



Notification to the ASX

17 March 2003

Reckon Limited (RKN)

Notice of change of interests of substantial holder

Please see the attached Form 604 received today.

Myron Zlotnick
Company Secretary
(02) 9577 5466
myron.zlotnick@quicken.com.au

*****ends*****

Form 604

Corporations Act 2001

Section 671B

Notice of change of interests of substantial holderTo Company Name/Scheme Reckon LimitedACN/ARSN 003 348 730**1. Details of substantial holder(s)**Name Clive Alan Rabie (See also Annexure A)

ACN/ARSN (if applicable) _____

There was a change in the interests of the
substantial holder on 12 / 03 / 03The previous notice was given to the company on / / The previous notice was dated / / **2. Previous and present voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

| Class of securities (4) | Previous notice | | Present notice | |
|-------------------------|-----------------|------------------|----------------|------------------|
| | Person's votes | Voting power (5) | Person's votes | Voting power (5) |
| ORD | | | 10,838,437 | 8.48 |
| | | | | |

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

| Date of change | Person whose relevant interest changed | Nature of change (6) | Consideration given in relation to change (7) | Class and number of securities affected | Person's votes affected |
|----------------|--|----------------------|---|---|-------------------------|
| 10/01/03 | DJZ Investments | New issue | Annexure A | 1,000,000 | 1.6 |
| 12/03/03 | DJZ Investments | New issue | Annexure A | 2,000,000 | 2.31 |
| | | | | | |

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

| Holder of relevant interest | Registered holder of securities | Person entitled to be registered as holder (8) | Nature of relevant interest (6) | Class and number of securities | Person's votes |
|-----------------------------|---------------------------------|--|---------------------------------|--------------------------------|----------------|
| DJZ Inv P/ | DJZ Inv P/L | DJZ Inv P/L | Annexure A | 5,000,000 | 3.91 |
| | | | | | |
| | | | | | |

5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

| Name and ACN/ARSN (if applicable) | Nature of association |
|-----------------------------------|-----------------------|
| | |
| | |

6. Addresses

The addresses of persons named in this form are as follows:

| Name | Address |
|------------------|--------------------------------------|
| Clive Alan Rabie | 28 Parsley Road, Vaucluse, NSW, 2030 |
| | |

Signature

print name

capacity

sign here

date / /

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

This is Annexure A of one page referred to in Form 604 (Notice of Change of Interest of Substantial Holder) signed by me and dated _____.

As at 28/02/02 Clive Alan Rabie (including associated holdings) was a substantial shareholder with 7,823,437 shares representing a voting power of 6.27%.

The breakdown was as follows (as reported in the Annual Report for 2001):

| | | |
|---|------------------|--------------|
| Clive Alan Rabie | 4,368,437 | 3.5% |
| DJZ Investments P/L | 2,000,000 | 1.6% |
| Clive and Joel Rabie (Rabie Executive Super Fund) | 1,450,000 | 1.16% |
| Total | 7,823,437 | 6.27% |

As at 28/02/03 Clive Alan Rabie (including associated holdings) is a substantial shareholder with 10,838,437 shares representing a voting power of 8.48%.

The breakdown is as follows:

| | | |
|---|-------------------|--------------|
| Clive Alan Rabie | 3,168,437 | 3.5% |
| DJZ Investments P/L | 5,000,000 | 1.6% |
| Clive and Joel Rabie (Rabie Executive Super Fund) | 2,650,000 | 1.16% |
| Total | 10,838,437 | 8.48% |

The material difference arises out of the issue to DJZ Investments Pty Limited of 1,000,000 shares on 10/01/03 and 2,000,000 shares on 12/03/03.

The above share issues (to total 5,000,000 shares) to DJZ Investments Pty Limited were as consideration for the acquisition by Reckon Limited from DJZ Investments Pty Limited of all the issued shares in Electronic Business Management Software Pty Limited, the owner of the intellectual property in the WorkFlow Manager Software. Under the Agreement 2,000,000 shares were issued to DJZ Investments Pty Limited on 08/01/02. Subsequent tranches were to be issued on 08/01/02; 08/01/03; 08/01/04 and 08/01/05.

Owing to the application of Accounting Standard AASB1015 (Acquisition of Assets) the issue of shares as consideration for acquisition of an asset must be recorded as a cost to the company at their market price as at the date of their issue. The company wished to bring forward the incurring of this cost by issuing the subsequent tranches of shares (2,000,000 shares) subject to the conditions mentioned below. The company thus entered into a Deed of Variation and Voluntary Escrow Agreement on 12/03/03. Subject to the terms of the Voluntary Escrow Agreement, one parcel of one million (1,000,000) shares will be released from a holding lock on 8 January 2004 and the other parcel of one million (1,000,000) shares will be released from a holding lock on 8 January 2005. If the WorkFlow Manager Software is no longer being utilised by Reckon Limited in its product line as at either or both of these dates, an adjustment to the purchase consideration is due to be made by the vendor, DJZ Investments Pty Limited. In such circumstances a parcel of shares may not be released from escrow until the relevant adjustment is made by way of (a cash) refund to Reckon Limited. During the escrow period DJZ Investments Pty Limited or any persons who control it may not: dispose of, or agree or offer to dispose of the shares; create or agree or offer to create, any security interest in the shares; do or omit to do, any act if the act or omission would have the effect of transferring effective ownership or control of the shares.

The contents of the Agreement and Deed of Variation and Voluntary Escrow Agreement are confidential.

/ / 2003

Send to

Australian
Securities & Investments
Commission
PO Box 4000
Gippsland Mail Centre VIC 3841

or

the nearest ASIC Business Centre

Annexures to forms

To make any annexure conform to the regulations, you must

- 1 use A4 size paper of white or light pastel colour with a margin of at least 10mm on all sides
- 2 number the pages consecutively
- 3 print or type in dark blue or black ink, so that the document is clearly legible when copied.

- 4 identify the annexure with a mark such as A, B, C, etc
- 5 endorse the annexure with the words:
This is annexure (mark) of (number) pages referred to in form (form number and title) signed by (insert "me" or "us") and dated
- 6 sign and date the annexure.
The annexure must be signed by the same person(s) who signed the form.
- 7 There must be written on the form: the identifying mark and the number of pages.