

Information

Cashed up Reckon pays \$4m

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A \$4.1 million windfall is in the bag for Reckon shareholders, who overwhelmingly approved a 3¢-a-share return of capital at the company's annual meeting yesterday.

The payment is linked to the strong cash position of the company behind the Quicken software brand in Australia. Reckon will still have \$9.6 million after the payment, which will probably be made in mid-July.

Reckon, which moved into profit in 2002, flagged yesterday that it might soon outline a dividend policy appropriate to its performance.

However, when it came to financial forecasts for the year ending in December, it played its cards close to its chest, choosing to stick with previous guidance.

Reckon, which forecast a 50 to 60 per cent increase in revenue and 40 to 50 per cent increase in net profit, had indicated these figures were conservative, leaving some to expect an upgrade yesterday.

Chairman Geoff Tomlinson told shareholders yesterday that, subject to its position at the end of this month, it may update its overall position later next month.

He said early indications were of strong growth. Reckon was gaining market share in retail and strong early demand for its QuickBooks 2004 products.

Driving most of this year's expected revenue growth, however, is its \$10 million acquisition of Advanced Professional Solutions, which operates in Australia, New Zealand and the UK.

APS provides software for professional accounting firms, pitting it against Solution 6, which Reckon's traditional rival, MYOB, is seeking to acquire.

Reckon said APS recently added another five top-100 accounting firms to its customer base as well as two top-100 UK firms.

Mr Tomlinson said the recent launch of the APS Foundation suite of products pitched at small to medium accounting firms had gone to market and was paying its way.

Reckon chief operating officer Clive Rabie said that as the company had only recently launched its 2004 product range, it would be in a better position next month to review its forecasts.

Reckon shares closed unchanged at 95¢.