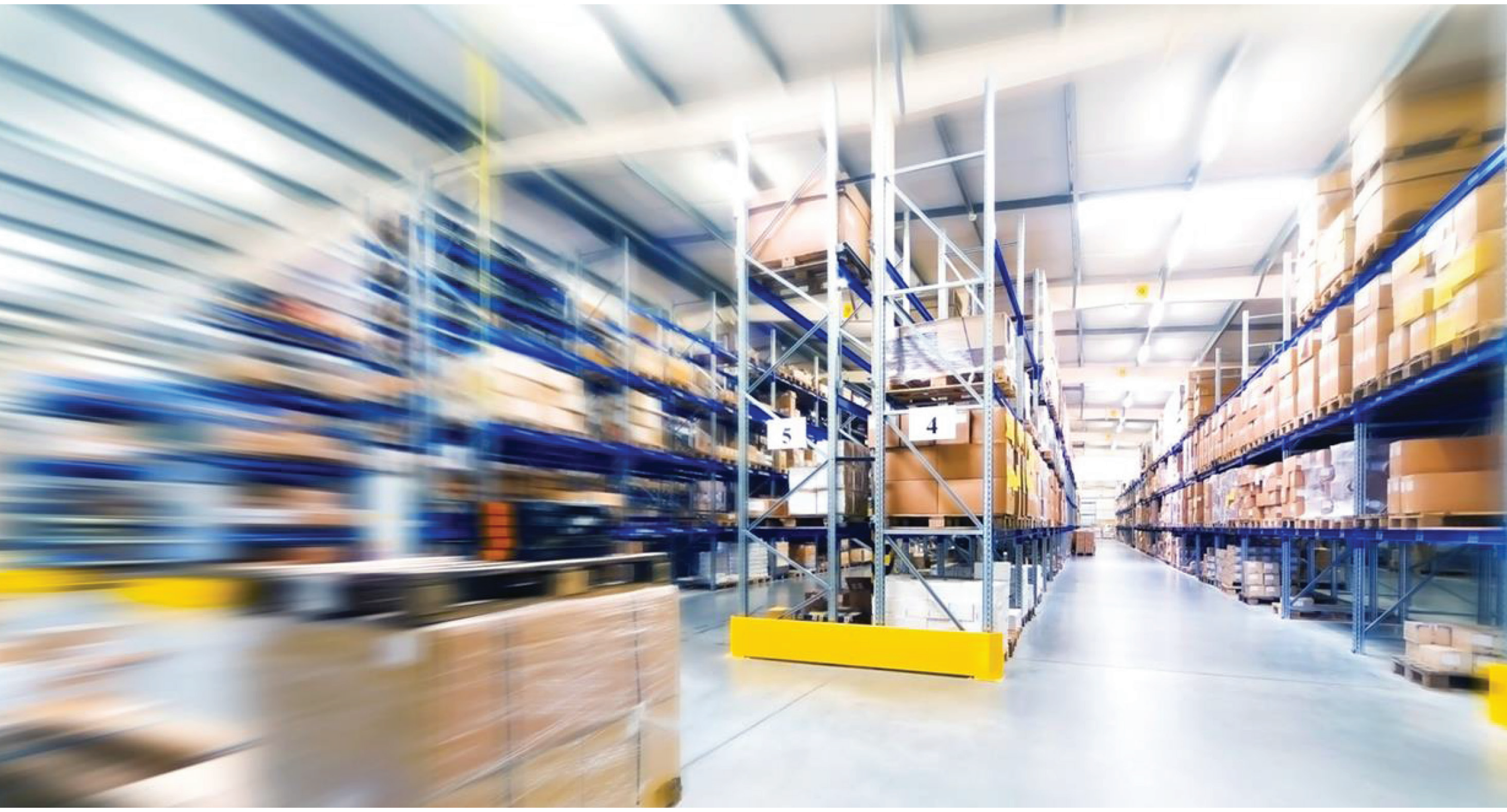
ANNUAL REPORT 2014

Year ended 31 December 2014



Experience is the difference.

dickerdata

Contents

Registered Office

The registered office of the company is:

230 Captain Cook Drive
KURNELL NSW 2231

ABN: 95 000 969 362

Background

Dicker Data is an Australian owned and operated, ASX listed distributor of computer hardware, software and related products with over 36 years' experience.

During the calendar year Dicker Data completed the company transforming acquisition of Express Data. This strategic acquisition has propelled the company into one of the top three IT distribution companies in Australia, instantly transforming it from a niche player to a fully integrated market leader. We are projecting to achieve annual revenues in excess of $1 billion in FY15.

The combined dedicated sales and presales teams are comprised of experienced specialists that are focused on using their in-depth knowledge to help customers' tailor solutions to suit their client's needs.

Selling to over 5000 resellers, Dicker Data prides itself on establishing and developing strong long term relationships with its customer base. Dicker Data's customer-centric approach allows for dynamic reseller engagement and the ability to shift with changing market conditions.

With the acquisition of Express Data, Dicker Data's product portfolio has expanded to include additional leading technology vendors that weren't previously part of Dicker Data's portfolio. Total vendor partners is now in excess of 40 vendors. Currently positioned as the leading distributor for several of these vendors in Australia, Dicker Data will continue to strive for that position with all its vendor partners.

Our Brands

Board of Directors and Senior Management

Board of Directors

1. **David Dicker**
Chairman and Chief Executive Officer

2. **Mary Stojcevski**
Executive Director

3. **Michael Demetre**
Executive Director

4. **Fiona Brown**
Non-executive Director

5. **Vladimir Mitnovetski**
Executive Director

1

2

3

4

5

Senior Management

Senior management team serving at year end

1. **David Dicker**
Chairman and Chief Executive Officer

2. **Mary Stojcevski**
Chief Financial Officer

3. **Michael Demetre**
Logistics Director

5. **Vladimir Mitnovetski**
Chief Operating Officer

Chairman's Letter

This report is required with the realignment of our Financial year to the Calendar year.

The integration of Express Data took a bit longer and cost a bit more than we had hoped. In saying that we are still very happy with the process which is now complete.

As a result, our numbers, while meeting our own internal projections for the old H1, were lower than likely anticipated by the market.

I would say we are 6 months behind, results wise, to where I had hoped we would be. However when you have been going for 36 years, 6 months doesn't seem such a long time.

Our strategy is set and we are executing to plan, so I am confident we will get the projected result for our new 2015 Financial Year.

David Dicker

CEO and Chairman
Sydney, 31 March 2015

Results Highlights

Results Summary – comparative 6 month period Jul-Dec

Key Financial Data	2014 $'000	2013 $'000
Total revenue	**498,307**	224,581
Gross Profit	**45,491**	18,379
Earnings before interest, tax, depreciation [EBITDA] (before one-off integration and share acquisition costs)	**12,302**	7,592
Operating profit before tax (before one-off integration and share acquisition costs)	**6,306**	5,246
Net profit before tax	**2,334**	5,246
Net profit after tax [NPAT]	**1,560**	3,689
Normalised Earnings per share (cents)	**3.40**	2.89
Dividends paid	**5,611**	4,789
Dividends per share (cents)	**4.35**	3.75

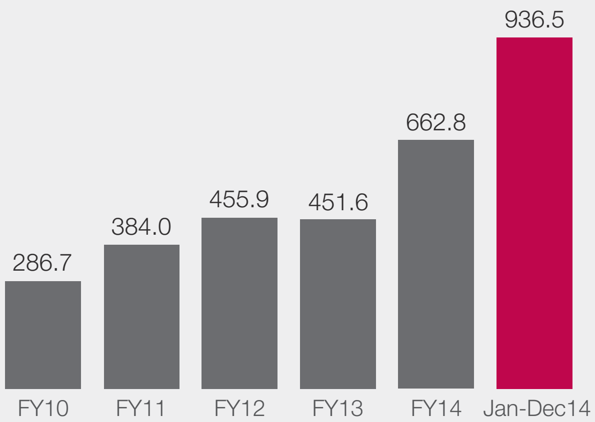
Results Summary – comparative 12 month period Jan-Dec

Key Financial Data	2014 $'000	2013 $'000
Total revenue	**936,492**	462,310
Gross Profit	**82,086**	39,955
Earnings before interest, tax, depreciation [EBITDA] (before one-off integration and share acquisition costs)	**25,374**	18,533
Operating profit before tax (before one-off integration and share acquisition costs)	**15,374**	13,793
Net profit before tax	**4,881**	13,793
Net profit after tax [NPAT]	**3,057**	9,665
Normalised Earnings per share (cents)	**2.36**	7.59
Dividends paid	**6,505**	8,939
Dividends per share (cents)	**5.01**	7.00

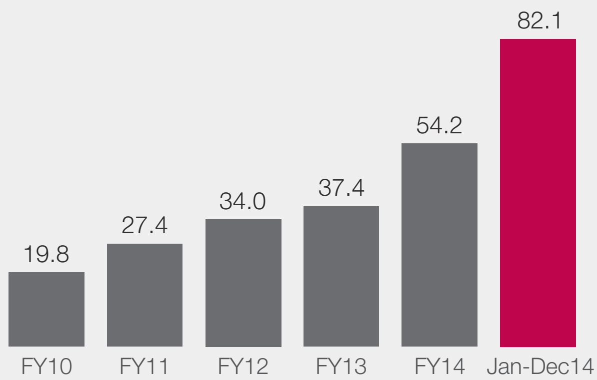
In FY14 the Company changed its financial year end to December, prior years in tables below reflect the June year end.

The Company expects to report substantial growth in sales and profitability in FY15 through the full year contribution from Express Data and from merger cost savings.

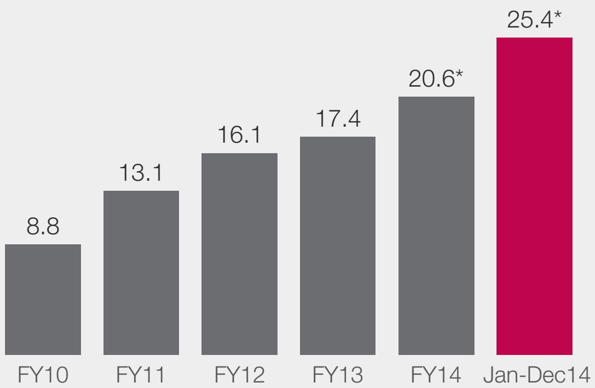
Revenue ($M)



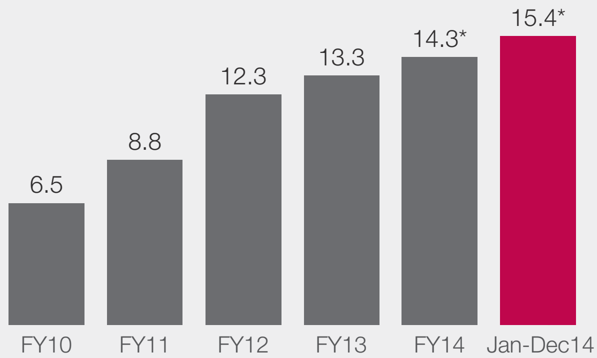
Gross Profit ($M)



EBITDA ($M)



Operating Profit before Tax ($M)



* Before tax and one-off integration and share acquisition costs.

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Dicker Data Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2014.

Directors

The following persons were directors of Dicker Data Limited during the transitional 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

Michael Demetre

Vladimir Mitnovetski (appointed 08.09.14)

Chris Price (resigned 29.10.14)

Principal Activities

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

Dividends

Dividends paid during the financial year were as follows:

Record Date	Payment Date	Dividend (in Dollars)	Amount (in 000's)	Type	FY	Amount Franked
01-Aug-14	12-Aug-14	0.0050	$641	Interim	2014	100%
25-Sep-14	07-Oct-14	0.0185	$2,376	Final	2014	100%
19-Dec-14	31-Dec-14	0.0200	$2,594	Interim	Dec 2014	100%
Total		**0.0435**	**$5,611**			

The total dividends declared and/or paid during the financial year were 4.35 cents per share or a total of $5.611 million, fully franked. Total dividend paid for the 12 month period in the year ended 30 June 2014 was 4.45c per share.

Our dividend policy provides for fully franked dividends to be paid on a quarterly basis, with the aim to pay out 100% of the underlying after tax profits from operations after taking into account projected capital expenditure and cash requirements. On the 10 March 2014 the company announced the introduction of a Dividend Reinvestment Plan as part of its capital management strategy. Under the plan eligible shareholders may elect to have all or part of their dividends paid in Dicker Data shares, with the two founding shareholders being majority owners participating in the plan. As a result the total cash dividends paid for the six months was limited to $701,787 or 12.5% of total dividends paid.

Due to the transitional financial year the Company has declared a final dividend for the six month year ending to 31st December 2014 on 18 March 2015 at 2.00 cents per share.

Change of Financial Year

On February 2, 2015 it was decided by the Board of Dicker Data Limited to change the Company's financial year end date from 30 June to 31 December. Previously, the Company's financial year commenced on 1 July and ended on 30 June. The change has been made in order to more closely align the financial year with the Company's trading year.

Operating and Financial Review

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

The comparatives in the table below are based on the 12 month period from July 2013 – June 2014, compared to the 6 month period July 2014 – December 2014. The financial statements have been prepared on this basis as the 6 months to 31 December 2014 is a transitional financial year.

	Dec-14 (6 Months) $'000	Jun-14 (12 Months) $'000	Change $ (in 000's)	Change %
Revenues from ordinary activities	$498,307	$662,766	-$164,459	-24.8%
Gross Profit	$45,491	$54,263	-$8,772	-16.2%
Net operating profit before tax	$6,306	$14,313	-$8,006	-55.9%
Net profit before tax	$2,334	$7,793	-$5,459	-70.1%
Net profit after tax attributable to members	$1,560	$5,186	-$3,626	-69.9%

The comparatives in the table below are based on a comparable 6 months period from July to December and the basis for which the Appendix 4E has been prepared and lodged, as it was considered to be most appropriate comparative.

	Dec-14 (6 Months) $'000	Dec-13 (6 Months) $'000	Change $ (in 000's)	Change %
Revenues from ordinary activities	$498,307	$224,581	$273,726	121.9%
Gross Profit	$45,491	$18,379	$27,112	147.50%
Net operating profit before tax	$6,306	$5,246	$1,061	20.2%
Net profit before tax	$2,334	$5,246	-$2,912	-55.5%
Net profit after tax attributable to members	$1,560	$3,689	-$2,129	-57.7%

Revenue

The revenue for the consolidated entity for the 6 months to 31 December 2014 was $498.3m (2013: $224.5m), up by 121.9% on the same period last year. This is in line with our projections in achieving $1 billion in annual revenues for a full financial year.

The significant revenue increase from the comparative period was due to the acquisition of Express Data Holdings Pty Ltd on April 1, 2014. The revenue contribution of the newly acquired vendors is approximately $246m, predominantly from Cisco, software and retail business units. Of the $246m revenue relating to the Express Data vendors, $68m was contributed by New Zealand.

Excluding the revenue contributed by the Express Data acquisition, the revenue contribution of Dicker Data's existing vendors finalised at $252m, up by $28m compared to same time last year. Under the HP group, our largest vendor pre-acquisition, total revenue was $139m, (2013: $132m) up by $7m largely due to the continued quarter on quarter growth we experienced in the Printing portfolio (IPG). IPG category compliments the PSG (Personal Systems Group) which has traditionally been the best performing category within Dicker Data. However, under HP server and storage product lines, we experienced revenue declines for the period (down by $3m), as HP appointed another major distributor which had an immediate impact on our revenues. Despite this and that we were working through an integration, Dicker Data still maintains top distribution market share of HP product.

Directors' Report

continued

In our volume group of vendors, we increased our revenues by $8m ($88m v $80m). With Lenovo we continued to increase our market share and focus on servicing our small business sectors (up by $4m), which has helped offset declines on Sony and Samsung, with both vendors withdrawing from the PC market. With new volume vendors being added to our portfolio for the FY15 financial year we anticipate growth in our volume vendor business unit.

In February 2014 we announced our appointment as a Microsoft Authorised Distributor of Original Equipment Manufacturer (OEM) and Full Packaged Products (FPP). Under this distribution agreement, we were able to expand our offerings within the Microsoft product range. This together with the Microsoft open licensing business coming on board from Express Data has given us more than $27m uplift in revenues in comparable period ($38m v $11m).

Gross Profit

Gross profit for the six months was $45m (2013: $18m) an increase of 147.50%, with some of the upside reflected from the Express Data acquisition, this aside Dicker Data maintained strong gross profit margins for period (9.0% v 8.1%). With strong revenues for the first half of December, we were able to increase margin based on increased investment in presales capabilities, solution architects and skilled sales force.

Operating Expenses

Operating costs for the six months were $43.1m (2013: $13.1m), an increase of $30.0m. This was primarily due to a significant increase in salary and related expenses ($24.5m v $8.4m) with the increase in headcount. Pre-acquisition, Dicker Data's head count was 100 staff, resulting in industry leading revenue per head metrics. Following the acquisition, headcount increased to 460 staff across Australia and New Zealand. During the last 9 months there has been a progressive reduction in headcount, with gradual redundancies associated with a duplication of functions. Current headcount across Australia and New Zealand is 350. During the 6 month period to 31 December 2014 we incurred additional one-off non-recurring restructure costs of approximately $4m. The majority of these costs relate to redundancies. We have incurred further redundancy costs in first quarter of FY15, further rationalising costs.

Excluding the restructure costs, other operating expenses also increased by $6.2m. Of these, $2.2m related to non-recurring costs related to Express Data's business. We incurred rental costs associated with the leasing of Botany premises of $1.0m and $1.2m under an IT services and transitional agreement with Dimension Data. Both these agreements expired in December 2014, which combined are expected to generate over $4m in annual savings in the new FY15 financial year. Finance costs increased ($4m v $2m) as a result of interest costs associated with funding the acquisition. Increases in depreciation and amortisation were largely a result of amortisation of intangibles relating to customer contracts not in the prior period, and increase in capital expenditure with office and equipment fit out as a result of integrating operations into one location at Kurnell.

Profit

Excluding one-off acquisition and integration costs operating profit before tax finalised at $6.3m (2013: $5.2m) up by 20.2%. In addition to the restructure and integration costs, there were also several operating costs which were incurred in the 6 months to 31 December 2014, but will not be incurred in FY15.

Normalised earnings per share increased to 3.40 cents per share, up by 17.6%.

Statement of Financial Position

Total assets for the financial year ended December 2014 reduced to $301m for the period (June 2014: $327m).

Cash finalised at $3.7m lower by $14.5m from the June 2014 financial year as $12.7m of term deposits were reclassified as Other Receivables. Trade receivables were down to $124.7m from $152.5m. Trade receivables are generally higher end of June with May and June traditionally being high revenue months. Inventories remain marginally lower, down to $84.6m from $85m.

Property, plant and equipment increased to $26.8m from $23.0m, due to capital works with the extension of the warehouse, office and equipment fitout. With the completion of the warehouse and office expansion we don't anticipate any major capital expenditure planned for the FY15 year.

Total liabilities reduced to $280m for the period (June 2014: $307m). Trade payables reduced to $132.1m (June 2014: $154.1m) as a result of lower purchases of inventories in the period, these generally peak at the beginning of the quarter. Total borrowings comprise of receivables and cash advance facility with Westpac used partly to fund the acquisition of Express Data and partly for working capital.

Short-term provisions increased by $1m. This was due to increase in employee benefits with an increase in headcount in the current period.

Significant Changes in the State of Affairs

Acquisition and Integration of Express Data Business

During the June 2014 financial year Dicker Data completed the company transforming acquisition of Express Data Holdings Pty Ltd, which completed 1 April 2014. The key focus for the Company during this reporting period was the integration of the two businesses.

In September 2014 we completed the physical integration of the Australian operation. This involved the relocation of all employees and logistic function from Botany to Kurnell, as well as integration of systems and processes. Site consolidation included the closure of all the branch offices and the lease at Botany expired in December 2014.

Integration of the workforces has been relatively smooth, but with less than expected natural attrition following Botany site closure. However there have been delays in streamlining the system and process integration, and to ensure customer and service levels were not affected, more headcount than expected was carried in the reporting period.

During the period there were also a number of costs carried for services that have since expired or have been terminated, for which the benefit will be realised in the FY15 financial year. These include the IT Services agreement and transitional services agreement, which combined represent annual savings of approximately $2.5m.

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

Matters Susequent to the End of the Financial Year

Corporate Bond Offering

On 16th March 2015, the Company announced it will undertake a 5 year floating rate unsecured corporate bond offering to raise $40 million. The bond offering will increase the tenure of our debt maturity profile and diversify our debt funding sources. The net proceeds of the offering will be used to reduce existing bank debt and for general corporate purposes.

The Lead Arranger for the transaction is FIIG Securities Limited. The bond offering is only open to eligible professional and sophisticated investors. No prospectus or other disclosure documents in relation to the bond will be lodged with the Australian Securities and Investment Commission or any other regulatory authority.

The bond offering is part of our active approach to capital management. This bond issue is an important initiative for the Company which reflects our determination to ensure that we have multiple sources of funding and the security of longer term debt.

The Company completed the issue of its unsecured corporate bond offering on 26th March 2015. The offer was fully subscribed with $40 million being raised at a floating coupon rate of 4.40% per annum over the 90 day Bank Bill Swap Rate for a five-year term, maturing in March 2020.

Dividend Declaration

On 18th March 2014, the company declared a final dividend for the transitional December 2014 financial year of $0.02 per share. The record date was 25th March 2014, and the dividend is to be paid on 2nd April 2015. Eligible shareholders are able to participate in the Company's Dividend Reinvestment Plan.

Likely Developments and Expected Results of Operations

One of the key initiatives for the 2015 financial year is the launch of our Cloud Market Place. We are seeing Cloud becoming mainstream and top of mind when end users are up for an IT refresh or rolling out new applications. We are working on a 'market place' portal scheduled to be launched in the next few months, to provide a comprehensive portfolio of best in breed cloud services technology and capability for our resellers. Our proposed service offering includes an aggregator model where we provide a services catalogue from several different cloud and application vendors incorporating monthly and annual billing.

Another key focus area is the introduction of our volume vendors into the New Zealand market. We see great opportunity to grow our revenue in New Zealand as there was virtually no vendor product overlap. This is set to commence from the second quarter in FY15. This will also involve system and processes integration to align the reporting.

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.

Directors' Report

continued

Environmental Regulation

The consolidated entity is subject to the requirements of the Product Stewardship (Televisions and Computers) Regulations 2011. There have been no instances of non-compliance throughout the year.

Information on Directors

David Dicker – Chief Executive Officer (CEO) and Chairman

David is the co-founder of the company and has been a director of the company since its inception. David's role as CEO requires focus on Dicker Data's business strategy and decision making and under David's strategic guidance the company has enjoyed material growth, establishing Dicker Data as one of the leading Australia-based distributors of IT products.

Interest in Equities
62,549,354 Ordinary shares in Dicker Data Limited

Interest in Contracts
Nil

Special Responsibilities
Chairman and 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

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 has been involved with the business since it started in 1978 and has been a director of the company since 1983. As a Non-executive Director, Fiona brings her knowledge of the business and 26 years of experience in the IT distribution industry.

Interest in Equities
54,852,929 Ordinary shares in Dicker Data Limited

56,470 Ordinary shares held by South Coast Developments Pty Ltd as trustee for the Brown Family Supefund

Interest in Contracts
Nil

Special Responsibilities
Member of the Work Health and Safety Committee
Chairperson of Audit Committee

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 all of the financial management, administration and compliance functions of the company. Prior to joining Dicker Data Mary had over 15 years' experience in accounting and taxation. Mary holds a Bachelor of Commerce Degree with a major in Accounting from the University of New South Wales. Mary is also an Executive Director of the company and has been a director since 31 August 2010.

Interest in Equities
10,180 Ordinary shares in Dicker Data Limited

62,160 Ordinary Shares held by Stojinvest Pty Ltd as trustee for Stojinvest Superannuation Fund

Interest in Contracts
Nil

Special Responsibilities
Responsible for the overall financial management of the consolidated entity

Other Current Listed Company Directorships
None

Other Current Listed Company Directorships Held in Previous 3 Years
None

Vladimir Mitnovetski – Chief Operating Officer

Vlad joined the company in 2010 in his role as Category Manager. In this role he was fully responsible for the establishment and growth of key volume vendors and was instrumental in the introduction of new vendors to Dicker Data's portfolio. Vlad is a business technology professional with over 15 years of distribution industry experience. Vlad started his career at Tech Pacific and then Ingram Micro where he worked in various roles before progressing to business unit manager roles in enterprise and personal systems working closely with many leading vendors. Vlad holds a bachelor of business degree from University of Technology and a master degree in advance marketing and management from the University of New South Wales. Vlad was appointed to the position of Chief Operating Officer on 8th September 2014 following the resignation of Chris Price.

Interest in Equities
24,439 shares in Dicker Data Limited

Interest in Contracts
Nil

Special Responsibilities
Responsible for the sales, vendor alliances and operations of the consolidated entity.

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 brings over 14 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. Chris was also an Executive Director of the company and was a director since 21st September 2010. Chris resigned as director on 29th October, 2014.

Interest in Equities:
15,500 shares in Dicker Data Limited

Interest in Contracts:
Nil

Special Responsibilities:
Responsible for the sales and operations of the consolidated entity.

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, where 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 and has been a director since 21st September 2010.

Interest in Equities
10,000 shares in Dicker Data Limited

Interest in Contracts
Nil

Special Responsibilities
Responsible for the warehouse and logistics operations.

Other Current Listed Company Directorships
None

Other Current Listed Company Directorships Held in Previous 3 Years
None

Company Secretary

Mrs Leanne Ralph B.Bus, ACIS, AAICD was appointed to the position of company Secretary on the 8th of February 2011. Leanne has over 23 years' experience as a 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.

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:

Directors	Number Eligible to Attend	Number Attended
David Dicker	3	3
Fiona Brown	3	3
Mary Stojcevski	3	3
Chris Price	2	1
Vladimir Mitnovetski	2	2
Michael Demetre	3	3

Directors' Report

continued

Remuneration Report (Audited)

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

(f) Additional disclosures relating to key management personnel

(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 either monthly or quarterly based on the actual performance against the relevant monthly profit with 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.

It was agreed that for executive directors who report to the CEO, for the purpose of satisfying the performance condition, that the one-off non-recurring costs would be excluded. Performance measure was based on the operating profit before tax excluding share acquisition, borrowing, restructure and integration costs. This was considered the appropriate measure as these one-off costs were incurred to facilitate the acquisition, which was undertaken for the long term benefit of the company and its shareholders.

Details of Remuneration for Directors and Key Management Personnel

	Short-Term				Short-Term	Long-Term	Share Based Payments				
	Cash	Short term Incentive Cash Bonus	Super-annuation	Non-Cash	Annual Leave	Long Service	Shares	Options	Total	Proportion of remuneration that is performance based	% of Value of remuneration that consists of share Based Payments
FY	Salary & Fees			FBT Reportable	Leave	Leave					
	$	$	$	$		$	$	$	$	$	%
Executive Directors											
David Dicker – Chief Executive Officer											
December 2014									–		0.00%
2014									–		0.00%
Chris Price – Commercial Director				[Termination Date: 30 November 2014]							
December 2014	312,246	150,000	43,913	–					506,159	32.45%	0.00%
2014		783,823	83,730	55,459					923,012	100.00%	0.00%
Vladimir Mitnovetski – Chief Operating Officer											
December 2014		340,940	32,389		6,402	5,003			384,734	100.00%	0.00%
2014		561,059	59,820		(5,320)	10,006			625,564	100.00%	0.00%
Mary Stojcevski – Chief Financial Officer											
December 2014	100,000	31,987	12,539		917	1,698			147,141	21.74%	0.00%
2014	200,000	214,693	40,214		7,650	3,324			465,881	46.08%	0.00%
Michael Demetre – Logistics Director											
December 2014	112,500	21,324	12,713		8,820	1,910			157,268	13.56%	0.00%
2014	217,308	143,128	35,145		18,868	9,654			424,103	33.75%	0.00%
Non-executive Directors											
Fiona Brown											
December 2014									–		0.00%
2014									–		0.00%
Total December 2014	**524,746**	**544,251**	**101,555**	**–**	**16,140**	**8,611**	**–**	**–**	**1,195,303**		
Total 2014	**417,308**	**1,702,703**	**218,909**	**55,459**	**21,198**	**22,984**	**–**	**–**	**2,438,560**		

Directors' Report

continued

(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.

Executive Service Agreement for Vladimir Mitnovetski

The Company has appointed Vladimir Mitnovetski as Chief Operating Officer and Director of the Board of the company by way of an Executive Service Agreement (ESA). The ESA is dated 1 September 2014. The appointment of Mr Mitnovetski is for an unspecified time. Either the company or Mr Mitnovetski may terminate the ESA with 3 months' notice. The remuneration payable to Mr Mitnovetski will be paid a performance based salary of the higher amount of either: (i) $50,000; or (ii) 5% of Net Profit in the month subject to the Company achieving a monthly Net Profit Margin of 2.5% in a calendar quarter plus superannuation at 9.5%. The ESA also contains a number of post-termination restraints. Prior to this ESA, Mr Mitnovetski was payable $22,750 per month, subject to achieving monthly net profit targets for his Business Unit as set at the start of each financial year, comprising all of the volume vendors excluding HP. On achievement of the monthly target for his Business Unit the company paid a further 15% of net profit that is above $250,000 per month.

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 operating profit per month before tax. This is subject to net profit margin before tax not being less than 2.5%, unless otherwise agreed, less his total motor vehicle expenses for that month. Mr Price is also entitled to a company car with the motor vehicle expenses to be deducted from his gross remuneration. The ESA also contains a number of post-termination restraints. Chris resigned as Commercial Director on 3rd September 2014 and his employment terminated on 30th November 2014. He also resigned as Director of the Board on 24th October 2014.

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 $200,000 per annum plus superannuation at 9.5%. Ms Stojcevski is also entitled to a performance bonus equal to 1.5% of the company's net profit before tax. This is subject to net profit margin before tax not being less than 2.5%, unless otherwise agreed. 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 base remuneration of $225,000 per annum plus superannuation at 9.5%. Mr Demetre is also entitled to a performance bonus equal to 1% of the Company's net profit before tax. This is subject to net profit margin before tax not being less than 2.5%, unless otherwise agreed. 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 31 December 2014, 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. Operating profit for the consolidated entity grew by 10.9%, excluding the one off integration costs associated with the acquisition of Express Data. As a large proportion of the executives remuneration package is based on net operating profit outcomes the average executive remuneration also increased. Since 2011, the net profit before tax has grown at an average rate of 10.9% per annum, whilst the average executive remuneration has increased by an average of 11.7% per annum. Shareholder wealth has increased at an average rate of 9.0% per annum over this period.

Voting and comments made at the company's 2013 Annual General Meeting (AGM)

At the 2014 AGM, 98.23% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2014. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

(f) Additional disclosures relating to key personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their related parties, is set out below:

December 2014	Balance at the start of the year	Additions	Disposals	Balance at the end of the year
Ordinary Shares				
David Dicker	61,140,719	1,408,635		62,549,354
Fiona Brown	53,674,091	1,235,308		54,909,399
Mary Stojcevski	51,044	21,296		72,340
Chris Price	15,500			15,500
Michael Demetre	10,000			10,000
Vlad Mitnovetski	24,439			24,439
	114,915,793	**2,665,239**		**117,581,032**

June 2014	Balance at the start of the year	Additions	Disposals	Balance at the end of the year
Ordinary Shares				
David Dicker	63,750,000	390,719	3,000,000	61,140,719
Fiona Brown	56,270,757	403,334	3,000,000	53,674,091
Mary Stojcevski	50,136	908		51,044
Chris Price	15,500			15,500
Michael Demetre	10,000			10,000
Vlad Mitnovetski	24,439			24,439
	120,120,832	**794,961**	**6,000,000**	**114,915,793**

Transactions with related parties

At the end of the reporting period there was a loan from non-executive director Fiona Brown for $2,500,000. The loan is unsecured and repayable on-call. Interest on the loan is at 5.5% paid semi-annually or when repaid.

This concludes the remuneration report which has been audited.

Directors' Report

continued

Share Options

There were no outstanding options at the end of this financial year.

Indemnification and Insurance of Directors and Officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and Insurance of Auditor

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on Behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-Audit Services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in Note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

– all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
– none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the Company Who are Former Audit Partners of BDO

There are no officers of the company who are former audit partners of BDO East Coast Partnership.

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.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 67.

Auditor

Accounting Firm BDO East Coast Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

David Dicker

CEO and Chairman
Sydney, 31 March 2015

Corporate Governance Statement

The Board of Dicker Data Limited (**Company** or **Dicker Data**) recognises the importance of good governance in achieving corporate objectives, in discharging its responsibilities to all stakeholders and in addressing the broader role of the Company as a good corporate citizen.

The Company's governance framework is designed to ensure that the Company is effectively managed, that statutory obligations are met and that the culture of personal and corporate integrity is maintained.

This Corporate Governance Statement outlines the Company's governance framework, policies and procedures that were in place for the full financial year ended 31st December 2014 (unless otherwise stated) in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and recommendations 2nd Edition (**ASX Recommendations**).

All references to the Company's website are to: **www.dickerdata.com.au**

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 the Company 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 in detail those responsibilities reserved for the Board. This Charter is published on Dicker Data's website.

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 (**CEO**) 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 and monitoring the performance of key management personnel.

The performance of the CEO is measured by comparing actual performance against planned performance in terms of the budget, the Company's share price and corporate strategy development.

The CEO is responsible for assessing the performance of the key executives within Dicker Data. The basis of evaluation of senior executives is 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.

Annual performance evaluations are undertaken by managers in September.

This policy is reviewed annually.

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
Vladimir Mitnovetski	Executive Director
Michael Demetre	Executive Director

Corporate Governance Statement

continued

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 CEO 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 currently no independent directors on the Board. The Board considers that its composition is appropriate to Dicker Data's size and operational structure, the Directors' experience and their collective knowledge of Dicker Data's assets. Details on the skills, experience and expertise of each director in office are outlined on page 10 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 including some 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.

Directors may obtain independent professional advice at the Company'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, history of the business 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 CEO are currently being carried out by the same individual. The Board considers this to be appropriate for the Company's current operational structure and the nature of its activities.

Recommendation 2.4: The board should establish a nomination committee.

The Board does not currently 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.

Should the decision be made to appoint an additional Director, recommendations of candidates will be 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 believes that the requirements and nomination processes are currently appropriate for the Company. The Board will establish a nomination committee in the future should the requirement arise.

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

The Board has considered the merits of undertaking a review of its performance and the performance of individual directors and has determined that the current size and composition of the board allows for:

a. Decisions to be made appropriately and expediently;
b. A range of different perspectives to be put forward regarding issues before the board;
c. A range of different skills to be brought to board deliberations; and
d. Board decisions to be made in the best interests of Dicker Data as a whole rather than of individual shareholders or interest groups.

As a result of this determination, the Board has chosen not to undertake this review process for the year ended 31 December 2014. It is the view of the Board that the existing composition of the Board is optimal for current stage of the business and that the operations do not require additional skillsets at this point in time to drive the business and shareholder returns.

The Board acknowledges the benefit of establishing a process to review and evaluate the performance of individual directors and the Board as a whole and, as the business evolves, the Board expects to conduct a review of its performance and composition, to ensure that it has the appropriate mix of expertise and experience, taking into account the size and nature of Dicker Data's activities.

There is one Board committee that was established in November 2014 that does not require a review at this stage.

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; and
- 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 be 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. Currently, the Board does not consider a formal policy to be warranted as the Company is one which has an open policy to diversity, including gender diversity. This is evident in the number of females to males in the whole organisation, at management level and also on the Board. This information is disclosed below.

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 as it does not yet have a formal Diversity Policy. The Board is of the view that there is an adequate balance between genders across the business and the numbers disclosed below reflect this.

Corporate Governance Statement

continued

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:

Organisation-wide:

155 Females (43%) : 209 Males (57%)

Senior Executive Positions:

1 Females (17%) : 5 Males (83%)

The Board of Directors:

2 Females (40%) : 3 Males (60%)

New Zealand Operations:

29 Females (46%) : 34 Males (54%)

Principal 4: Safeguard Integrity in Financial Reporting

Recommendation 4.1: The board should establish an audit committee.

The Board has established an Audit and Risk Committee (ARC), which assists the Board in fulfilling its governance and disclosure responsibilities. The ARC has a written charter outlining its role and responsibilities.

The purpose of the ARC is to review the integrity of the Group's financial reporting practices; oversee the independence of the external auditors; maintain open lines of communication among the Board and external auditors, serve as an independent and objective party to review the financial information submitted by management to the Board for issue to security holders, regulatory authorities and the general public; review the adequacy of the reporting and accounting controls of the Group; and to oversee the Group's legislative compliance and risk management policies and procedures.

The ARC has the following responsibilities:

(i) Review of the Group's financial reports

– Review the Group's financial reports and commentary prepared by management.
– Review any matters raised on the financial reports by the Group's external auditor.
– Assess the appropriateness of the accounting policies adopted in preparing the Group's financial reports.
– Assess whether the financial reports are adequate for security holder needs.
– Review compliance with disclosure requirements.
– Assess the adequacy of representations by management as to presentation of the financial reports.
– Recommend approval of the financial reports by the Board.
– Review the Group's financial budget.

(ii) External auditors

– Establish and maintain procedures for the appointment and rotation of the Group's external auditor.
– Assess the performance of the external auditor.
– Assess the independence of the external auditor, having regard to the provision of non-audit services.
– Review the reasonableness of the external audit fees.

(iii) Internal control framework

– Review the written policies and procedures designed to ensure accurate external financial reporting and make recommendations to the Board thereon.
– Whilst the Group does not currently have an internal audit function, should there be one in the future, the ARC will receive reports from the internal audit function including on all incidents of actual or suspected fraud or theft.
– Review of operational risk management framework.
– Review of the internal compliance and control systems in relation to functions other than financial reporting.

(iv) Compliance

– Review the adequacy of the Group's system for compliance with relevant laws, regulations, standards and codes.

(v) Risk management

- The ARC shall be responsible for implementing and overseeing the Group's risk management policies.
- Identifying and assessing the Group's material business risks.
- Regularly reviewing and updating the Group's risk profile.
- Approving treasury and hedge policies.
- Overseeing the risk management policies and systems.
- Considering whether the Group has any material exposure to economic, environmental and social sustainability risks, and if applicable, review and monitor the systems in place to manage these risks.

The ARC consists of three directors, one of whom is non-executive. No members are considered independent, due to the circumstances described earlier in this statement, but the Board believes this composition is appropriate to carry out the roles and responsibilities of the ARC as outlined in its Charter.

The ARC chaired by a non-executive director, who is not chair of the Board.

The current members of the ARC are:

- Ms Fiona Brown (Chair);
- Mr David Dicker; and
- Mr Vladimir Mitnovetski.

All members have a good understanding of financial reporting. Details of these Directors' qualifications and attendance at ARC meetings are set out in the Directors' report. The external auditor attends the annual general meeting and is available to answer security holder questions about the conduct of the audit and the preparation and content of the audit report, accounting policies adopted by the Company, and the independence of the auditor in relation to the conduct of the audit.

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 Company has adopted a Continuous Disclosure Policy that 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.

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

The Company Secretary is 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.

The Continuous Disclosure Policy is available on the company website.

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.

Corporate Governance Statement

continued

Information will be communicated to shareholders by Dicker Data through:

1. Placement of market announcements on Dicker Data's web-site 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 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 monitors and receives advice on areas of operational and financial risk, and considers 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, statutory compliance and continuous disclosure obligations.

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 CEO and CFO manages Dicker Data's material business risks and reports to the Board.

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.

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.

FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of Profit or Loss and other Comprehensive Income

	Note	Consolidated 31-Dec-14 (6 Months) $'000	Consolidated 30-Jun-14 (12 Months) $'000
REVENUE			
Sales revenue	4	497,810	662,035
Other revenue:			
Interest received	4	207	111
Recoveries	4	3	270
Other revenue	4	287	350
		498,307	**662,766**
EXPENSES			
Changes in inventories	5	(446)	24,375
Purchases of inventories	5	(452,370)	(632,167)
Employee benefits expense		(24,541)	(26,825)
Depreciation and amortisation	5	(1,986)	(1,469)
Finance costs	5	(4,009)	(5,134)
Borrowing Costs		(29)	(1,569)
Share acquisition expenses		–	(1,831)
Integration and restructure costs		(3,944)	(2,868)
Other expenses		(8,648)	(7,485)
		(495,973)	**(654,973)**
Profit before income tax expense		**2,334**	**7,793**
Income tax expense	6	(774)	(2,608)
Profit after income tax expense for the year		**1,560**	**5,186**
Profit attributable to members of the company		**1,560**	**5,186**
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign Currency Translation		439	(83)
Total comprehensive income for the period		**1,999**	**5,103**
Total comprehensive income attributable to members of the company		**1,999**	**5,103**
Earnings per share		**Cents**	**Cents**
Basic earnings per share	34	1.20	4.06
Diluted earnings per share	34	1.20	4.06

The statement of profit or loss and other comprehensive income is to be read in conjunction with the attached notes.

AS AT 31 DECEMBER 2014

Statement of Financial Position

	Note	Consolidated 31-Dec-14 (6 Months) $'000	Consolidated 30-Jun-14 (12 Months) $'000
ASSETS			
Current Assets			
Cash and cash equivalents	7	3,703	18,231
Trade and other receivables	8	146,150	161,180
Inventories	9	84,614	85,061
Current tax asset	15	1,757	–
Total Current Assets		**236,224**	**264,472**
Non-Current Assets			
Property, plant and equipment	10	26,806	23,021
Intangible assets	11	33,963	35,088
Deferred tax assets	12	4,541	4,901
Total Non-Current Assets		**65,310**	**63,010**
TOTAL ASSETS		**301,534**	**327,482**
LIABILITIES			
Current Liabilities			
Trade and other payables	13	145,393	174,892
Borrowings	14	122,658	118,422
Current tax liabilities	15	–	1,554
Short-term provisions	16	4,584	3,517
Total Current Liabilities		**272,635**	**298,385**
Non-Current Liabilities			
Borrowings	14	–	310
Deferred tax liabilities	17	6,290	6,778
Long-term provisions	18	908	1,590
Total Non-Current Liabilities		**7,198**	**8,678**
TOTAL LIABILITIES		**279,833**	**307,063**
NET ASSETS		**21,701**	**20,419**
EQUITY			
Equity attributable to Equity Holders			
Issued capital	19	6,891	1,997
Reserves	20	725	286
Retained profits		14,085	18,136
TOTAL EQUITY		**21,701**	**20,419**

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

Statement of Changes in Equity

Consolidated	Issued Capital $'000	Retained Profits $'000	Reserves $'000	Total Equity $'000
Balance at 1 July 2013	**1,145**	**18,633**	**369**	**20,147**
Profit after income tax for the year	–	5,186	–	**5,186**
Other comprehensive loss for year net of tax	–	–	(83)	**(83)**
Total comprehensive income for the year	–	5,186	(83)	**5,103**
Transactions with the owners in their capacity as owners:				
Share Issue (DRP – Dividend Reinvestment Plan)	852	–	–	**852**
Dividends Paid	–	(5,683)	–	**(5,683)**
Balance at 30 June 2014	**1,997**	**18,136**	**286**	**20,419**
Balance at 1 July 2014	**1,997**	**18,136**	**286**	**20,419**
Profit after income tax for the year	–	1,560	–	**1,560**
Other comprehensive income for the year net of tax	–	–	439	**439**
Total comprehensive income for the year	–	1,560	439	**1,999**
Transactions with the owners in their capacity as owners:				
Share Issue (DRP) (Note 19)	4,894	–	–	**4,894**
Dividends Paid (Note 21)	–	(5,611)	–	**(5,611)**
Balance at 31 December 2014	**6,891**	**14,085**	**725**	**21,701**

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

Statement of Cash Flows

	Note	Consolidated 31-Dec-14 (6 Months) $'000	Consolidated 30-Jun-14 (12 Months) $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		565,881	733,597
Payments to suppliers and employees (inclusive of GST)		(570,737)	(707,964)
Interest received		207	111
Interest and other finance costs paid		(4,009)	(5,134)
Income tax paid		(4,180)	(4,779)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	32	**(12,838)**	**15,831**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(5,005)	(3,319)
Payments for intangibles		(4)	(32)
Payment for purchase of business, net of cash acquired	29	–	(43,365)
Other		95	66
NET CASH (USED IN) INVESTING ACTIVITIES		**(4,914)**	**(46,650)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		3,926	54,957
Payment of dividends		(702)	(6,412)
NET CASH FROM FINANCING ACTIVITIES		**3,224**	**48,545**
NET CASH FLOWS		(14,528)	17,726
Cash and cash equivalents at the beginning of the period		18,231	505
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	7	**3,703**	**18,231**

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

Notes to the Financial Statements

1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, Revised or Amending Accounting Standards and Interpretations Adopted

The consolidated entity 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 below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 July 2014 may increase the disclosures by the consolidated entity.

AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and amends AASB 139 'Financial Instruments: Recognition and Measurement' to permit continuation of hedge accounting in circumstances where a derivative (designated as hedging instrument) is novated from one counter party to a central counterparty as a consequence of laws or regulations. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities

These amendments are applicable to annual reporting periods beginning on or after 1 January 2014 and allow entities that meet the definition of an 'investment entity' to account for their investments at fair value through profit or loss. An investment entity is not required to consolidate investments in entities it controls, or apply AASB 3 'Business Combinations' when it obtains control of another entity, nor is it required to equity account or proportionately consolidate associates and joint ventures if it meets the criteria for exemption in the standard. The adoption of these amendments from 1 July 2014 will have no impact on the consolidated entity.

Notes to the Financial Statements

continued

1. Significant Accounting Policies (continued)

Annual Improvements to IFRSs 2010-2012 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

Annual Improvements to IFRSs 2011-2013 Cycle

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects four Accounting Standards as follows: Clarifies the 'meaning of effective IFRSs' in AASB 1 'First-time Adoption of Australian Accounting Standards'; Clarifies that AASB 3 'Business Combination' excludes from its scope the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself; Clarifies that the scope of the portfolio exemption in AASB 13 'Fair Value Measurement' includes all contracts accounted for within the scope of AASB 139 'Financial Instruments: Recognition and Measurement' or AASB 9 'Financial Instruments', regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132 'Financial Instruments: Presentation'; and Clarifies that determining whether a specific transaction meets the definition of both a business combination as defined in AASB 3 'Business Combinations' and investment property as defined in AASB 140 'Investment Property' requires the separate application of both standards independently of each other. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

Basis of Preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Parent Entity Information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 28.

Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Dicker Data Limited ('company' or 'parent entity') as at 31st December 2014 and the results of all subsidiaries for the year then ended. Dicker Data Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign Currency Translation

The financial statements are presented in Australian dollars, which is Dicker Data Limited's functional and presentation currency.

Foreign Currency Transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign Operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue Recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Sale of Goods

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 and trade discounts.

Notes to the Financial Statements

continued

1. Significant Accounting Policies (continued)

Interest

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

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

Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. With the change in financial year, the Company has applied and has been approved for a substituted accounting period for the lodgement of its tax return based on the calendar year January to December.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Dicker Data Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group from 01 April 2014, under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and Non-Current Classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within twelve months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when: it is expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and Cash Equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and Other Receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment. Other receivables include cash deposits that are held with maturity periods longer than 3 months.

Inventories
Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Derivative Financial Instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Notes to the Financial Statements

continued

1. Significant Accounting Policies (continued)

Cash flow hedges

Cash flow hedges are used to cover the consolidated entity's exposure to variability in cash flows that is attributable to particular risk associated with a recognised asset or liability or a firm commitment which could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, whilst the ineffective portion is recognised in profit or loss. Amounts taken to equity are transferred out of equity and included in the measurement of the hedged transaction when the forecast transaction occurs.

Cash flow hedges are tested for effectiveness on a regular basis both retrospectively and prospectively to ensure that each hedge is highly effective and continues to be designated as a cash flow hedge. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to profit or loss.

If the hedging instrument is sold, terminated, expires, exercised without replacement or rollover, or if the hedge becomes ineffective and is no longer a designated hedge, amounts previously recognised in equity remain in equity until the forecast transaction occurs.

Investments and Other Financial Assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Financial Assets at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss.

Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of Financial Assets

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

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

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	–	40 Years
Property improvements	–	10-20 Years
Leasehold improvements	–	10-20 Years
Plant and equipment	–	2-10 Years
Plant and equipment under lease	–	2-10 Years
Motor vehicles	–	8 Years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Leases
The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible Assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the de-recognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Customer Contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life which varies between 18 months and 12 years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Notes to the Financial Statements

continued

1. Significant Accounting Policies (continued)

Impairment of Non-Financial Assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other Payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30–60 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred, including:

- interest on any bank overdraft
- interest on short-term and long-term borrowings
- interest on finance leases
- unwinding of the discount on provisions

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other Long-Term Employee Benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued Capital

Ordinary shares are classified as equity.

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

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Business Combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Notes to the Financial Statements

continued

1. Significant Accounting Policies (continued)

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings Per Share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Dicker Data Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other Similar Taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

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.

New Accounting Standards and Interpretations not yet Mandatory or early Adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 31 December 2014 The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments and its Consequential Amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phases I and III of the IASB's project to replace IAS 39 (AASB 139) 'Financial Instruments: Recognition and Measurement'. This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 'Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entities when hedging financial and non-financial risks. The consolidated entity will adopt this standard and the amendments from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

Parts A to C of these amendments is applicable to annual reporting periods beginning on or after 1 July 2014 and affects the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments': amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination. The adoption of these amendments from 1 January 2015 will not have a material impact on the consolidated entity.

AASB 2014-3 Amendments to Australian Accounting Standards - Accounting for Acquisitions of Interests in Joint Operations

These amendments are applicable to annual reporting periods beginning on or after 1 January 2016. AASB 2014-3 amends AASB 11 Joint Arrangements and requires an acquisition of an interest in a joint operation, being an activity that constitutes a business, to be accounted for and presented using AASB 3 (and other relevant accounting standards) business combination principles and disclosures. The adoption of these amendments from 1 January 2016 will not have a material impact on the consolidated entity.

AASB 2014-4 Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation

These amendments are applicable to annual reporting periods beginning on or after 1 January 2016. AASB 2014-4 amends AASB 116 and AASB 138 to clarify that depreciation and amortisation should be based on the expected pattern of consumption of an asset, that the use of revenue based methods to calculate depreciation is not appropriate, and that there is a rebuttable presumption that revenue is an inappropriate basis for measuring the consumption of the economic benefit embodied in an intangible asset. The adoption of these amendments from 1 January 2016 will not have a material impact on the consolidated entity.

IFRS 15 Revenue from Contracts with Customers

This standard is expected to be applicable to annual reporting periods beginning on or after 1 January 2017. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment.

Notes to the Financial Statements

continued

1. Significant Accounting Policies (continued)

Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

2. Critical Accounting Judgements, Estimates and Assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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.

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.

Fair Value Measurement Hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of Useful Lives of Assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite 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.

Goodwill and other Indefinite Life Intangible Assets

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of Non-Financial Assets other than Goodwill and other Indefinite Life Intangible Assets

The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined.

This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income Tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. 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 consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's 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
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee Benefits Provision
As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are 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. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease make Good Provision
A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Purchase of inventories
Cost of goods are represented net of supplier rebates and settlement discounts. 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.

Business Combinations
As discussed in Note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

3. Operating Segments

Identification of Reportable Operating Segments
The consolidated entity is organised into two operating segments: Australian and New Zealand operations. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). Reportable revenue is for only the one product being sale of IT goods. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Intersegment Transactions
During the year there was a dividend paid from Dicker Data NZ Ltd to Express Data Holdings Pty Ltd for $2,867,521.

Notes to the Financial Statements

continued

3. Operating Segments (continued)

Intersegment Receivables, Payables and Loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Operating Segment Information

Consolidated – December 2014	Australia $'000	New Zealand $'000	Eliminations/ Unallocated $'000	TOTAL $'000
Revenue				
Sale of goods	430,063	67,747	–	**497,811**
Other revenue:				
Recoveries	3	–	–	**3**
Other revenue	3,154	–	(2,868)	**287**
Interest revenue	157	183	(133)	**207**
Total Revenue	433,378	67,930	(3,000)	**498,308**
EBITDA	9,597	2,469	–	**12,066**
Depreciation & Amortisation	(1,790)	(196)	–	**(1,986)**
Interest revenue	157	183	(133)	**207**
Finance costs	(4,142)	–	133	**(4,009)**
Integration and restructure costs	(3,944)	–	–	**(3,944)**
Profit before income tax	(122)	2,456	–	**2,334**
Income tax expense	(65)	(709)	–	**(774)**
Profit after income tax expense	(187)	1,747	–	**1,560**
Assets				
Segment Current Assets	210,836	30,836	(5,448)	**236,224**
Segment Non Current Assets	63,905	1,405	–	**65,310**
Segment Assets	274,741	32,241	(5,448)	**301,534**
Liabilities				
Segment Current Liabilities	246,763	20,424	5,448	**272,635**
Segment Non Current Liabilities	7,099	99	–	**7,198**
Segment Liabilities	253,862	20,523	5,448	**279,833**

Consolidated – June 2014	Australia $'000	New Zealand $'000	Eliminations/ Unallocated $'000	TOTAL $'000
Revenue				
Sale of goods	626,665	35,370	–	**662,035**
Other revenue:				
Recoveries	270	–	–	**270**
Other revenue	350	–	–	**350**
Interest revenue	82	96	(67)	**111**
Total Revenue	627,367	35,466	(67)	**662,766**
EBITDA	19,555	1,250	(6,519)	**14,286**
Depreciation & Amortisation	(1,366)	(103)	–	**(1,469)**
Interest revenue	82	96	(67)	**111**
Finance costs	(5,201)	–	67	**(5,134)**
Profit before income tax	13,071	1,243	–	**7,794**
Income tax expense	(2,041)	(567)	–	**(2,608)**
Profit after income tax expense	11,030	676	–	**5,186**
Assets				
Segment Current Assets	279,556	34,214	(49,298)	**264,472**
Segment Non Current Assets	56,240	1,473	–	**57,713**
Segment Assets	335,795	35,688	(49,298)	**322,185**
Liabilities				
Segment Current Liabilities	292,696	23,193	(17,504)	**298,385**
Segment Non Current Liabilities	3,291	89	–	**3,380**
Segment Liabilities	295,988	23,281	(17,504)	**301,765**

	Consolidated	
	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
4. Revenue		
Sales revenue		
Sale of goods	497,810	662,035
Other revenue:		
Interest	207	111
Recoveries	3	270
Other revenue	287	350
Total Revenue	**498,307**	**662,766**

Notes to the Financial Statements

continued

	Consolidated	
	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
5. Expenses		
Cost of sales		
Cost of sales	452,816	607,792
Depreciation		
Building	195	305
Plant and equipment	619	543
Total depreciation	814	847
Amortisation		
Development	20	47
Software	30	13
Customer Contracts	1,122	561
Total amortisation	1,172	622
Total depreciation and amortisation	1,986	1,469
Finance costs		
Interest and finance charges paid/payable	4,009	5,134
Superannuation expense		
Defined contribution superannuation expense	1,912	1,985
Operating Leases		
Property Rental Expense	1,628	674

6. Income Tax Expense

(a) The components of tax expense comprise:

Current tax	950	4,053
Over/(Under) provision in respect of prior years	(48)	183
	(902)	**4,236**
Deferred tax	92	(964)
Over/(Under) provision in respect of prior years	(220)	(664)
	(128)	(1,628)
	–	
	774	**2,608**
Deferred tax included in income tax expense comprises:		
(Increase) Decrease in deferred tax assets	360	(1,801)
Increase (Decrease) in deferred liabilities	(488)	173
	(128)	**(1,628)**

	Consolidated	
	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
(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%	700	2,338
Add tax effect of:		
Under provision for income tax in prior year	–	219
Non-deductible expenses	391	776
	1,091	3,333
Less tax effect of:		
Investment allowance		
Overprovision of deferred tax	(268)	(700)
Differences in overseas tax rates	(49)	(25)
Income tax expense attributable to entity	**774**	**2,608**
The applicable weighted average effective tax rates are as follows:	33.2%	33.5%

7. Cash and Cash Equivalents

Cash at bank	3,703	18,231
Reconciliation to cash and cash equivalents at the end of the financial year		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	3,703	18,231
Balance as per statement of cash flow	3,703	18,231

Notes to the Financial Statements

continued

	Consolidated	
	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
8. Trade and Other Receivables		
Trade receivables	125,233	153,054
Less: Provision for impairment of receivables	(534)	(534)
	124,700	152,520
Other receivables	21,450	8,660
	146,150	**161,180**

Impairment of receivables
The consolidated entity has recognised a decrease in the provision of $791 (June 2014: increase $455,182) in profit or loss in respect of impairment of receivables for the year ended 31 December 2014.

The ageing of the impaired receivables provided for above are as follows:		
0 – 3 Months overdue	90	304
3 – 6 Months overdue	308	230
Over 6 Months overdue	136	–
	534	**534**
Movements in the provision for impairment of receivables are as follows:		
Opening balance	534	79
Charge for the year	–	455
Closing balance	**534**	**534**

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $11,575,064 as at 31 December 2014 (June 2014: $7,731,263). The consolidated entity did not consider a credit risk on these balances after reviewing credit terms of customers and trading history.

Past due but not impaired:		
0 to 3 Months overdue	10,029	6,846
3 to 6+ Months overdue	1,546	885
	11,575	**7,731**

	Consolidated	
	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
9. Inventories		
Finished Goods	86,787	87,759
Less: Provision for Impairment	(2,173)	(2,698)
	84,614	**85,061**
10. Property, Plant and Equipment		
Freehold land	6,904	6,904
Building – at cost	17,727	14,092
Less accumulated depreciation	(1,093)	(853)
	16,634	**13,238**
Total land and buildings	**23,538**	**20,142**
Fitout & Leasehold improvements – at cost	2,647	2,035
Less accumulated depreciation	(749)	(506)
	1,898	1,529
Plant and equipment – at cost	2,495	2,112
Less accumulated depreciation	(1,172)	(1,019)
	1,323	1,093
Motor vehicles	393	594
Less accumulated depreciation	(346)	(337)
	47	256
Total plant and equipment	**3,268**	**2,879**
Total property, plant and equipment	**26,806**	**23,021**
Carrying amount of assets under finance lease	**247**	**865**

Notes to the Financial Statements

continued

10. Property, Plant and Equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Freehold land $'000	Buildings $'000	Fitout Costs $'000	Plant and equipment $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2013	6,904	11,197	815	341	316	19,573
Additions	–	2,340	252	700	–	3,292
Additions through business combinations	–	–	656	325	14	995
Disposals	–	–	–	(4)	–	(4)
Depreciation expense	–	(299)	(200)	(271)	(73)	(843)
Effect of movements in exchange rate	–	–	6	2	–	8
Balance at 30 June 2014	**6,904**	**13,238**	**1,529**	**1,093**	**257**	**23,021**
Additions	–	3,591	661	712	–	4,964
Disposals	–	–	(60)	(116)	(202)	(378)
Depreciation expense	–	(195)	(243)	(368)	(8)	(814)
Effect of movements in exchange rate	–	–	11	2	–	13
Balance at 31 December 2014	**6,904**	**16,634**	**1,898**	**1,323**	**47**	**26,806**

	Consolidated	
	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
11. Intangibles		
Goodwill	17,799	17,799
Customer Contracts	17,657	17,657
Less: Accumulated amortisation	(1,683)	(561)
Software – at cost	92	50
Less: Accumulated amortisation	(43)	(13)
Website – at cost	230	226
Less: Accumulated amortisation	(90)	(70)
	33,963	**35,088**

Reconciliation

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $'000	Customer Contracts $'000	Software $'000	Development (Website) $'000	Total $'000
Balance at 1 July 2013				173	173
Additions				32	32
Additions through business combinations	17,799	17,657	51	–	35,507
Amortisation expense	–	(561)	(13)	(47)	(621)
Balance at 30 June 2014	**17,799**	**17,096**	**38**	**158**	**35,091**
Additions	–	–	41	3	44
Amortisation expense	–	(1,122)	(30)	(20)	(1,172)
Balance at 31 December 2014	**17,799**	**15,974**	**49**	**141**	**33,963**

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 1 year EBITDA projection period approved by management and extrapolated for a further 4 years using a steady rate, together with a terminal value.

Management considers the cash generating units (CGU) of the group to be Australia and New Zealand. Goodwill has been allocated $10,5m and $7.3m, respectively.

The following key assumptions were used in the discounted cash flow model for each cash generating unit:

a. 10.9% (June 2014: 12%) pre-tax discount rate;
b. 2.5% (June 2014: 2.5%) per annum EBITDA growth rate;

The discount rate of 10.9% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital, the risk free rate and the volatility of the share price relative to market movements. Management believes the projected 2.5% EBITDA growth rate is reasonable based on general market growth.

Based on the above, the recoverable amount of each cash generating unit exceeded the carrying amount and therefore no impairment of goodwill.

Sensitivity Analysis

As disclosed in Note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Management believes that any reasonable changes in the key assumptions on which the recoverable amount of division goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount. The sensitivities are as follows: (a) EBITDA would need to decrease by more than 65% to trigger impairment for the Australian CGU, and 61% for the New Zealand CGU, with all other assumptions remaining constant; (b) The discount rate would be required to decrease by 85%% to trigger impairment for the Australian CGU, and 95% for the New Zealand CGU, with all other assumptions remaining constant; (b) The discount rate would be required to increase to 32% to trigger impairment for the Australian CGU, and 22% for the New Zealand CGU, with all other assumptions remaining constant.

Notes to the Financial Statements

continued

	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
12. Deferred Tax Assets		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Provision for receivables impairment	158	229
Provision for employee entitlements	1,078	1,667
Accrued expenses	1,014	1,275
Inventory	708	1,089
Capitalised expenditure	471	527
Property Plant and Equipment	171	114
Future benefit of income tax losses	941	–
Deferred tax asset	**4,541**	**4,901**
Movements in Deferred Tax Asset		
Opening Balance	4,901	783
Credited/(charged) to profit or loss	(360)	1,801
Credited/(charged) to equity	–	–
Additions through business combination	–	2,317
Closing Balance	**4,541**	**4,901**
13. Trade and Other Payables		
Trade payables	132,113	154,079
Other payables	13,280	20,813
	145,393	**174,892**

The consolidated entity has entered into a bailment facility with GE Capital for the purchase of Cisco products up to a limit of $80 million. Included in trade payables is an amount of $30,994,381 payable to GE Capital under this arrangement, whereby GE capital has legal title and first priority over its bailed goods and proceeds in respect thereof and cash on deposit of $9.5 million. The nature of the facility is such that the arrangement is treated as a trade payable.

	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
14. Borrowings		
Current		
Debtor Finance	104,600	99,170
Cash Advance Facility	7,250	–
Purchase finance facility	8,060	18,974
Lease liability	248	278
Loan from Director	2,500	–
	122,658	**118,422**
Non-Current		
Lease Liability under the heading	–	310
(a) Total current and non-current secured liabilities:		
Debtor Finance	111,850	99,170
Purchase finance facility	8,060	18,974
Lease liability	248	588
Loan from Director	2,500	–
	122,658	**118,732**
(b) The carrying amounts of non-current assets pledged as security are:		
Leased assets:	248	865

(c) The debtor finance facility is secured by a registered fixed and floating charge over all assets and undertakings of the company and fixed charge over all debtors. The cash advance facility is secured by a mortgage on the property. The purchase finance facility is an unsecured facility. The loan from director is unsecured.

(d) Facility Limits for each of the facilities are as follows:		
Debtor Finance	122,750	122,750
Cash Advance Facility	7,250	7,250
Purchase finance facility	25,000	25,000
Lease liability	250	600
Loan from Director	–	–

The drawn amount of these facilities as at the report date is as per Note 14 (a) above.

15. Income Tax

Current tax asset	1,757	–
Current tax liability	–	1,554

Notes to the Financial Statements

continued

	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
16. Provisions		
Current – Employee Benefits		
Movements in the provision for employee benefits		
Opening Balance	2,558	902
Charges for the year	1,668	1,656
Closing Balance	**4,225**	**2,558**
Current – Lease Make Good		
Movements in the provision for lease make good		
Opening Balance	959	–
Charges for the year	(600)	959
Closing Balance	**359**	**959**

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

Employee benefits obligation expected to be settled after 12 months	**1,724**	**648**

Lease Make Good

The provision represents the present value of the estimated costs to make good the premises leased by the consolidated entity at the end of the respective lease terms.

	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
17. Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Land and Buildings	198	220
Plant and Equipment	–	–
Prepayments	8	17
Accrued income	1,292	1,244
Customer contracts	4,792	5,297
Deferred tax liability	**6,290**	**6,778**
Movements in Deferred Tax Liability		
Opening Balance	6,778	1,254
Credited/(charged) to profit or loss	(488)	173
Credited/(charged) to equity	–	–
Additions through business combinations	–	5,351
Closing Balance	**6,290**	**6,778**
18. Provisions		
Non-current		
Employee Benefits	**908**	**1,590**

	Dec 2014 Shares	Jun 2014 Shares	Dec 2014 $'000	Jun 2014 $'000
19. Issued Capital				
Ordinary shares – fully paid	131,140,033	128,238,661	6,891	1,997

Movements in Ordinary Share Capital

Details	Date	No of Shares	Issue Price	$'000
Opening Balance	1 July 2013	127,700,000		1,145
Share Issue – dividend reinvestment plan (DRP)	4 Jun 2014	538,661	$1.58	852
Balance	30 Jun 2014	128,238,661		1,997
Share issue (DRP)	12-Aug-14	210,004	$1.77	371
Share issue (DRP)	7-Oct-14	1,250,497	$1.73	2,161
Share issue (DRP)	31-Dec-14	1,440,871	$1.64	2,362
Balance	31 Dec 14	131,140,033		6,891

Notes to the Financial Statements

continued

19. Issued Capital (continued)

Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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.

Share Buy-Back

There is no current on-market share buy-back.

Capital Risk Management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The consolidated entity is subject to certain financing arrangements and covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2014 Annual Report.

	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
20. Reserves		
Capital Profits Reserve (Pre-CGT)	369	369
Foreign currency reserve	356	(83)
	725	**286**

Capital Profits Reserve (Pre-CGT)

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

Foreign Currency Reserve

The reserve is used to recognise exchange differences arising from translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Movements in reserves		
Opening Balance	286	369
Foreign currency translation	439	(84)
Closing Balance	**725**	**286**

	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
21. Dividends		
Dividends declared or paid during the financial year were as follows:		
Interim dividend – 30 June 2014. Fully franked at $0.005 per ordinary share paid 12 August 2014 (June 2014: $0.0275)	641	3,512
Final dividend – 30 June 2014. Fully franked at $0.0185 per ordinary share paid 7 October 2014 (June 2014: $0.010)	2,376	1,277
Interim dividend – 31 December 2014. Fully franked at $0.02 per ordinary share paid 31 December 2014 (June 2014: $0.007)	2,594	894
	5,611	**5,683**

The tax rate that dividends have been franked is 30% (June 2014: 30%)

Franking credit balance:		
Franking credits available for subsequent financial years based on a tax rate of 30% (June 2014: 30%)	7,676	8,568

The above amounts represent the balance of the franking account as at the end of the financial year adjusted for franking credits arising from:

- franking credits from dividends recognised as receivables at year end
- franking Debits that will arise from refund of current tax asset
- franking debits arising from payment of proposed dividends recognised as a liability

22. Fair Value Disclosures

The company has a number of financial instruments which are not measured at fair value in the statement of financial position, including cash, receivables, payables and borrowings. The fair value of these financial assets and financial liabilities approximates their carrying amount.

Fair value measurement and disclosure uses a three level hierarchy, based on the lowest level of input that is significant to the entire value measurement, being:

Level 1: Quoted prices in active markets for identical assets of liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

The fair value of Borrowings in Note 14, is estimated by discounting the future contractual cash flows at the current market interest rates for loans with similar risk profiles and has been measured under Level 2 of the hierarchy.

Notes to the Financial Statements

continued

	Note	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
23. Financial Instruments			
Financial Risk Management			
Financial Assets			
Cash and cash equivalents	7	3,703	18,231
Loans and receivables	8	146,150	161,180
Total Financial Assets		149,853	179,411
Financial Liabilities			
Trade and other payables	13	145,393	174,892
Borrowings	14	122,658	118,732
Total Financial Liabilities		268,051	293,624

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 manage foreign currency risk. The company had open forward contracts as at the end of the financial year to mitigate this risk. 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:

– credit risk
– liquidity risk and
– interest rate risk
– foreign exchange risk

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 predominantly arises from exposures to customers. 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 $100,000. 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.

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.

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 relation 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.

	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
Financial liability maturity analysis		
Financial liabilities due for payment	Within 1 Year	Within 1 Year
Trade and other payables	145,393	174,892
Borrowings	122,658	118,422
Total contractual outflows	**268,051**	**293,314**
Financial liabilities due for payment	1 to 5 Years	1 to 5 Years
Borrowings	–	310
Total contractual outflows	**–**	**310**
Financial Liabilities		
Trade and other payables	145,393	174,892
Borrowings	122,658	118,732
Total expected outflows	**268,051**	**293,624**

Notes to the Financial Statements

continued

23. Financial Instruments (continued)

Financial Assets Pledged as Collateral

Certain financial assets have been pledged as security for the debt and their realisation into cash may be restricted subject to terms and conditions attached to the relevant debt contracts. Refer to Note 14(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:

Floating Rate instruments		
Debtor finance	111,850	99,170
Purchase finance facility	8,060	18,974
	119,910	118,144

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 $839,370 lower/higher (June 2014: $827,008 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.

Foreign Exchange Risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

In order to protect against exchange rate movements, the consolidated entity has entered into forward foreign exchange contracts. These contracts are hedging highly probable forecasted cash flows for the ensuing financial year. Management has a risk management policy to hedge between 30% and 80% of anticipated foreign currency transactions for the subsequent 4 months.

The maturity, settlement amounts and the average contractual exchange rates of the consolidated entity's outstanding forward foreign exchange contracts at the reporting date was as follows:

	Sell New Zealand dollars		Average exchange rates	
	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000	Dec-14	Jun-14
Buy US dollars				
Maturity:				
0 – 3 months	9,730	6,100	0.7683	0.8412
3 – 6 months	6,399	10,501	0.7656	0.8474
Buy Australian dollars				
Maturity:				
0 – 3 months	883	890	0.8953	0.9150
3 – 6 months	–	475	–	0.9286

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date was as follows:

Consolidated	Dec-14 US$'000	Dec-14 NZ$'000
Cash at bank	37	2,990
Trade receivable	188	14,001
Trade payables	(10,358)	(7,286)
Net statement of financial position exposure	(10,133)	9,705

Based on the financial instruments held at 31 December 2014, a strengthening/weakening of AUD against US$ and NZD$ would have resulted in the following changes to the Groups reported Profit and Loss and/or equity.

Sensitivity Analysis	Equity		Profit or Loss	
(Effects in Thousands)	Strengthening	Weakening	Strengthening	Weakening
US$ (5% movement)	–	–	483	(533)
NZD$ (5% movement)	(558)	617	(87)	96

	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
24. Key Management Personnel Compensation		
Compensation		
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:		
Short-term benefits	1,069	2,175
Post-employment benefits	102	219
Total compensation	1,171	2,394

Notes to the Financial Statements

continued

	31-Dec-14 (6 Months) $	30-Jun-14 (12 Months) $

25. Remuneration of Auditors

During the financial year the following fees were paid or payable for services provided by BDO, the auditor of the company, its network firms and unrelated firms:

Audit services – BDO		
Auditing or reviewing the financial report	140,000	127,814
Other Services – BDO		
Indirect Tax Services	133,700	–
Income Tax & Corporate Services	137,146	377,683
	410,846	505,497
Indirect tax services – Other BDO Network Firms	–	46,827
Other services – Deloitte	8,153	6,550
	8,153	53,377

26. Contingent Liabilities

The directors are not aware of any contingent liabilities related to the consolidated entity as at the report date.

	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000

27. Commitments

Capital Commitments

Committed at the reporting date but not recognised as liabilities, payable:

Capital expenditure commitments contracted for:		
Property, plant and equipment	500	3,568

[Balance of completion of warehouse extension and associated road works]

Lease commitments – Operating

Committed at the reporting date but not recognised as liabilities, payable:

Within one year	956	883
One to five years	1,077	987
	2,033	1,870

Operating lease commitments includes contracted amounts for office equipment and security systems under non-cancellable operating leases expiring within one to five years, as well as property leases.

	Parent	
	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000

28. Parent Entity Information

Set out below is the supplementary information about the parent entity:

Statement of Profit or Loss and other Comprehensive Income		
Profit after income tax	(1,650)	3,899
Total comprehensive income	(1,650)	3,899
Statement of financial position		
Total current assets	182,515	130,100
Total assets	261,909	205,443
Total current liabilities	242,968	183,803
Total liabilities	245,622	186,227
Equity		
Issued capital	6,891	1,997
Reserves	369	369
Retained profits	9,026	16,850
Total Equity	16,286	19,216

Guarantees Entered into by the Parent Entity in Relation to the Debts of its Subsidiaries
The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

Contingent Liabilities
The parent entity had no contingent liabilities as at 31 December 2014 and 30 June 2014.

Capital Commitments – Property, Plant and Equipment
The parent entity had the capital commitments for property, plant and equipment as detailed in Note 27.

Significant Accounting Policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in Note 1.

Notes to the Financial Statements

continued

29. Business Combination

Acquisitions

On 01 April 2014 Dicker Data Limited acquired 100% of the issued capital of Express Data Holdings Pty Limited which operates in the Information Communication and Technology industry. The acquisition of Express Data Holdings Pty Limited is part of a strategy to expand the vendor and customer base of the group in the ICT industry in Australia and New Zealand.

As the acquisition took place close to the 30 June 2014 year-end the information required to account for the acquisition was incomplete. The initial accounting for the acquisition was therefore determined provisionally in the 30 June 2014 financial report.

Business Combination – Goodwill Adjustment

In accordance with AASB3: Business Combinations, initial provisional accounting for the Express Data Holdings acquisition disclosed in the 30 June 2014 financial report have been recognised as if the final accounting for the business combination had been completed at the acquisition date. Comparative information for 30 June 2014 has therefore been adjusted. The consequence of the finalisation of the acquisition accounting is the recognition of a deferred tax liability related to customer contracts of $5.3 million and a corresponding increase in goodwill.

Details of the net assets acquired, goodwill and purchase consideration are as follows:

	Final fair value recognised on acquisition $'000	Provisional fair value recognised on acquisition $'000
Current Assets		
Cash and cash equivalents	–	–
Trade and other receivables	93,110	93,110
Inventories	59,749	59,749
Other current assets	2,073	2,073
Non-Current Assets		
Property, plant and equipment	995	995
Intangible assets - software	51	51
Derivative financial instruments - asset	469	469
Deferred tax assets	2,316	2,316
Current liabilities		
Trade and other payables	(136,763)	(136,763)
Other Liabilities	(3,059)	(3,059)
Employee Benefits	(4,586)	(4,586)
Tax Liability	(199)	(199)
Derivative financial instruments - liabilities	(52)	(52)

	Final fair value recognised on acquisition $'000	Provisional fair value recognised on acquisition $'000
Non-current liabilities		
Other long term provisions	(844)	(844)
Deferred tax liabilities	(5,351)	(54)
Net identifiable assets and liabilities	7,909	13,206
Less: Non-controlling interests*	–	–
	7,909	13,206
Identifiable intangible assets - Customer Contracts	17,657	17,657
Goodwill	17,798	12,502
Net Assets Acquired	**43,365**	**43,365**
Purchase consideration comprises:		
Cash paid	51,122	51,122
Less: cash and cash equivalents	(7,756)	(7,757)
Equity instruments issued**	–	–
Contingent consideration	–	–
Total purchase consideration	**43,365**	**43,365**
	–	–
Acquisition costs expensed to profit or loss	**1,831**	**1,831**

30. Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in Note 1:

		Ownership Interest	
Name	Principal place of business/country of incorporation	Dec-14 %	Jun-14 %
Express Data Holdings Pty Limited	Australia	100%	100%
Dicker Data New Zealand Ltd (formerly Express Data New Zealand Ltd)	New Zealand	100%	100%
Simms International Pty Ltd	Australia	100%	100%
Simms International Ltd (deregistered in December 2014)	New Zealand	100%	100%

Notes to the Financial Statements

continued

31. Deed of Cross Guarantee

The following entity is party to a deed of cross guarantee under which each company guarantees the debts of the others:

Express Data Holdings Pty Limited

By entering into the deed, the wholly-owned entity has been relieved from the requirement to prepare financial statements and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

The above company represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Dicker Data Limited, they also represent the 'Extended Closed Group'.

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
Statement of profit or loss and other comprehensive income		
Revenue	430,064	626,665
Other income	290	681
Changes in inventories	(364,942)	28,785
Purchases of inventories	(26,843)	(604,623)
Employee benefits expense	(21,312)	(24,970)
Depreciation and amortisation	(1,791)	(1,366)
Finance costs	(3,985)	(5,181)
Other expenses	(11,603)	(13,442)
Profit before income tax expense	(122)	6,551
Income tax expense	(65)	(2,041)
Profit after income tax expense	(187)	4,509
Other comprehensive income, net of tax	–	–
Total comprehensive income for the year	(187)	4,509
Retained Profits		
Retained profits at the beginning of the financial year	14,103	15,277
Profit after income tax expense	(186)	4,509
Dividends paid	(2,744)	(5,683)
Retained profits at the end of the financial year	11,173	14,103

	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
Statement of financial Position		
Current Assets		
Cash and cash equivalents	676	14,315
Trade and other receivables	134,250	145,100
Inventories	76,572	78,470
Current Tax asset	1,757	–
Total Current Assets	213,255	237,885
Non-Current Assets		
Property, plant and equipment	26,259	22,370
Intangible assets	33,913	29,755
Deferred tax assets	3,734	4,901
Total Non-Current Assets	63,906	57,025
TOTAL ASSETS	277,161	294,909
LIABILITIES		
Current Liabilities		
Trade and other payables	125,466	152,309
Borrowings	122,658	118,422
Current tax liabilities	(220)	1,191
Short-term provisions	4,210	3,270
Total Current Liabilities	252,114	275,193
Non-Current Liabilities		
Borrowings	–	310
Deferred tax liabilities	6,290	1,481
Long-term provisions	908	1,501
Total Non-Current Liabilities	7,198	3,292
TOTAL LIABILITIES	259,312	278,484
NET ASSETS	17,849	16,425
EQUITY		
Retained Profits	11,173	14,888
Issued capital	6,890	1,996
Reserves	(214)	(459)
TOTAL EQUITY	17,849	16,425

Notes to the Financial Statements
continued

	Consolidated	
	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
32. Reconciliation of Profit after Income Tax to Net Cash from Operating Activities		
Profit after income tax	1,560	5,186
Adjustments for:		
Depreciation	814	969
Amortisation of intangibles	1,173	609
Changes in Assets & Liabilities:		
Decrease (increase) in current inventories	446	24,375
Decrease (increase) in current receivables	17,570	54
Decrease (increase) in deferred tax assets	(787)	(1,802)
(Decrease) increase in deferred tax liabilities	(487)	173
(Decrease) increase in payables & Other	(32,589)	(13,176)
(Decrease) increase in provisions	1,381	161
(Decrease) increase in non-current assets	188	(175)
(Decrease) increase in current tax liabilities	(2,107)	(543)
Net cash from operating activities	(12,838)	15,831

33. Non-Cash Investing and Financing Activities

Shares issued under dividend reinvestments plan	4,894	853
	4,894	853

	Consolidated	
	31-Dec-14 (6 Months) $'000	30-Jun-14 (12 Months) $'000
34. Earning Per Share		
Profit after income tax	1,560	5,186

Profit after income tax attributable to the owners of Dicker Data Limited

	Number	Number
Weighted average number of shares used as denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	129,682	127,738
Weighted average number of ordinary shares and options used as the denominator in calculating basic earnings per share	129,682	127,738

	Cents	Cents
Basic earnings per share (cents)	1.20	4.06
Diluted earnings per share (cents)	1.20	4.06

35. Related Party Transactions

Parent entity
Dicker Data Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in Note 30.

Key Management Personnel
Disclosures relating to key management personnel are set out in Note 24 and the remuneration report in the directors' report.

Transactions with related parties
At the end of the reporting period there was a loan from non-executive director Fiona Brown for $2,500,000. The loan is repayable on-call. Interest on the loan is at 5.5% paid semi-annually or when repaid. There were no other dealings of material nature.

Directors’ Declaration

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity’s financial position as at 31st December 2014 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in Note 31 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

David Dicker

CEO & Chairman
Sydney, 31 March 2015

Auditor Declaration of Independence

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DECLARATION OF INDEPENDENCE KIERAN GOULD TO THE DIRECTORS OF DICKER DATA LIMITED

As lead auditor of Dicker Data Limited for the year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Dicker Data Limited and the entities it controlled during the period.

Kieran Gould
Partner

BDO East Coast Partnership

Sydney, 31 March 2015

Independent Auditors Report

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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 consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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 of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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 gives a true and fair view and 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 company'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 company'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*. 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 report.

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 consolidated entity's financial position as at 31 December 2014 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 12 to 15 of the directors' report for the year ended 31 December 2014. 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 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

Kieran Gould

Kieran Gould
Partner

Sydney, 31 March 2015

Shareholder Information

The shareholder information set out below was applicable as at 18 March 2015.

Ordinary Share Capital

As at 18 March 2015, the issued capital of the Company was 131,140,033 ordinary fully paid shares.

Distribution of Equity Securities

Analysis of numbers of equity security holders by size of holding:

	Ordinary shares	
Holding	Number of Holders	Number of Shares
1 to 1,000	95	47,718
1,001 to 5,000	119	320,647
5,001 to 10,000	219	1,993,520
10,001 to 100,000	193	4,536,538
100,000 and over	20	124,241,610
	646	**131,140,033**

There were 41 holders of less than a marketable parcel of ordinary shares. The number of shares in aggregate of these unmarketable parcels is 7,376.

Unquoted Options

The Company had no unquoted options on issue as at 31 December 2014 or as at 18 March 2015.

Twenty Largest Holders of Quoted Equity Securities

Shareholder	Ordinary shares: Number held	Ordinary shares: Percentage of quoted shares
MR DAVID JOHN DICKER	62,549,354	47.70%
MS FIONA TUDOR BROWN	54,852,929	41.83%
NATIONAL NOMINEES LIMITED	2,375,316	1.81%
RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <BKCUST A/C>	987,882	0.75%
AUST EXECUTOR TRUSTEES LTD <CHARITABLE FOUNDATION>	567,000	0.43%
MANASSEN HOLDINGS PTY LTD <SUPER FUND A/C>	500,000	0.38%
SANDHURST TRUSTEES LTD <TBF SMALL CAP VAL GRWTH A/C>	350,000	0.27%
ABN AMRO CLEARING SYDNEY NOMINEES PTY LTD <CUSTODIAN A/C>	280,013	0.21%
MARTRE PROPERTIES PTY LIMITED <SUPER FUND ACCOUNT>	230,000	0.18%
MR CRAIG GRAEME CHAPMAN <NAMPAC DISCRETIONARY A/C>	229,000	0.18%
MR IAN DAVIES	176,050	0.13%
MR JOSEPH JOHN HILL <SANDALWOOD FAMILY A/C>	144,707	0.11%
AUST EXECUTOR TRUSTEES LTD <BIPETA>	133,000	0.10%
MR NICHOLAS JOHN RUSHTON	132,081	0.10%
MILLETTS PORTFOLIO PTY LTD <JIM MILLETT S/FUND A/C>	130,800	0.10%
FINANCE ASSOCIATES PTY LTD <SUPER FUND A/C>	130,000	0.10%
CFB NOMINEES PTY LTD	126,000	0.10%
FRANKSON SUPER FUND PTY LTD <FRANK MOK FAMILY SUPER A/C>	126,000	0.10%
MR RONALD JOHN BOND	113,850	0.09%
MR ANTHONY ROBERT REECE & MR CRAIG DAVID HOADLEY	107,628	0.08%
Total for Top 20	**124,241,610**	**94.72%**

Substantial Holders

Substantial holders in the company are set out below:

Name of substantial shareholder	Number of shares held	Percentage of issued shares
Mr David John Dicker	62,549,354	47.70%
Ms Fiona Tudor Brown	54,852,929	41.81%

Voting Rights

The voting rights attaching to each to ordinary share 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.

There are no other classes of equity securities.

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