	(N/a - Position appointed in October, 2010)							0		0.00%
TOTAL										
2011	471,181	971,224	129,816	11,955	0	0	0	1,584,177		
2010	274,200	477,235	67,629	14,241	0	0	0	833,305		

(C) Service agreements

Terms of employment for the executive directors and other key management personnel are by way of Consultancy Agreement or an Executive Service Agreement (ESA). The contract details the base salary and performance-related bonuses.

Consultancy Agreement for David Dicker

The Company has engaged Rodin FZC (a company incorporated in Dubai) to provide the services of David Dicker to act as the Chief Executive Officer and Executive Director of the Company on an as-needed basis. The Consultancy Agreement is dated 26 October 2010. The engagement is for an indefinite term. Either party may terminate the agreement on the provision of 6 months notice. No fee is payable by the Company to Rodin FZC for the provision of the services. The agreement contains a number of post-termination restraints.

Deed of Adherence for David Dicker

The Company and David Dicker have entered into a Deed of Adherence whereby Mr Dicker has agreed to adhere and comply with all covenants and obligations of Rodin FZC (a company incorporated in Dubai) set out in the Consultancy Agreement (between the Company and Rodin FZC) to the maximum allowable extent permitted by law as if Mr Dicker was named as Rodin FZC therein. The Deed is dated 26 October 2010.

Directors' Report

Executive Service Agreement for Chris Price

The Company has appointed Chris Price as Commercial Director and Director of the Board of the Company by way of an Executive Service Agreement (ESA). The ESA is dated 25 October 2010. The ESA confirms Mr Price's continuous service with the Company for all purposes commenced from 21 September 2010. The appointment of Mr Price is for an unspecified time. Either the Company or Mr Price may terminate the ESA with 3 months notice. The remuneration payable to Mr Price is equal to 6.75% of the Company's net profit per month, subject to net profit margin before tax not being less than 2.5%, less his total motor vehicle expenses for that month. Mr Price is also entitled to a company car (with expenses to be deducted from his remuneration) and a mobile telephone and laptop, of which all business related telephone calls and service plan fees are paid for by the Company. The ESA also contains a number of post-termination restraints.

Executive Service Agreement for Mary Stojcevski

The Company has appointed Mary Stojcevski as Chief Financial Officer and Director of the Board of the Company by way of an Executive Service Agreement (ESA). The ESA is dated 25 October 2010. The ESA confirms Ms Stojcevski's continuous service with the Company for all purposes commenced from 31 August 2010. The appointment of Ms Stojcevski is for an unspecified time. Either the Company or Ms Stojcevski may terminate the ESA with 3 months notice. The remuneration payable to Ms Stojcevski comprises of a base remuneration of \$218,000 per annum (inclusive of mandatory employer superannuation contributions). Ms Stojcevski is also entitled to a performance bonus equal to 1% of the Company's net profit before tax, subject to net profit margin before tax not being less than 2.5%. The ESA also contains a number of post-termination restraints.

Executive Service Agreement for Michael Demetre

The Company has appointed Michael Demetre as Logistics Director and Director of the Board of the Company by way of an Executive Service Agreement (ESA). The ESA is dated 25 October 2010. The ESA confirms Mr Demetre's continuous service with the Company for all purposes commenced from 21 September 2010. The appointment of Mr Demetre is for an unspecified time. Either the Company or Mr Demetre may terminate the ESA with 3 months notice. The remuneration payable to Mr Demetre comprises a remuneration package of \$218,000 per annum (inclusive of mandatory employer superannuation contributions). Mr Demetre is also entitled to a performance bonus equal to 1% of the Company's net profit before tax, subject to net profit margin before tax not being less than 2.5%. The ESA also contains a number of post-termination restraints.

(D) Share-based compensation

No shares, rights, or options were granted to directors or key management personnel during the year ended 30 June 2011, no rights or options vested or lapsed during the year, and no rights or options were exercised during the year by directors.

(E) Additional information

Relationship between remuneration and company performance

The overall level of executive reward takes into account the performance over the financial year with greater emphasis given to improving performance over the prior year. Compared to previous period, net profit has grown by 35%, as a result the average executive remuneration has increased. Since 2006, the net profit has grown at an average rate of 23.7% per annum, whilst the average executive remuneration has increased by an average of 38.6% per annum. Shareholder wealth has also increased at an average rate of 23.9% per annum over this period.

This concludes the remuneration report which has been audited.

Directors' Report

12. Shares options

The following options were granted during the year:

- (a) 1,500,000 Options to acquire 1,500,000 fully paid ordinary shares, exercisable at \$0.20 anytime within 36 months from the date of granting to Newport Capital Pty Ltd, expiring 24 January, 2014.
- (b) 1,200,000 Options to acquire 1,200,000 fully paid ordinary shares, exercisable at \$0.25 anytime within 36 months from the date of granting to Stonebridge Securities Limited and related parties, expiring on 24 January, 2014.

On the 9th of August, 2011 Newport Capital Pty Ltd exercised all the options held at the strike price of \$0.20c per share. The company has received the payment for the options and has issued the shares to Newport Capital Pty Ltd

13. Indemnification and insurance of directors and officers

During the financial year, Dicker Data Limited paid a premium of \$21,943 to insure the directors and members of the executive management team of the company and the group against any liability incurred by them in their capacity as officers, unless the liability arises out of conduct involving a lack of good faith.

The executive officers of the group are also indemnified against any liability for costs and expenses incurred in defending civil or criminal proceedings involving them as such officers if judgement is given in their favour or if they are acquitted or granted relief.

14. Environmental regulation and performance

The company is not subject to any particular and significant environmental regulations.

15. Rounding

Although the company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to "rounding off", amounts in the directors' report and financial report have not been rounded off to the nearest thousand dollars.

16. Auditor independence and non-audit services

PKF Chartered Accountants continues in office in accordance with section 327 of the Corporations Act 2001. During the year an amount of \$59,910 in fees were paid or payable to the auditor for non-audit services.

Non-audit services

The company employs PKF Chartered Accountants in addition to its statutory duties where the auditor's expertise and experience with the company are important.

The board of directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Directors' Report

The directors are satisfied that the provision of non-audit services by the auditor (refer above) did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the board of directors to ensure they do not impact the impartiality and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 62.

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



David Dicker
CEO and Chairman
Sydney, 7 September 2011

Corporate Governance Statement

Unless disclosed below, all the best practice recommendations of the ASX Corporate Governance Council have been applied by Dicker Data Limited (Dicker Data or Company).

Principal 1: Lay Solid Foundations for Management and Oversight

Recommendation 1.1: Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.

The Board is accountable to shareholders for the performance of Dicker Data and has overall responsibility for its direction and management and the formulation of policies to be applied in Dicker Data's business.

The Board has adopted a Charter which outlines the responsibilities reserved for the Board in detail. This Charter is published on Dicker Data's website www.dickerdata.com.au.

Some key responsibilities of the Board are as follows:

- (a) appoint and review the performance of the Chairman and management;
- (b) develop and approve strategy, planning and major capital expenditure;
- (c) arrange for effective budgeting and financial supervision;
- (d) ensure that appropriate audit arrangements are in place;
- (e) ensure that effective and appropriate reporting systems in place will, in particular, assure the Board that proper financial, operational, compliance and risk management controls function adequately; and
- (f) report to shareholders.

The Board is also responsible to shareholders for Dicker Data's strategic direction and the execution of Dicker Data's overall objective, which is to increase long-term shareholder value.

Decisions which are not part of the day to day management of Dicker Data or which have not been delegated to the Chief Executive Officer or executive team, must be made by the Board.

Recommendation 1.2: Companies should disclose the process for evaluating the performance of senior executives.

The Board is responsible for reviewing the performance of the Chairman and key management personnel. Dicker Data's goals are used as the basis for evaluating performance of senior executives. Performance evaluations are undertaken annually, in September, by managers.

Senior Executives

The Chief Executive Officer is responsible for assessing the performance of the key executives within Dicker Data. The basis of evaluation of senior executives will be on agreed performance measures, examining the effectiveness and quality of the individual, assessing key contributions, identifying areas of potential improvement and assessing whether various expectations of shareholders have been met.

The Board will also monitor the performance of Dicker Data's senior executives, including measuring actual performance against planned performance.

This policy is reviewed annually.

Corporate Governance Statement

Principal 2: Structure the Board to Add Value

Recommendation 2.1: A majority of the board should be independent directors.

As at the reporting date, the Board is composed of the following five Directors, including one non-executive Director:

Name	Position
David Dicker	Chairman and Chief Executive Officer
Fiona Brown	Non Executive Director
Mary Stojcevski	Executive Director
Chris Price	Executive Director
Michael Demetre	Executive Director

When considering independence, Dicker Data considered the following recommendation made by the ASX Corporate Governance Council:

‘When determining the independent status of a director the board should consider whether the director:

1. is a substantial shareholder of the company or an officer of, or otherwise associated directly with, a substantial shareholder of the company;
2. is employed, or has previously been employed in an executive capacity by the company or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the board;
3. has within the last three years been a principal of a material professional adviser or a material consultant to the company or another group member, or an employee materially associated with the service provided;
4. is a material supplier or customer of the company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer; or
5. has a material contractual relationship with the company or another group member other than as a director.’

The Chief Executive Officer is a substantial shareholder of Dicker Data and has been engaged by Dicker Data on a consultancy basis. He is not considered to be independent.

Three of the Directors are employed by Dicker Data and are not considered to be independent.

Fiona Brown, the non-executive Director, is a substantial shareholder of Dicker Data and is not considered to be independent.

As such, there are no independent Directors. The Board considers that the Board’s composition is appropriate to Dicker Data’s size and structure in the context of Dicker Data’s recent history, and the directors’ experience and knowledge of Dicker Data’s assets. Details on the skills, experience and expertise of each director in office are outlined on page 7 of the Annual Report.

Should the Directors determine to expand the Board by the appointment of one or more non-executive Directors, such non-executive Directors will be selected on the basis of their capacity to add value to the business, and to provide independent governance to the operations of Dicker Data. At this stage, the Board has made no offers to any person to join the Board. Expansion of the Board is subject to various contingencies over which the Board has no control, including but not limited to the availability of suitably qualified and experienced individuals with a desire to join the Board.

Corporate Governance Statement

The Board will review its performance and composition at least on an annual basis as Dicker Data's operations evolve, to ensure that it has the appropriate mix of expertise and experience, taking into account the size and nature of Dicker Data's activities. In time, the Board may consider the appointment of independent directors as it deems appropriate.

Directors may obtain independent professional advice at Dicker Data's expense, subject to prior approval by the Chairman, on matters arising in the course of Dicker Data's business. Directors also have unrestricted access to any employees of Dicker Data and, subject to the law, access to all Dicker Data records and information held by employees and external advisers.

Recommendation 2.2: The chairperson should be an independent director.

The current Chairman of the Board is not an independent Director. The Board considers this to be appropriate to Dicker Data's size, structure and the nature of its activities.

Recommendation 2.3: The roles of chairperson and chief executive officer should not be exercised by the same individual.

The roles of Chairman and Chief Executive Officer are currently being carried out by the same individual. The Board considers this to be appropriate to Dicker Data's size, structure and the nature of its activities.

Recommendation 2.4: The board should establish a nomination committee.

The Board does not have a nomination committee. The Board considers that its relatively small size and the expertise of its directors allow the full Board to perform a nomination committee function. Accordingly, the Board does not consider it necessary or appropriate in the context to establish a separate committee for this purpose.

Recommendations of candidates for new Directors are made to and by the Board. The Board as a whole must make such appointments as it considers the most appropriate for Dicker Data.

The Board will review the requirements and processes of Dicker Data at least on an annual basis, and otherwise as Dicker Data's operations evolve, to ensure that the board nomination process is being appropriately handled. The Board will establish a nomination committee in the future as it deems appropriate.

Recommendation 2.5: Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.

The Board reviews the performance of the Chief Executive Officer.

Potential nominations to the Board are assessed by the full Board.

The Board will consider undertaking a self assessment individual performance in 2012 if it is deemed appropriate.

As part of the annual review of the performance of the Board, the appropriate size, composition and terms and conditions of appointment to and retirement from the Board are considered. The level of remuneration for non-executive Directors is considered with regard to practices of other public companies and the aggregate amount of fees approved by shareholders. The Board also reviews the appropriate criteria for Board membership collectively.

Corporate Governance Statement

The Board has established formal processes to review its own performance and the performance of individual Directors (including the Chief Executive Officer) and the committees of the Board.

Board

A process has been established to review and evaluate the performance of the Board. The Board is required to meet annually with the specific purpose of reviewing the role of the Board, assessing its performance over the previous 12 months, including comparison with others, and examining ways in which the Board can better perform its duties. The review will incorporate the performance of the Board.

The annual review includes consideration of the following measures:

- (a) assessment of the performance of the Board over the previous twelve months having regard to the corporate strategies, operating plans and the annual budget;
- (b) review the Board's interaction with management;
- (c) identification of any particular goals and objectives of the Board for the next year;
- (d) review the type and timing of information provided to the Directors; and
- (e) identification of any necessary or desirable improvements to Board.

The method and scope of the performance evaluation will be set by the Board and which may include a Board self-assessment checklist to be completed by each Director. The Board may also use an independent adviser to assist in the review.

Committees

Similar procedures to those for the Board review will be applied to evaluate the performance of any Board committees established by Dicker Data. An assessment will be made of the performance of each committee against each charter and areas identified where improvements can be made.

Non-executive Directors

The Chairman will have primary responsibility for conducting performance appraisals of non-executive Directors in conjunction with them, having particular regard to:

- (a) contribution to Board discussion and function;
- (b) degree of independence including any conflicts of interest;
- (c) availability for and attendance at Board meetings and other relevant events;
- (d) contribution to Company strategy;
- (e) membership of and contribution to any Board committees; and
- (f) suitability to Board structure and composition.

Where the Chairman, following a performance appraisal, considers that action must be taken in relation to a Director's performance, the Chairman must consult with the remainder of the Board regarding whether a Director should be counselled to resign, not seek re-election, or in exceptional circumstances, whether a resolution for the removal of a Director be put to shareholders.

Corporate Governance Statement

Principal 3: Promote ethical and responsible decision making

Recommendation 3.1: Companies should establish a code of conduct and disclose the code or a summary of the code as to:

- *The practices necessary to maintain confidence in the company's integrity*
- *The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders*
- *The responsibility and accountability of individuals for reporting and investigating reports of unethical practices.*

Dicker Data has two codes of conduct – one specifically for directors and key officers and another outlining the obligation to stakeholders.

Generally, Dicker Data requires that its Directors, management and staff comply with and respect the law, conduct themselves professionally and commit to the standards of employment set down by Dicker Data. Dicker Data also requires that all potential conflicts of interest are reported and that its Code of Conduct for Dicker Data's obligations to Stakeholders and Code of Conduct for directors and key officers be otherwise complied with.

Recommendation 3.2: Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.

The company has not adopted a formal Diversity Policy at this stage. The Board will consider how appropriate such a policy is for the Company in due course.

Recommendation 3.3: Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.

The Board has not set any specific gender diversity objectives for the Company. The Board is of the view that there is an adequate balance between genders across the business and the numbers disclosed below reflect this

Recommendation 3.4: Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.

The Company employees the follow ratio of women to men throughout the organisation:

33 Females (40%) : 48 Males (60%)

The Board of Directors comprises five members, two of which are women.

Principal 4: Safeguard integrity in financial reporting

Recommendation 4.1: The board should establish an audit committee.

The Board considers that its relatively small size and the expertise of directors allows the full Board to perform an audit committee function. Accordingly, the Board does not consider it necessary or appropriate in the context to establish a separate committee for this purpose.

Corporate Governance Statement

Rather, the Board will have processes and procedures in place which will address the issues that would otherwise be considered by the audit committee including:

- monitoring the independence of the external auditor who is required to confirm such independence on at least a semi-annual basis; and
- monitoring and the performance and terms of the audit engagement on an annual basis and updating, changing or replacing them as appropriate.

The Board will review the audit requirements and processes of Dicker Data at least on an annual basis, and otherwise as Dicker Data's operations evolve, to ensure that its audit requirements are being appropriately handled. The Board will establish an Audit Committee in the future as it deems appropriate.

Recommendation 4.2: Structure the audit committee so that it consists of:

- only non-executive directors
- a majority of independent directors
- an independent chairperson, who is not chairperson of the board
- at least three members

For the reasons noted above and due to the relative size and nature of Dicker Data's activities, the Board does not consider it necessary or appropriate to adopt Recommendation 4.2. However, should an Audit Committee be established in the future, it will be structured to be commercially cost effective and appropriate to Dicker Data's size and structure, having regard to Recommendation 4.2.

Recommendation 4.3: The audit committee should have a formal charter.

For the reasons noted above and due to the relative size and nature of Dicker Data's activities, the Board does not consider it necessary or appropriate to adopt Recommendation 4.3. However, should an Audit Committee be established in the future, a formal Audit Committee Charter will be adopted in compliance with Recommendation 4.3.

Principal 5: Make timely and balanced disclosure

Recommendation 5.1: Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose those policies or a summary of those policies.

The Board aims to ensure that the market is properly informed of all the information that is required to be disclosed under the Listing Rules of the ASX. The ultimate determination as to whether or not to disclose in doubtful cases may be made by the Board and/or the Chairman, taking into account the overall situation of Dicker Data and, if necessary, legal or other advice.

The Board will consider establishing a Continuous Disclosure Compliance Committee to deal with continuous disclosure issues when and if it is deemed necessary. In this event, the Continuous Disclosure Compliance Committee will consist of the Chairman, the Company Secretary and, where available, any other Director.

Dicker Data has adopted a formal Continuous Disclosure Policy which is available on the company website on www.dickerdata.com.au.

Under the Board's Continuous Disclosure Policy, all senior personnel must ensure that all reporting staff report any material event or development within their area of responsibility to their manager and to one or more of the Chairman and the Company Secretary.

Corporate Governance Statement

The Company Secretary will be the point of contact with the ASX. As a listed company, Dicker Data will not release information that is for release to the market to any person until it has given the information to the ASX and has received an acknowledgement from the ASX that the information has been released to the market.

Principal 6: Respect the Rights of Shareholders

Recommendation 6.1: Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.

Dicker Data aims to convey to its shareholders pertinent information in a detailed, regular, factual and timely manner.

The Board has ensured that the annual report includes relevant information about the operations of Dicker Data during the year, and changes in the state of affairs of Dicker Data, in addition to the other disclosures required by the Corporations Act.

Information will be communicated to shareholders by Dicker Data through:

1. Placement of market announcements on Dicker Data's web-site **www.dickerdata.com.au** after the information has been given to the ASX and the usual acknowledgement has been received;
2. The annual and interim financial reports;
3. Disclosures to the ASX;
4. Notices and explanatory memoranda of annual general meetings; and
5. All shareholders are invited to attend and raise questions at the annual general meeting.

All shareholders are welcome to communicate directly with Dicker Data.

All queries will be answered to the maximum extent possible (with consideration given to commercially sensitive information, privacy requirements and Dicker Data's disclosure obligations) and in a timely fashion.

Dicker Data has not established any other formal policy document other than as noted above.

Principle 7: Recognise and Manage Risk

Recommendation 7.1: Companies should establish policies for the oversight and management and management of material business risks and disclose a summary of those policies.

Although no formal policy has been adopted, the Board is committed to ensuring that the risks associated with Dicker Data's business activities are properly identified, monitored and managed and to embedding in its management and reporting systems a number of risk management controls.

The Board is to monitor and receive advice on areas of operational and financial risk, and consider strategies for appropriate risk management arrangements.

Specific areas of risk to be regularly considered at Board meetings are to include intellectual property, changes in government regulation, technology changes, human resources, integrity of data, statutory compliance and continuous disclosure obligations.

Corporate Governance Statement

Recommendation 7.2: The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.

The Chief Executive Officer manages Dicker Data's material business risks and reports to the Board.

Materiality thresholds

Dicker Data regularly reviews procedures, and ensures timely identification of material information and materiality thresholds.

Materiality judgments can only be made on a case by case basis, when all the facts are available. In accordance with Accounting Standard AASB 1031, the Board would consider an amount which is:

- (a) equal or more than 10% of an appropriate base amount to be material unless there is evidence or convincing argument to the contrary; and
- (b) equal to or less than 5% of an appropriate base amount to be immaterial unless there is evidence or convincing argument to the contrary.

The level between 5% and 10% of an appropriate base amount is considered to be a subjective area to be resolved by the Board.

Recommendation 7.3: The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board confirms that the Chief Executive Officer and the Chief Financial Officer have made the following certifications to the Board:

The financial records of the company have been properly maintained in accordance with Section 286 of the Corporations Act 2001;

The financial statements and notes thereto comply with the relevant accounting standards in all material respects as required by Section 296 of the corporations Act 2001;

The financial statements and notes thereto give a true and fair view, in all material respects, of the financial position and performance of the company as required by Section 297 of the corporations Act 2001; and

Any other matters are prescribed by the regulations in relation to the financial statements and the accompanying notes are satisfied.

Principle 8: Remunerate Fairly and Responsibly

Recommendation 8.1: The board should establish a remuneration committee.

The Board considers that its relatively small size and the expertise of directors allows the full Board to also perform a remuneration committee function. Accordingly, the Board does not consider it necessary or appropriate in the context to establish a separate committee for this purpose.

Corporate Governance Statement

Rather, the Board will have processes and procedures in place which will address the issues that would otherwise be considered by the remuneration committee including ensuring that fees and remuneration to directors accord with the principles set out in 8.2 below.

The Board will establish a remuneration committee in the future if it deems appropriate.

Recommendation 8.2: The remuneration committee should be structure so that it:

- consists of a majority of independent directors
- is chaired by an independent chair
- has at least three members

Recommendation 8.3: Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.

With respect to non-executive Directors, the Board (or if established, the Remuneration Committee) is to ensure that:

- (a) fees paid to non-executive Directors are within the aggregate amount approved by shareholders and make recommendations to the Board with respect to the need for increases to that aggregate amount at the Annual General Meeting;
- (b) non-executive Directors are remunerated by way of fees (in the form of cash and/or superannuation benefits);
- (c) non-executive Directors are not provided with retirement benefits other than statutory superannuation entitlements; and
- (d) non-executive Directors are not entitled to participate in equity-based remuneration schemes designed for executives without due consideration and appropriate disclosure to Dicker Data's shareholders.

With respect to executives, the Board (or if established, the Remuneration Committee) is to ensure that:

- (a) executive remuneration packages involve a balance between fixed and incentive pay, reflecting short and long term performance objectives appropriate to Dicker Data's circumstances and objectives;
- (b) a portion of executives' remuneration is structured in a manner designed to link reward to corporate and individual performances; and
- (c) recommendations are made to the Board with respect to quantum of bonuses to be paid to executives.

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June, 2011

	Note	30-Jun-11 \$	30-Jun-10 \$
Revenue	2	385,246,074	286,731,311
Changes in inventories		15,723,711	(3,626,990)
Consumables used		(373,589,310)	(263,255,496)
Employee benefits expense		(9,734,258)	(6,381,109)
Depreciation and amortisation expenses		(698,434)	(506,199)
Finance costs		(2,291,896)	(1,793,257)
Insurance		(913,609)	(743,596)
Profit / (Loss) on Asset Disposals		(835,576)	(13,553)
Bad Debts		(713,028)	(1,046,380)
Credit Card Fees		(675,746)	(557,594)
Consultancy Fees		(514,693)	(282,798)
IPO Expenses		(438,847)	-
Other expenses		(1,776,044)	(2,015,307)
Profit before income tax		8,788,345	6,509,032
Income tax expense	4	(2,656,301)	(1,985,628)
Profit for the period		6,132,045	4,523,404
Profit attributable to members of the company		6,132,045	4,523,404
Other comprehensive income, net of tax		-	-
Total Comprehensive Income for the period		6,132,045	4,523,404
Total comprehensive income attributable to members of the company		6,132,045	4,523,404
Earnings per share			
- basic earnings per share (cents)	5	5.02	3.77
- diluted earnings per share (cents)		5.00	3.77

The statement of comprehensive income is to be read in conjunction with the attached notes.

STATEMENT OF FINANCIAL POSITION

for the year ended 30 June, 2011

	Note	30-Jun-11 \$	30-Jun-10 \$	1-Jul-09 \$
ASSETS				
Current Assets				
Cash and cash equivalents	9	600	20,600	20,600
Trade and other receivables	10	63,554,061	38,254,594	37,094,488
Other financial assets	11	1	1	-
Inventories	12	40,100,630	24,376,919	28,003,909
Non-current assets held for sale	13	-	1,495,841	-
Total Current Assets		103,655,292	64,147,954	65,118,997
Non-Current Assets				
Property, plant and equipment	14	16,635,516	18,169,468	12,966,448
Deferred tax assets	15	797,795	254,644	179,328
Total Non-Current Assets		17,433,310	18,424,112	13,145,776
TOTAL ASSETS		121,088,602	82,572,066	78,264,773
LIABILITIES				
Current Liabilities				
Trade and other payables	16	72,830,833	35,164,120	45,522,084
Borrowings	17	27,618,137	30,372,364	18,431,748
Current tax liabilities	15	1,224,230	1,003,704	384,375
Short-term provisions	18	414,351	244,083	159,784
Other	19	-	220,500	522,499
Total Current Liabilities		102,087,552	67,004,771	65,020,490
Non-Current Liabilities				
Borrowings	17	964,183	293,166	209,163
Deferred tax liabilities	15	1,226,194	1,011,655	1,068,100
Long-term provisions	18	58,222	71,637	99,587
Total Non-Current Liabilities		2,248,598	1,376,457	1,376,850
TOTAL LIABILITIES		104,336,150	68,381,228	66,397,340
NET ASSETS		16,752,452	14,190,837	11,867,433
EQUITY				
Issued capital	20	539,895	9,998	9,998
Reserves	21	374,097	369,422	369,422
Retained profits		15,838,460	13,811,417	11,488,013
TOTAL EQUITY		16,752,452	14,190,837	11,867,433

The statement of financial position is to be read in conjunction with the attached notes.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June, 2011

	Class 'A'	Class 'B'	Ordinary	Retained Earnings	Share Option Reserve	Asset revaluation reserve	Capital profits reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2009	4,999	4,999	-	11,488,013		1,052,912	369,422	12,920,345
Balance at 1 July 2009 Restated (After change in accounting policy)	4,999	4,999	-	11,488,013		-	369,422	11,867,433
Profit attributable to members of the company				4,523,404				4,523,404
Subtotal	4,999	4,999	-	16,011,417	-	-	369,422	16,390,837
Dividend Paid				(2,200,000)				(2,200,000)
Balance at 30 June 2010	4,999	4,999	-	13,811,417	-	-	369,422	14,190,837
Share capital restructure	(4,999)	(4,999)	9,998					-
Share Capital - IPO			1,000,000					1,000,000
Costs associated with IPO Share Offer			(465,428)					(465,428)
Share Option Reserve			(4,675)		4,675			-
Profit attributable to members of the company				6,132,043				6,132,043
Subtotal	-	-	539,895	19,943,460	4,675	-	369,422	20,857,452
Dividend Paid				(4,105,000)				(4,105,000)
Balance at 30 June 2011	-	-	539,895	15,838,460	4,675	-	369,422	16,752,452

The statement of changes in equity is to be read in conjunction with the attached notes.

STATEMENT OF CASHFLOWS

for the year ended 30 June, 2011

	Note	30-Jun-11	30-Jun-10
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		398,831,475	313,815,838
Interest received		9,589	4,608
Payments to suppliers and employees (inclusive of GST)		(388,785,275)	(313,070,638)
Interest and finance costs paid		(2,291,896)	(1,551,783)
Income tax paid		(2,764,387)	(1,498,059)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	26(b)	4,999,506	(2,300,034)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property plant and equipment		(2,240,621)	(7,222,061)
Proceeds from sale of property plant and equipment		1,820,717	3,619
Proceeds on sale of investments			
Shares-unlisted		-	(1)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		(419,904)	(7,218,443)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		1,000,000	-
Share issue expenses		(470,103)	-
Proceeds/(Repayment) from borrowings		(2,718,189)	11,744,420
Payment of dividends		(2,411,310)	(2,200,000)
NET CASH FROM (USED IN) FINANCING ACTIVITIES		(4,599,602)	9,544,420
NET CASH FLOWS		(20,000)	25,943
Cash at beginning of financial year		20,600	(5,343)
CASH AT THE END OF FINANCIAL YEAR		600	20,600

The statement of cashflows is to be read in conjunction with the attached notes.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

The financial statements cover Dicker Data Limited (Dicker Data) as an individual entity. Dicker Data is a listed public company, incorporated and domiciled in Australia. During the financial year the company converted from a private proprietary limited company to a listed public company and changed its name from Rodin Corporation Pty Limited to Dicker Data Limited.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) 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 7 September 2011.

Changes in Accounting Policy

Dicker Data has made a change to its accounting policy for the financial year ending 30 June 2011 relating to the measurement of Property, Plant and Equipment, specifically in relation to Land and Buildings. This class of asset was previously carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The company has now elected to measure its Land and Buildings using the cost model permitted under AASB116 Property, Plant and Equipment. This change has been implemented as the directors are of the opinion that the cost model is the most appropriate method to provide reliable and more relevant information on the company's financial position.

The aggregate effect of the change in accounting policy on the annual financial statements for the year ended 30 June 2011 is presented below. As the company has retrospectively applied a change in accounting policy and made a retrospective restatement of items in the financial statements, an additional statement of financial position as at the beginning of the earliest comparative period, being 1 July 2009, has been disclosed within the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

Changes in Accounting Policy (Continued)

STATEMENT OF FINANCIAL POSITION EXTRACT

At the beginning of the earliest comparative period

	1-Jul-09 Reported	Adjustments	1-Jul-09 Restated
ASSETS			
Current Assets			
Non-current assets held for sale	-		-
Total Current Assets	65,118,997	-	65,118,997
Non-Current Assets			
Property, plant and equipment	14,470,607	(1,504,159)	12,966,448
Deferred tax assets	179,328		179,328
Total Non-Current Assets	14,649,935	(1,504,159)	13,145,776
TOTAL ASSETS	79,768,932	(1,504,159)	78,264,773
LIABILITIES			
Non-Current Liabilities			
Deferred tax liabilities	1,519,347	(451,247)	1,068,100
Total Non-Current Liabilities	1,828,097	(451,247)	1,376,850
TOTAL LIABILITIES	66,848,587	(451,247)	66,397,340
EQUITY			
Retained Profits	11,488,013		11,488,013
Reserves	1,422,334	(1,052,912)	369,422
TOTAL EQUITY	12,920,345	(1,052,912)	11,867,433

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

Changes in Accounting Policy (Continued)

COMPREHENSIVE INCOME STATEMENT EXTRACT

	30-Jun-10 Reported	Adjustments	30-Jun-10 Restated
<i>Other comprehensive Income net of tax</i>			
Net gain (loss) on revaluation of land and buildings	(700,000)	700,000	-
Total Comprehensive Income for the period	3,823,404	700,000	4,523,404

At the end of the earliest comparative period

	30-Jun-10 Reported	Adjustments	30-Jun-10 Restated
ASSETS			
Current Assets			
Non-current assets held for sale	2,000,000	(504,159)	1,495,841
Total Current Assets	64,652,113	(504,159)	64,147,954
Non-Current Assets			
Property, plant and equipment	18,169,468		18,169,468
Deferred tax assets	254,644		254,644
Total Non-Current Assets	18,424,112	-	18,424,112
TOTAL ASSETS	83,076,225	(504,159)	82,572,066
LIABILITIES			
Non-Current Liabilities			
Deferred tax liabilities	1,162,902	(151,247)	1,011,655
Total Non-Current Liabilities	1,527,704	(151,247)	1,376,457
TOTAL LIABILITIES	68,532,475	(151,247)	68,381,228
EQUITY			
Retained Profits	13,811,417		13,811,417
Reserves	722,334	(352,912)	369,422
TOTAL EQUITY	14,543,749	(352,912)	14,190,837

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

(a) Income Tax

Income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

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 the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

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

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability settled, based on tax rates enacted or substantively enacted as at the end of the reporting period. Their 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.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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 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. Costs are assigned to individual items of inventory on the basis of weighted average cost. Net realisable value is the estimated selling price in the ordinary course of business.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

(c) Property, Plant and Equipment

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

The carrying amount of property, 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 asset, 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 statement of comprehensive income during the financial period in which they are incurred.

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

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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) Leases

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

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

(e) Financial Instruments

Initial recognition and 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 classified 'at fair value through profit or loss' transactions costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction of impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction cost and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss. The company has not held any financial assets at fair value through profit and loss in the current or comparative financial year.

(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.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

(iii) Held-to-maturity investments

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

If during the period the company sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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 the end of each reporting period, 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 statement of comprehensive income.

(f) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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.

(g) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. 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. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

(h) 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.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(i) 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.

(j) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods revenue is recognised at the point of sale, which is where the customer has taken delivery of the goods, the risks and rewards are transferred to the customer and there is a valid sales contract. Amounts disclosed as revenue are net of sales returns.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue is recognised when it is received or when the right to receive payment is established.

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

(k) 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 expenses in the period in which they are incurred.

(l) 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 statement of financial position are shown inclusive of GST.

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

(m) Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of shares or options are shown in equity as a deduction, net of tax from proceeds.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

(n) Comparative Figures

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

(o) Critical Accounting Estimates and Adjustments

The directors evaluate estimates and judgements incorporated into the financial statements 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.

The directors have identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect the financial results or the financial position in future periods.

Further details on the nature of these assumptions and conditions are noted below:

Consumables Used

Cost of goods are represented in the Statement of Comprehensive Income net of supplier rebates. Supplier rebates can be paid monthly, quarterly or half yearly. At the end of the financial year an estimate of rebates due relating to the financial year is accounted for based on best available information at the time of the rebate being paid.

Income tax

The company is subject to income taxes based on the income tax laws of Australia. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax expense based on its current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets

Judgement is required in assessing whether certain deferred tax assets and deferred tax liabilities are recognised on the Statement of Financial Position. Deferred tax assets including those arising from capital losses are recognised only when it is considered more likely than not that they will be recovered, which is dependent on the generation of future capital profits. An assumption has been made that there is a likelihood that future capital profits will be earned.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and definite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

Long service leave provision

The liability for long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position. The impairment for receivables has been calculated net of estimated insurance recoveries

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Share Option Reserve

The share option reserve represents fair value of options on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

(p) Adoption of New & Revised Accounting Standards

During the current year, the company has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has not had any material impact on the financial statements of the company. Any new revised or amending Accounting standards or interpretation that are not yet mandatory have not been adopted.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

(q) New Accounting Standards for Application in Future Periods

The following Australian Accounting Standards issued or amended which may be applicable to the company but are not yet effective and have not been adopted in preparation of the financial statements at reporting date.

The new and amended Accounting Standards and interpretations are not expected to have any material impact on the company.

AASB No.	Title	Operative Date (Annual reporting periods beginning on or after)	Application by Company (Annual reporting periods beginning on or after)
9	Financial Instruments	1-Jan-13	1-Jul-13
10	Consolidation	1-Jan-13	1-Jul-13
11	Joint Arrangements	1-Jan-13	1-Jul-13
12	Disclosure of Interests in Other Entities	1-Jan-13	1-Jul-13
13	Fair Value Measurement	1-Jan-13	1-Jul-13
1053	Application of Tiers of Australian Accounting Standards	1-Jul-13	1-Jul-13
2009 – 12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	1-Jan-11	1-Jul-11
2010 – 2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	1-Jul-13	1-Jul-13
2010 – 4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]	1-Jan-11	1-Jul-11
2010 – 5	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	1-Jan-11	1-Jul-11

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

(q) New Accounting Standards for Application in Future Periods

AASB No.	Title	Operative Date (Annual reporting periods beginning on or after)	Application by Company (Annual reporting periods beginning on or after)
2010 – 6	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]	1-Jul-11	1-Jul-11
2010 – 7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	1-Jan-13	1-Jul-13
2010 – 8	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	1-Jan-12	1-Jul-12
2010 – 9	Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]	1-Jul-11	1-Jul-11
2010 – 10	Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	1-Jan-13	1-Jul-13
2011 - 1	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]	1-Jul-11	1-Jul-11
2011 - 2	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & AASB 1054]	1-Jul-13	1-Jul-13
2011 - 4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	1-Jul-13	1-Jul-13

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

	Note	2011 \$	2010 \$
2. REVENUE AND OTHER INCOME			
Sales revenue:			
Sale of goods		384,043,299	284,789,338
Other revenue:			
Interest received	2(a)	9,589	4,608
Discounts received		580,258	596,407
Recoveries		386,885	901,310
Other revenue		226,043	439,648
Total Revenue		385,246,074	286,731,311
(a) Interest received from:			
Other corporations		9,589	4,608
3. EXPENSES FOR THE YEAR			
Expenses:			
Finance costs		2,291,896	1,793,257
Cost of sales		357,865,599	266,882,488
Bad and doubtful debts		713,028	1,046,380
Net loss on disposal of non-current assets:			
Property, plant and equipment		(835,576)	(13,553)
4. INCOME TAX EXPENSE			
(a) The components of tax expense comprise:			
Current tax		2,798,409	2,117,389
Over/(Under) provision in respect of prior years		(12,966)	-
		2,785,443	2,117,389
Deferred tax		(145,846)	(153,753)
Over/(Under) provision in respect of prior years		16,704	21,992
	15	(129,142)	(131,761)
		2,656,301	1,985,628
(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% (2010: 30%)		2,636,504	1,952,709
Add tax effect of:			
Under provision for income tax in prior year		3,738	21,991
Non-deductible expenses		16,059	10,928
Income tax expense attributable to entity		2,656,301	1,985,628
The applicable weighted average effective tax rates are as follows:		30.23%	30.17%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

	Note	2011	2010
5. EARNING PER SHARE		\$	\$
(a) Basic earnings per share (cents)		5.02	3.77
From continuing operations attributable to the ordinary equity holders of the company			
(b) Diluted earnings per share (cents)		5.00	3.77
From continuing operations attributable to the ordinary equity holders of the company			
(c) Weighted average number of shares used as denominator			
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share		122,151,000	120,000,000
Weighted average number of ordinary shares and options granted are used as the denominator in calculating diluted earnings per share		122,734,000	120,000,000
6. KEY MANAGEMENT PERSONNEL COMPENSATION			
Short-term benefits		1,454,360	765,676
Post employment benefits		129,816	67,629
Total compensation		1,584,177	833,305
7. AUDITORS' REMUNERATION			
Auditing or reviewing the financial report		92,377	110,000
Other services		63,190	56,645
		155,567	166,645
8. DIVIDENDS			
Distributions paid			
<i>Dividend paid:</i>			
Fully franked 'A' class dividend of \$360.072 (2010: \$220.044) per share franked at the rate of 30% (2010: 30%)		1,800,000	1,100,000
Fully franked 'B' class dividend of \$211.042 (2010: \$220.044) per share franked at the rate of 30% (2010: 30%)		1,055,000	1,100,000
Fully franked 'Ord' class dividend of \$0.01c (2010: \$0.00) per share franked at the rate of 30% (2010: 30%)		1,250,000	-
		4,105,000	2,200,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

	Note	2011 \$	2010 \$
<i>Dividends:</i>			
<i>Balance of franking account at year end adjusted for franking credits arising from:</i>			
- payment of provision for income tax			
- dividends recognised as receivables, franking debits arising from payment of proposed dividends, and franking credits that may be prevented from distribution in subsequent financial years			
		5,419,215	5,265,689
9. CASH AND CASH EQUIVALENTS			
Cash on hand		600	600
Cash at bank		-	20,000
		600	20,600
10. TRADE AND OTHER RECEIVABLES			
CURRENT			
Other receivables		9,106,871	3,633,092
Trade debtors		54,582,609	33,360,728
Less provision for impairment of receivables		(135,418)	(106,001)
		54,447,190	33,254,727
Loans to related corporations:			
Dicker Data Direct Pty Ltd		-	4,397
Rodin Cars Limited (NZ)		-	895,541
Prepaid IPO expenses		-	303,511
Loans to directors:			
D.J. Dicker		-	95,001
F.T. Brown		-	68,325
		63,554,061	38,254,594
(a) Loans to related corporations:			
Beginning of the year		899,937	609,070
Loans advanced / repaid		(899,937)	290,867
End of year		-	899,937

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

(b) Provision for impairment of receivables

Current trade receivables are generally receivable on 30 days from end of month terms. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. The provision for impairment of receivables has been calculated net of estimated insurance recoveries.

	Note	2011 \$	2010 \$
<i>Movements in the provision for impairment of receivables:</i>			
Opening balance		106,001	89,852
Charge for the year		29,417	16,149
Closing balance		<u>135,418</u>	<u>106,001</u>

Past due but not impaired

The following table details the company's trade receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as 'past due' when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

Customers with balances past due but without provision for impairment of receivables amount to \$2,140,523 as at 30 June 2011 (2010: \$895,794). The company did not consider a credit risk on these balances after reviewing credit terms of customers and trading history.

	Note	2011 \$	2010 \$
<i>Past due and impaired :</i>			
Gross Impaired Receivables over 90 days		403,684	532,147
Less: Expected Insurance Recoveries		(268,266)	(426,146)
		<u>135,418</u>	<u>106,001</u>
<i>Past due but not impaired:</i>			
31 - 60 days overdue		1,856,730	370,325
61 - 90 days overdue		12,958	525,469
		<u>2,140,523</u>	<u>895,794</u>

11. FINANCIAL ASSETS

CURRENT

Available-for-sale financial assets	(a)	<u>1</u>	<u>1</u>
(a) Available-for-sale financial assets:			
Shares in unlisted companies		<u>1</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

12. INVENTORIES

CURRENT

At cost:

Stock on hand

Less provision for impairment of stock

Note

2011

2010

\$

\$

40,472,105

24,675,554

(371,475)

(298,636)

40,100,630

24,376,918

13. NON-CURRENT ASSETS HELD FOR SALE

CURRENT

Freehold land - at fair value

-

1,495,841

On 22nd March, 2011 the company sold the freehold land at Taren Point for \$1.8m plus GST. Net profit on disposal of this property has been included in net loss on disposal of assets.

14. PROPERTY, PLANT AND EQUIPMENT

Freehold land

6,903,666

8,433,970

Property improvements

-

986,557

Less accumulated depreciation

-

(542,658)

-

443,899

Buildings

8,225,022

8,330,904

Less accumulated depreciation

(132,952)

(92,972)

8,092,070

8,237,932

Total land and buildings

14,995,736

17,115,801

Fitout Costs - 230 Captain Cook Drive

1,025,457

323,585

Less accumulated depreciation

(87,033)

-

938,424

323,585

Plant and equipment

1,355,869

1,208,305

Less accumulated depreciation

(924,575)

(842,355)

431,294

365,950

Motor vehicles

626,903

665,553

Less accumulated depreciation

(356,842)

(301,421)

270,061

364,132

Total plant and equipment

1,639,780

1,053,667

Total property, plant and equipment

16,635,516

18,169,468

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

14(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	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2009	11,411,100	580,941	1,640,381	527,022	311,163	14,470,607
Additions	(977,130)	-	6,628,542	438,587	132,233	6,222,232
Disposals	(2,000,000)	-	-	(12,225)	(4,947)	(2,017,172)
Depreciation expense	-	(137,042)	(30,991)	(263,849)	(74,317)	(506,199)
Carrying amount at 30 June 2010	8,433,970	443,899	8,237,932	689,535	364,132	18,169,468
Additions			860,820	1,038,893	32,700	1,932,413
Capitalised borrowing costs			272,930			272,930
Disposals	(1,530,304)	(342,698)	(1,115,669)	(19,833)	(32,386)	(3,040,890)
Depreciation expense		(101,201)	(163,943)	(338,876)	(94,385)	(698,405)
Carrying amount at 30 June 2011	6,903,666	-	8,092,070	1,369,719	270,061	16,635,516

15. TAX

(a) Liabilities

CURRENT

Provision for income tax

NON CURRENT

Deferred Tax Liability

The balance comprises temporary differences attributable to:

Amounts recognised in profit or loss:

Land and Buildings

Plant and Equipment

Accrued income

Deferred tax liability

Movements in Deferred Tax Liability

Opening Balance

Credited / (charged) to profit or loss

Credited / (charged) to equity

Closing Balance

Note

2011

\$

2010

\$

1,224,230

1,003,704

219,831

137,951

50,563

64,188

955,800

809,516

1,226,194

1,011,655

1,011,655

1,068,100

214,539

(56,445)

-

-

1,226,194

1,011,655

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

	Note	2011 \$	2010 \$
(b) Assets			
NON CURRENT			
Deferred Tax Assets			
<i>The balance comprises temporary differences attributable to:</i>			
Amounts recognised in profit or loss:			
Provision for receivables impairment		40,625	31,800
Provision for employee entitlements		141,772	94,716
Accrued expenses		38,671	17,102
Inventory		78,108	66,749
Capitalised expenditure		114,768	46,277
Tax losses		224,276	-
Amounts recognised in equity:			
Transaction costs on share issue		159,575	-
Deferred tax asset		797,795	256,644
 <i>Movements in Deferred Tax Asset</i>			
Opening Balance		254,644	179,328
Credited / (charged) to profit or loss		343,681	75,316
Credited / (charged) to equity		199,470	-
Closing Balance		797,795	254,644
 16. TRADE AND OTHER PAYABLES			
CURRENT			
Trade creditors		72,337,197	34,391,926
Other creditors		493,637	772,194
		72,830,833	35,164,120
 17. BORROWINGS			
CURRENT			
Bank overdraft		20,230,379	20,146,263
Lease liability		229,625	48,787
Bank loan - secured		7,158,133	10,174,237
		27,618,137	30,372,364
 NON-CURRENT			
Lease liability		964,183	293,166
 (a) Total current and non-current secured liabilities:			
Bank overdrafts		20,230,379	20,146,263
Bank loans		7,158,133	10,177,314
Lease liability		1,193,808	341,953
		28,582,320	30,665,530

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

	Note	2011	2010
		\$	\$
The carrying amounts of non-current assets pledged			
(b) as security are:			
Mortgaged land and buildings		16,635,516	19,439,386

- (c) The bank overdraft, and loans are secured by a first registered company charge over all assets and undertakings of the company, a fixed charge over all debtors, first registered mortgages over the freehold properties owned by the company, a deed of priority between the financier and a major supplier to the aggregate of the finance facility and credit card limits and assignment of trade debtor insurance.

The covenants within the bank borrowings require meeting minimum interest cover ratios, current ratio and tangible net worth calculations, dividend and a limit on the maximum amount of debt. In September 2010, Dicker Data did not meet the current ratio requirement, this was reported to the financier and no action has been taken in relation to this breach. Dicker Data has complied with all other externally imposed capital requirements during the year.

18. PROVISIONS

Provision for long service leave:

Opening balance at 1 July	172,982	148,035
Additional provisions raised	66,196	52,898
Amounts used	(7,431)	(27,951)
Balance at 30 June 2011	231,748	172,982

Provision for annual leave:

Opening balance at 1 July	142,738	111,336
Additional provisions raised	98,088	31,401
Balance at 30 June 2011	240,826	142,738

Total Provisions

Opening balance at 1 July	315,720	259,371
Additional provisions raised	164,284	84,299
Amounts used	(7,431)	(27,950)
Balance at 30 June 2011	472,573	315,720

Analysis of Total Provisions

Current	414,351	244,083
Non-current	58,222	71,637
	472,573	315,720

19. OTHER LIABILITIES

CURRENT

Income in advance	-	220,500
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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

	Note	2011 \$	2010 \$
20. ISSUED CAPITAL			
4,999 fully paid 'A' class shares		-	4,999
4,999 fully paid 'B' class shares		-	4,999
125,000,000 fully paid Ordinary class shares		539,895	-
		<u>539,895</u>	<u>9,998</u>

The company has share capital amounting to:
125,000,000 fully paid Ordinary class shares

	Date	\$	No.
(a) Ordinary 'A' Class Shares			
At beginning of reporting period		4,999	4,999
Converted to Ordinary class shares	22.10.10	(4,999)	(4,999)
At the end of the reporting period		<u>-</u>	<u>-</u>

'A' class shares were converted to ordinary shares during the year.

	Date	\$	No.
(b) Ordinary 'B' Class Shares			
At beginning of reporting period		4,999	4,999
Converted to Ordinary class shares	22.10.10	(4,999)	(4,999)
At the end of the reporting period		<u>-</u>	<u>-</u>

'B' class shares were converted to ordinary shares during the year.

	Date	\$	No.
(c) Ordinary Class Shares			
At beginning of reporting period			-
Converted and split 'A' class shares	22.10.10	4,999	60,000,000
Converted and split 'B' class shares	22.10.10	4,999	60,000,000
Shares Issued IPO	19.01.11	1,000,000	5,000,000
Cost associated with issuing shares, net of tax	19.01.11	(470,103)	
At the end of the reporting period		<u>539,895</u>	<u>125,000,000</u>

Fully paid ordinary shares rank equally in all respects. All ordinary shares issued as at 30 June 2011 are fully paid. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote. The issue of shares in the company, subject to legislative requirements, is under the control of the directors.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

(d) Share Options

The following options had been granted at balance date:

1. 1,500,000 Options to acquire 1,500,000 fully paid ordinary shares, exercisable at \$0.20 anytime within 36 months from the date of granting to Newport Capital Pty Ltd, expiring 24 January, 2014.

On the 9th of August Newport Capital Pty Ltd exercised all the options held at the strike price of \$0.20c per share. The company has received the payment for the options and has issued the shares to Newport Capital Pty Ltd.

2. 1,200,000 Options to acquire 1,200,000 fully paid ordinary shares, exercisable at \$0.25 anytime within 36 months from the date of granting to Stonebridge Securities Limited and related parties, expiring 24 January, 2014.

(e) 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.

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.

21. RESERVES

(a) Capital Profits Reserve (Pre-CGT)

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

(b) Share Option Reserve

The share option reserve is used to recognise the grant fair value of options issued but not exercised.

Note	2011	2010
	\$	\$
	369,422	369,422
	4,675	-
	<u>374,097</u>	<u>369,422</u>

The share option reserve represents fair value of options on grant date. Fair value is independently determined using Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

22. CAPITAL AND LEASING COMMITMENTS

	Note	2011	2010
(a) Operating Lease Commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements		\$	\$
Payable:			
not later than 12 months		104,152	62,183
between 12 months and five years		323,627	225,807
		427,779	287,990
(b) Capital Expenditure Commitments			
Capital expenditure commitments contracted for:			
Construction of warehouse and office facilities including roadworks as per development application		409,417	1,506,795

23. 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	\$	\$
(a) Loans to/(from) directors			
The directors had unsecured loan accounts, which have since been paid out.		-	163,326
(b) Loans to related entities			
Dicker Data Ltd has made loans to associated companies. These loans were unsecured and at call. All loans were paid out in the current year		-	899,937

24. OPERATING SEGMENTS

During the year the company operated in one business segment being wholesale distribution of computers and related products. It's operations were carried out solely in Australia.

25. FINANCIAL RISK MANAGEMENT

The company's financial instruments consist mainly of accounts receivable and payable and finance and lease liabilities.

The totals for each category of financial instruments are as follows:

Financial Risk Management	Note	\$	\$
Financial Assets			
Cash and cash equivalents	9	600	20,600
Loans and receivables	10	63,554,061	38,175,318
Total Financial Assets		63,554,661	38,195,918

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

	Note	2011 \$	2010 \$
Financial Liabilities			
Trade and other payables	16	72,830,833	35,164,120
Borrowings	17	28,582,320	30,372,364
Total Financial Liabilities		101,413,154	65,536,484

Financial Risk Management Policies

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

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 financial instruments is to raise finance for company operations. The company does not have any derivative instruments at year end.

The directors and key management personnel meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

Specific 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.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.

Credit risk is reviewed regularly by the directors and key management personnel. It arises from exposures to customers, as well as through deposits with financial institutions. The company's exposure to credit risk is limited due to debtor insurance which is held over its trade receivables. The insurance policy limits the exposure of the company to 10% of the individual customer's balance plus the excess as specified in the policy after an aggregate first loss of \$200,000. Receivables balances are monitored on an ongoing basis with the result that the company's exposure to bad debts has not been significant.

It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their credit rating, financial position, past experience and industry reputation. Credit limits are set for each individual customer in accordance with parameters set by the directors. These credit limits are regularly monitored.

Customers that do not meet the company's strict credit policies may only purchase in cash or using recognised credit cards.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

The company has no significant concentration of credit risk with any single counterparty or group of counterparties.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relations to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk, related to financial assets.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the company has no control over the timing of any potential settlement of the liability.

Cash flows realised from financial instruments reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates and do not reflect management's expectations that banking facilities will roll forward.

	Note	2011 \$	2010 \$
<i>Financial liability maturity analysis</i>			
Financial liabilities due for payment		Within 1 Year	
Trade and other payables		72,830,833	35,164,120
Borrowings		27,618,137	30,372,364
Total contractual outflows		100,448,971	65,536,484
Financial liabilities due for payment		1 to 5 Years	
Borrowings		964,183	293,166
Total contractual outflows		964,183	293,166
Financial Liabilities			
Trade and other payables	16	72,830,833	35,164,120
Borrowings	17	28,582,320	30,665,530
Total expected outflows		101,413,154	65,829,650

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

Financial assets pledged as collateral

Certain financial assets have been pledged as security for debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts.

(c) Interest Rate Risk

The company's main interest rate risk arises from borrowings.

All borrowings are at variable interest rates and expose the company to interest rate risk which will impact future cash flows and interest charges and is indicated by the following floating interest rate financial liabilities:

	Note	2011 \$	2010 \$
Floating rate instruments			
Bank Overdrafts	17	20,230,379	20,146,263
Debtor finance	17	-	3,077
Bank loans - secured	17	7,158,133	10,174,237
		<u>27,388,512</u>	<u>30,323,577</u>

Sensitivity Analysis

The company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. If interest rates changed by +/- 1% from the year end rates with all other variables held constant, post tax profit would have been \$191,720 lower/higher (2010: \$212,265 lower/higher) as a result of higher/lower interest payments. The company constantly analyses its interest rate exposure. Within this analysis consideration is given to alternative financing and the mix of fixed and variable interest rates.

26. 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

	\$	\$
Cash	600	600
Cash at bank	-	20,000
	<u>600</u>	<u>20,600</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June, 2011

	Note	2011 \$	2010 \$
(b) Reconciliation of cash flow from operations with profit			
Profit after income tax		6,132,045	4,523,404
<i>Non-cash flows in profit:</i>			
Depreciation		698,405	506,627
Loss on disposal of fixed assets		-	13,553
Changes in Assets & Liabilities:		-	-
Decrease (increase) in current inventories		(15,723,711)	3,626,991
Decrease (increase) in current receivables & Other		(24,476,648)	(869,840)
Decrease (increase) in deferred tax assets		(543,151)	(75,316)
(Decrease) increase in deferred tax liabilities		214,539	(56,445)
(Decrease) increase in payables & Other		37,450,765	(10,644,685)
(Decrease) increase in provisions		190,945	56,349
(Decrease) increase in non current assets		835,792	-
(Decrease) increase in current tax liabilities		220,526	619,328
Net cash provided by (used in) operating activities		4,999,506	(2,300,034)

(c) Credit Stand-by Arrangement and Loan Facilities

The company has bank overdraft, credit cards, cash advance and asset finance facility amounting to \$28,566,720 (2010: \$26,320,000). The unused limits of the facility amount to \$948,583 (2010: \$1,259,965).

27. CONTINGENT LIABILITIES

The company had disclosed in its Half Year Report that it had received a Statement of Claim for preference payments. The claim was in relation to payments received from a debtor that had since gone into liquidation. Whilst the claim was highly defensible based on legal advice sought, in an effort to avoid incurring further costs and inconvenience of trial a confidential settlement was agreed on and a confidential Deed of Settlement was entered into on 11 August 2011.

This is due to be paid by 12th September, 2011. This liability will be reduced by our entitlement to claim a proportion of the settlement amount under our debtor insurance policy. The directors believe this will not have a material impact on the financial statements.

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 6 September, 2011.

1. Ordinary Share Capital

As at 6 September 2011, the issued capital of the Company was 126,500,000 ordinary fully paid shares.

2. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding

Holding	ORDINARY SHARES		OPTIONS	
	NUMBER OF HOLDERS	NUMBER OF SHARES	NUMBER OF HOLDERS	NUMBER OF SHARES
1 to 1,000	2	1,800	0	
1,001 to 5000	7	22,850	0	
5,001 to 10,000	336	3,354,597	0	
10,001 to 100,000	21	644,818	0	
100,000 and over	8	122,475,935	2	1,200,000
	374	126,500,000	2	1,200,000

There were 2 holders of less than a marketable parcel of ordinary shares.

3. Twenty largest holders of quoted equity securities

NAME	NUMBER HELD	PERCENTAGE OF ISSUED SHARES %
Mr David John Dicker	63,750,000	50.40%
Ms Fiona Tudor Brown	56,250,000	44.47%
Mr D Dippie & Mrs J Dippie & Bramwell Grossman Trustees (Dippie Family A/c)	925,925	0.73%
Bluedale Pty Ltd (Comb Superannuation Fund A/c)	602,310	0.48%
Can Elturan	340,000	0.27%
Mr S F Borness & Mrs C A Borness <Celerity Super Fund A/c>	230,000	0.18%
Mrs J M Bond	227,700	0.18%
147 049 938 Pty Ltd <938 Super Fund A/c>	150,000	0.18%
Mr D A Dyer & Mrs A M Dyer	100,000	0.12%
Newport Capital Group Pty Ltd	86,112	0.08%
Mr R Keown & Mrs T J Keown	57,132	0.07%
Mr B Robins	52,868	0.05%
Mr J P Steinert	32,501	0.04%
Mr P J Buncle	30,000	0.03%
Mr N J Remfrey & Mrs S A Remfrey	30,000	0.02%
Penson Australia Nominees Pty Ltd <Settlement Account>	25,000	0.02%
Seacomber Investments Pty Ltd	25,000	0.02%
Mr T H N Trinh	25,000	0.02%
ABN AMRO Clearing Sydney Nominees Pty Ltd <Custodian A/c>	20,000	0.02%
Mr M A Renier Hilin & Mrs S L Helin	20,000	0.02%
Mr R A Humphries	20,000	0.02%
Nomex Nominees Pty Ltd <Settlement Account>	20,000	0.02%
Mr L H Trinh	20,000	0.02%
Total for TOP 20	123,039,548	97.46%

SHAREHOLDER INFORMATION

4. Substantial Holders

Substantial holders in the company are set out below:

NAME OF SUBSTANTIAL SHAREHOLDER	NUMBER HELD	PERCENTAGE OF ISSUED SHARES %
Mr David John Dicker	63,750,000	50.40%
Ms Fiona Tudor Brown	56,250,000	44.47%

5. Voting Rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary Shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(a) Options

No voting rights.

Director's Declaration

The directors of the company declare that:

1. In the Directors' opinion the financial statements and notes, as set out on pages 5 to 55 are in accordance with the Corporations Act 2001, including:
 - (a) giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance, for the financial year ended on that date; and
 - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001.
2. the financial report also complies with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in Note 1; and
3. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations by the Chief Executive Officer and the Chief Financial Officer required by section 295A of the Corporations Act 2001.

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



David Dicker
CEO & Chairman
Sydney, 7 September 2011



Chartered Accountants
& Business Advisers

Auditor's Independence Declaration

To the Directors of Dicker Data Limited

I declare to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2011 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit, and
- no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

Arthur Milner
Partner

7 September 2011
Sydney

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Chartered Accountants
& Business Advisers

Independent Auditor's Report

To the members of Dicker Data Limited

Report on the Financial Report

We have audited the accompanying financial report of Dicker Data Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.

Independence

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

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Opinion

In our opinion:

- (a) the financial report of Dicker Data 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 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 13 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Dicker Data Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.



PKF



Arthur Milner
Partner

7 September 2011
Sydney