

# **Dicker Data Limited**

ABN: 95 000 969 362

Appendix 4D and  
Interim Financial Report  
Half-year ended 31 DECEMBER 2012

# Dicker Data Limited

ABN 95 000 969 362

## Results for announcement to the market

**Reporting period:** Half-year ended 31 December 2012  
**Previous Corresponding Period:** Half-year ended 31 December 2011

### RESULTS

	Movement			Dec-12 (in 000's)	Dec-11 (in 000's)
Revenues from ordinary activities	Down	3.6%	to	\$213,853	\$221,737
Net profit before tax	Down	9.9%	to	\$4,713	\$5,229
Net profit after tax attributable to members	Down	10.9%	to	\$3,270	\$3,669

### BRIEF EXPLANATION OF FIGURES REPORTED ABOVE

- Half year figures represent a positive result and we are on track to exceed FY12 full year net profit.
- Decline in revenue was expected, in line with the Company's strategy to move to a higher margin product mix.
- Gross profit margins increased from 7.3% to 7.6%.
- The current half year results are more in line with the Company's traditional trend of a stronger second half.
- Previously announced dividend policy remains unchanged with payment of quarterly dividends up to 100% of net profit after tax.

Refer to the attached Interim Financial Report and Directors' Report for further commentary on half-year results.

### DIVIDENDS

	Payment Date	Amount Per Share	Franked Amount
Final Dividend 2012	8 October 2012	0.02	100%
Interim Dividend 2013	11 January 2013	0.01	100%

### NET TANGIBLE ASSETS PER SECURITY

	Dec-12	Dec-11
Net tangible assets per security	\$0.14	\$0.13

## **COMPLIANCE STATEMENT**

This report is based on financial statements which have been reviewed by the auditor, copies of which are attached.

**Signed**



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**David Dicker**

CEO

Dated: 27 February, 2013

# Director's Report

Your directors submit the financial report of the company for the half-year ended 31 December 2012.

## Directors

The names of the directors who held office during or since the end of the half-year:

David John Dicker  
Fiona Tudor Brown  
Mary Stojcevski  
Chris Price  
Michael Demetre

The Directors were in office from the beginning of the half-year until the date of this report, unless otherwise stated.

## Principal activities

The principal activities of the company during the half-year were wholesale distribution of computer hardware and related products. No significant change occurred in the nature of these activities for the half-year.

## Review of operations

A review of the operations of the company for the half year and the results of those operations are as follows:

Total revenue for the half year was \$213.9m (2011: \$221.7m), representing a 3.6% decrease against previous corresponding period. Whilst revenue was down this was still an exceptional result in a subdued market, when compared to the record growth experienced in the previous corresponding period. For the first half of FY13, in line with reported trends, we experienced lower overall IT spend from the corporate and SMB sectors that saw a reduction in demand in PC's primarily impacting revenues from our HP Personal Services Group product line. Further impacting revenue was a delay in spending in the Education sector, normally occurring in November and December, shipments were delayed until January. With revenues down on our HP business, we were able to offset this significantly from other vendors with strong revenues from Lenovo (new vendor since June 12), Asus and Buffalo as they become a bigger part of our business.

Gross profit remained relatively flat at \$16.2m (2011: \$16.2m) representing an increase in gross margins to 7.6% (2011: 7.3%), in line with the Company's strategy to move to a higher margin product mix.

Expenses decreased by \$7.4m as a result of lower sales volume with lower spend on purchase of goods and changes in inventory, partially offset by higher employment expenses. The increase in employment expenses is a reflection of the Company's investment in additional resources during the previous financial year to support the growth of the business. Employment expenses are also higher due to increases in leave provisions.

Net profit before tax was \$4.7m (2011: \$5.2m) a decrease of 9.9% against previous corresponding period.

Net profit after tax was \$3.3m (2011: \$3.7m) a decrease of 10.9% against previous corresponding period. This represents basic earnings per share of 2.58cents (2011: 2.90 cents) a decrease of 10.9% on the previous corresponding period.

Overall it is a positive result and we are on track to exceed the 2012 full year profit. Market conditions are still tough, however with the additional finance facility and expansion of warehouse capacity coming online in February 2013, we are confident of achieving profitable growth.

## Significant changes in the state of affairs

### *New Finance Facility with Macquarie Bank*

In January 2013 the company entered into a new \$20m inventory purchase finance facility with Macquarie Bank. Under the terms of the agreement the facility is available to the Company for the purchase of inventory from HP, the Company's largest vendor. The facility may be extended to purchases from the Company's other vendors in the future.

We expect that the new facility will enable the Company to achieve greater flexibility in inventory purchases, including the opportunity to take greater advantage of early settlement discounts available. The increase in funding will enable the company to adequately fund the projected growth of revenues and inventory and provide greater flexibility in day to day management of working capital.

### Extension of Warehouse

In August, 2012 the company entered into a contract to extend the current warehouse facility by an additional 5,000 square metres. Construction was funded by drawing on our existing finance facilities provided by St George Bank. This is reflected in our cash flow statement from investing activities with outflows of \$3m for payments for property, plant and equipment. The extension will more than double the existing warehouse capacity and sets the Company up for future growth. Construction commenced in September 2012 and the project was completed 20 February, 2013.

### Investment in Website

Over the past 12 months the Company has also invested in the development of a custom built website integrating real time stock availability and ordering with our ERP system. The real time live data provides our resellers with more visibility and ordering accuracy, and together with the opportunity for product attach sales through product specific advertising, it is anticipated the new website should lead to growth in our online reseller sales. The new website has been developed specifically to allow continued development and to provide additional new features and functionality to further improve our reseller engagement.

The new website was launched late December, at the end of the reporting period, so the benefits expected to be generated by this investment should be reflected in the 2<sup>nd</sup> half of FY13.

### Exercise of Options

During the reporting period Stonebridge Securities Ltd (now known as SB2 Securities Pty Ltd) exercised 100,000 of their options at the strike price of \$0.25c per share. They nominated for the shares to be issued to Oldco Nominees Pty Ltd. On 12 December 2012, the company received a total sum of \$25,000 being payment for the 100,000 options exercised and issued 100,000 ordinary shares to Oldco Nominees Pty Ltd.

As at 18 February 2013 all options had been fully exercised. The table below is a summary of shares issued after 31<sup>st</sup> December 2012:

Date	Option Holder	Options Exercised	Strike Price	Funds Received	Shares Issued	Shareholder
14-Jan-13	SB2 Securities Pty Ltd	200,000	0.25c	\$50,000	200,000	Oldco Nominees Pty Ltd
14-Jan-13	Exit Out Pty Ltd	200,000	0.25c	\$50,000	200,000	Exit Out Pty Ltd
04-Feb-13	SB2 Securities Pty Ltd	150,000	0.25c	\$37,500	150,000	Oldco Nominees Pty Ltd
04-Feb-13	Exit Out Pty Ltd	200,000	0.25c	\$50,000	200,000	Exit Out Pty Ltd
12-Feb-13	Exit Out Pty Ltd	200,000	0.25c	\$50,000	200,000	Exit Out Pty Ltd
18-Feb-13	SB2 Securities Pty Ltd	150,000	0.25c	\$37,500	150,000	Oldco Nominees Pty Ltd

There were no other significant changes in the state of affairs of the company during the half-year.

### Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

### Dividends

During the reporting period the following fully franked dividends were declared:

Record Date	Payment Date	Amount per share (in Cents)	Total Dividend (in 000's)	Type
20-Sep-12	08-Oct-12	0.02	\$2,530	Final 2012
07-Jan-13	11-Jan-13	0.01	\$1,266	Interim 2013
<b>Total</b>		<b>0.03</b>	<b>\$3,796</b>	

**Auditor's Independence Declaration**

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is attached to this financial report.

The report is signed in accordance with a resolution of the Board of Directors:

**Signed**



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**David Dicker**

CEO

Dated: 27 February, 2013

## DECLARATION OF INDEPENDENCE BY ARTHUR MILNER TO THE DIRECTORS OF DICKER DATA LIMITED

As lead auditor for the review of Dicker Data Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



Arthur Milner

Partner

**BDO East Coast Partnership**

Sydney, 27 February 2013

# Statement of comprehensive income

For the half year ended 31 December, 2012

	31-Dec-12 \$'000	31-Dec-11 \$'000
<b>REVENUE</b>		
Sale of goods	213,368	220,785
<i>Other revenue:</i>		
Interest received	2	2
Discounts received	320	263
Recoveries	41	574
Other revenue	122	113
	<b>213,853</b>	<b>221,737</b>
<b>EXPENSES</b>		
Changes in inventories	2,734	(298)
Consumables used	(200,425)	(205,200)
Employee benefits expense	(7,433)	(6,174)
Depreciation and amortisation expenses	(318)	(320)
Finance costs	(1,442)	(1,473)
Other expenses	(2,255)	(3,043)
	<b>(209,139)</b>	<b>(216,508)</b>
<b>Profit before income tax expense</b>	<b>4,713</b>	<b>5,229</b>
Income tax expense	(1,443)	(1,561)
<b>Net profit for the half year</b>	<b>3,270</b>	<b>3,669</b>
Other comprehensive income, net of tax	-	-
<b>Total comprehensive income for half year</b>	<b>3,270</b>	<b>3,669</b>
<b>Earnings per share</b>		
- basic earnings per share (cents)	2.58	2.90
- diluted earnings per share (cents)	2.56	2.87

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



# Statement of financial position

As at 31 December, 2012

	31-Dec-12	30-Jun-12
	\$'000	\$'000
	\$	\$
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,909	222
Trade and other receivables	54,370	68,670
Inventories	44,057	41,323
<b>Total Current Assets</b>	<b>100,336</b>	<b>110,216</b>
<b>Non-Current Assets</b>		
Property, plant and equipment	19,229	16,548
Intangible assets	181	93
Deferred tax assets	669	621
<b>Total Non-Current Assets</b>	<b>20,078</b>	<b>17,262</b>
<b>TOTAL ASSETS</b>	<b>120,414</b>	<b>127,478</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade and other payables	56,899	58,520
Borrowings	41,833	46,145
Current tax liabilities	441	1,342
Short-term provisions	742	580
<b>Total Current Liabilities</b>	<b>99,914</b>	<b>106,587</b>
<b>Non-Current Liabilities</b>		
Borrowings	664	959
Deferred tax liabilities	1,487	1,183
Long-term provisions	303	202
<b>Total Non-Current Liabilities</b>	<b>2,453</b>	<b>2,343</b>
<b>TOTAL LIABILITIES</b>	<b>102,367</b>	<b>108,930</b>
<b>NET ASSETS</b>	<b>18,047</b>	<b>18,548</b>
<b>EQUITY</b>		
Issued capital	869	844
Reserves	370	370
Retained profits	16,808	17,334
<b>TOTAL EQUITY</b>	<b>18,047</b>	<b>18,548</b>

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

# Statement of changes in equity

For the half year ended 31 December, 2012

	Issued Capital	Retained Profits	Share Option Reserve	Capital profits reserve	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2011</b>	<b>540</b>	<b>15,838</b>	<b>5</b>	<b>369</b>	<b>16,752</b>
Shares issued	300				<b>300</b>
Share option exercised	4		(4)		-
Total comprehensive income for the year		3,669			<b>3,669</b>
<b>Sub-Total</b>	<b>844</b>	<b>19,507</b>	<b>1</b>	<b>369</b>	<b>20,721</b>
Dividend Paid		(3,706)			<b>(3,706)</b>
<b>Balance at 31 December 2011</b>	<b>844</b>	<b>15,801</b>	<b>1</b>	<b>369</b>	<b>17,015</b>
Total comprehensive income for the year		4,607			<b>4,607</b>
Dividend Paid		(3,074)			<b>(3,074)</b>
<b>Balance at 30 June 2012</b>	<b>844</b>	<b>17,334</b>	<b>1</b>	<b>369</b>	<b>18,548</b>
Shares issued	25				<b>25</b>
Total comprehensive income for the year		3,270			<b>3,270</b>
<b>Sub-Total</b>	<b>869</b>	<b>20,604</b>	<b>1</b>	<b>369</b>	<b>21,843</b>
Dividend Paid		(3,796)			<b>(3,796)</b>
<b>Balance at 31 December 2012</b>	<b>869</b>	<b>16,808</b>	<b>1</b>	<b>369</b>	<b>18,047</b>

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

# Statement of cash flows

For the half year ended 31 December, 2012

	31-Dec-12 \$'000	31-Dec-11 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers (inclusive of GST)	248,968	256,423
Payments to suppliers and employees (inclusive of GST)	(231,651)	(266,423)
Interest received	2	2
Interest and finance costs paid	(1,442)	(1,473)
Income tax paid	(2,088)	(2,079)
<b>NET CASH FROM (USED IN) OPERATING ACTIVITIES</b>	<b>13,789</b>	<b>(13,550)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property plant and equipment	(3,012)	(399)
Proceeds from sale of property plant and equipment	-	2,045
Payments for intangibles	(87)	-
<b>NET CASH FROM (USED IN) INVESTING ACTIVITIES</b>	<b>(3,099)</b>	<b>1,646</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from share issue	25	300
Proceeds/(Repayment) from borrowings	(4,607)	14,270
Payment of dividends	(4,421)	(2,526)
<b>NET CASH FROM (USED IN) FINANCING ACTIVITIES</b>	<b>(9,003)</b>	<b>12,044</b>
<b>NET CASH FLOWS</b>	<b>1,687</b>	<b>141</b>
Cash at beginning of financial year	222	1
<b>CASH END OF FINANCIAL YEAR</b>	<b>1,909</b>	<b>141</b>

*The statement of cash flows is to be read in conjunction with the attached notes.*

# Notes to the financial statements

For the half-year ended 31 December 2012

## 1. BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2012 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### **New, revised or amending Accounting Standards and Interpretations adopted**

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

### *AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income*

The company has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation.

## 2. DIVIDENDS

During the reporting period the following fully franked dividends were declared:

Record Date:	Payment Date:	Dividend (in Cents)	Total Dividend (in 000's)	Type
20-Sep-12	08-Oct-12	0.02	\$2,530	Final 2012
07-Jan-13	11-Jan-13	0.01	\$1,266	Interim 2013
<b>Total</b>		<b>0.03</b>	<b>\$3,796</b>	

## 3. SHARE CAPITAL

During the reporting period Stonebridge Securities Ltd (now known as SB2 Securities Pty Ltd) exercised 100,000 of the options granted at the strike price of \$0.25c per share. They nominated Oldco Nominees Pty Ltd to receive the issued shares. On 12 December 2012, the company received a total sum of \$25,000 being payment for the 100,000 options exercised and issued 100,000 ordinary shares to Oldco Nominees Pty Ltd.

As at 18 February 2013 all options had been fully exercised. The table below is a summary of shares issued after 31<sup>st</sup> December 2012:

Date	Option Holder	Options Exercised	Strike Price	Funds Received	Shares Issued	Shareholder
14-Jan-13	SB2 Securities Pty Ltd	200,000	0.25c	\$50,000	200,000	Oldco Nominees Pty Ltd
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04-Feb-13	SB2 Securities Pty Ltd	150,000	0.25c	\$37,500	150,000	Oldco Nominees Pty Ltd
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12-Feb-13	Exit Out Pty Ltd	200,000	0.25c	\$50,000	200,000	Exit Out Pty Ltd
18-Feb-13	SB2 Securities Pty Ltd	150,000	0.25c	\$37,500	150,000	Oldco Nominees Pty Ltd

#### 4. SEGMENT REPORTING

The company operates in one segment being wholesale distribution of computer and related products throughout Australia.

#### 5. CONTINGENT LIABILITIES

As at 30 June 2012 the Company had reported that it had provided a bank guarantee for \$70,000 to Sydney Water Corporation for works and adjustments to a Sydney Water asset at 230 Captain Cook Drive, Kurnell. These works have now been completed and the bank guarantee has been discharged.

#### 6. EVENTS SUBSEQUENT TO REPORTING DATE

No material events have occurred subsequent to reporting date.

# Director's declaration

In the directors' opinion:

- The attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- The attached financial statements and notes thereto give a true and fair view of the entity's financial position as at 31 December 2012 and of its performance for the financial half-year ended on that date; and
- There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors

**Signed**



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**David Dicker**

CEO

Dated: 27 February, 2013

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Dicker Data Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Dicker Data Limited, which comprises the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration.

#### Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Dicker Data Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Dicker Data Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dicker Data Limited is not in accordance with the *Corporations Act 2001* including:

- A. giving a true and fair view of the disclosing entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- B. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

### BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'BDO' on the top line and 'AM' on the bottom line.

Arthur Milner

Partner

Sydney, 27 February 2013