



**Appendix 4D and Financial Statements**  
For the Half-Year Ended 31 December 2020



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## Corporate Directory

For the Half-Year Ended 31 December 2020

### DIRECTORS

**Ray Kellerman**  
Chairman

**Alison Ledger**  
Independent Non-Executive Director

**Andrew McGill**  
Independent Non-Executive Director

**Carolyn Colley**  
Independent Non-Executive Director  
*Appointment date 6 October 2020*

**Kate Hill**  
Independent Non-Executive Director

**Matthew Rowe**  
Managing Director and Chief Executive Officer

**CHIEF FINANCIAL OFFICER** **Laurent Toussaint**

**COMPANY SECRETARY** **Laurent Toussaint**  
**Narelle Wooden**

**Company Matters Pty Ltd**  
**(William Hundy)**  
*Resignation date*  
*30 October 2020*

**Robert Alan Shedden**  
*Appointment date*  
*10 November 2020*

### PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

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### SHARE REGISTRY

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### INDEPENDENT AUDITOR

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### SOLICITORS

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**Thomson Geer Lawyers**  
Level 14, 60 Martin Place  
Sydney NSW 2000  
Telephone +61 2 8248 5800

### BANKER

**Westpac Banking Corporation**

### STOCK EXCHANGE LISTING

CountPlus Limited shares are listed on the Australian Securities Exchange (ASX code: CUP)

### WEBSITE ADDRESS

**[www.countplus.com.au](http://www.countplus.com.au)**

### ABN

**11 126 990 832**

## Appendix 4D

For the Half-Year Ended 31 December 2020

### 1 Company details

<b>Name of entity</b>	CountPlus Limited
<b>ABN</b>	11 126 990 832
<b>Reporting period</b>	For the half-year ended 31 December 2020
<b>Previous period</b>	For the half-year ended 31 December 2019

### 2 Results for announcement to the market

					<b>\$'000</b>
Revenues from ordinary activities	up	9%	to		42,278
Profit from ordinary activities after tax attributable to the owners of CountPlus Limited	down	65%	to		4,082
Profit for the half-year attributable to the owners of CountPlus Limited	down	65%	to		4,082

#### Comments

CountPlus Limited reported consolidated net profit after tax (NPAT) for the half-year ended 31 December 2020 of \$5,547,000 (2019: \$11,934,000), of which a profit of \$4,082,000 (2019: \$11,534,000) was attributable to the shareholders of CountPlus. The prior period included a non-recurring gain on bargain purchase of \$10,952,000 recognised on the purchase of Count Financial.

Refer to note 2 in the notes to the consolidated financial statements for the impact of changes to provisional accounting on comparative figures.

### 3 Net tangible assets

	<b>Reporting period Cents</b>	<b>Previous period Cents</b>
Net tangible assets per ordinary security	36.07	28.44

Right-of-use assets and lease liabilities recognised under AASB 16 as well as contract assets and contract liabilities recognised under AASB 15 have been excluded from this calculation.

### 4 Control gained over entities

Not applicable.

### 5 Loss of control over entities

Not applicable.

## Appendix 4D

For the Half-Year Ended 31 December 2020

### 6 Dividends

	Amount per security Cents	Franked amount per security Cents
<b>Current period</b>		
Final dividend – paid on 14 October 2020	1.250	1.250
Dividend proposed and not recognised as a liability* – to be paid on 14 April 2021	1.250	1.250

\* record date 19 March 2021

	Amount per security Cents	Franked amount per security Cents
<b>Previous period</b>		
Final dividend – paid on 16 October 2019	1.000	1.000
Dividend proposed and not recognised as a liability – paid on 15 April 2020	1.250	1.250

### 7 Dividend reinvestment plans

Not applicable.

### 8 Details of associates

Name of associate	Reporting entity's percentage holding		Contribution to profit	
	Reporting period %	Previous period %	Reporting period \$'000	Previous period \$'000
One Hood Sweeney Pty Ltd	32.36%	32.36%	918	437
Hunter Financial Planning Pty Ltd	40.00%	40.00%	158	208
OBM Financial Services Pty Ltd	40.00%	40.00%	179	52
Rundles CountPlus Pty Ltd	40.00%	40.00%	147	187
Rundles Financial Planning Pty Ltd	20.00%	20.00%	24	30
DMG Financial Holdings Pty Ltd	30.00%	30.00%	327	141
<b>Group's aggregate share of associates profit</b>				
Profit from ordinary activities after income tax			1,753	1,055

### 9 Foreign entities

Australian Accounting Standards have been applied to foreign entities when compiling the Appendix 4D and Financial Statements for the half-year ended 31 December 2020.

### 10 Events after balance sheet date

The financial report was authorised for issue on 23 February 2021 by the Board of Directors.

On 23 February 2021, the Directors resolved to declare a half-year dividend of 1.25 cents (fully franked) to be paid on 14 April 2021 (Record date 19 March 2021).

No other matters or circumstances have arisen since the end of the financial half-year which significantly affected or could significantly affect:

- the Group's operations in future financial periods, or consolidated entity,
- the results of those operations in future financial periods, or
- the Group's state of affairs of the consolidated entity in future financial periods.

### 11 Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Appendix 4D and Financial Statements for the Half-Year Ended.

## Directors' Report

For the Half-Year Ended 31 December 2020

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of CountPlus Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

### Directors

The following persons were Directors of CountPlus Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

<b>Ray Kellerman</b>	Chairman
<b>Alison Ledger</b>	Independent Non-Executive Director
<b>Andrew McGill</b>	Independent Non-Executive Director
<b>Carolyn Colley</b>	Independent Non-Executive Director – <i>Appointment date 6 October 2020</i>
<b>Kate Hill</b>	Independent Non-Executive Director
<b>Matthew Rowe</b>	Managing Director and Chief Executive Officer

### Review of operations

The profit for the consolidated entity after providing for income tax and non-controlling interest amounted to \$4,082,000 (31 December 2019: \$11,534,000).

The Group recognised \$2,309,000 of Government grant income in the current reporting period (31 December 2019: nil), which had a positive impact on the profitability of the Group.

Included in the prior period profit is the gain on bargain purchase of \$10,952,000 recognised on the purchase of Count Financial.

Adjusted net profit after tax ('NPAT') is presented in the table below to reflect the underlying performance of the business. Adjusted NPAT attributable to CountPlus shareholders was \$4,082,000 for the half-year, 65% up on the prior comparable period.

	31 December 2020 \$'000	31 December 2019 \$'000	Change \$'000	Change %
Net profit after tax – Reported	5,547	11,934	(6,387)	(54%)
Deduct: Gain on bargain purchase	–	(10,952)	10,952	(100%)
Add: One-off M&A transaction costs	–	215	(215)	(100%)
Add: Transition costs – Count Financial	–	2,102	(2,102)	(100%)
Add: AASB 9 & AASB 15 one-off adjustments to insurance trail commissions – Count Financial	–	200	(200)	(100%)
Deduct: Tax impact of adjustments above	–	(385)	385	(100%)
Adjusted NPAT	5,547	3,114	2,433	78%
Adjusted minority interest	(1,465)	(642)	(823)	128%
<b>Adjusted NPAT attributable to CountPlus shareholders</b>	<b>4,082</b>	<b>2,472</b>	<b>1,610</b>	<b>65%</b>

On an adjusted basis, earnings per share increased to 3.66 cents from 2.24 cents in the prior comparable period, reflecting an increase of 63%.

Shareholders equity attributable to owners of CountPlus increased by \$2,940,000 from 30 June 2020 to \$71,657,000 at 31 December 2020 and CountPlus had cash on hand of \$27,638,000 as at 31 December 2020 (\$25,842,000 at 30 June 2020).

### Dividends

CountPlus' dividend policy is set at a range of between 60% to 90% of maintainable net profit after tax and minority interests, subject to market conditions and company performance.

CountPlus is committed to the following principles in determining the dividend policy:

- ▶ Payment of dividends out of operating cashflows; and
- ▶ Consideration of debt reduction, working capital and investments.

The Board is pleased to declare an interim dividend of 1.25 cents per share fully franked for the half-year ended 31 December 2020.

The interim dividend of 1.25 cents (fully franked) per share has been proposed but not recognised at the half year 31 December 2020.

## Directors' Report

For the Half-Year Ended 31 December 2020

### Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial half-year were as follows:

On 1 July 2020, CountPlus Limited's member firm, Twomeys Group Pty Ltd, acquired various client accounting-based revenues of Cultiv8 Accounting Pty Ltd for \$0.3M. Twomeys also completed a 40% equity buy back by key management under the CountPlus 'Owner, Driver – Partner' model in two tranches for \$1.17M. CountPlus retains a 60% shareholding in Twomeys.

On 17 September 2020, CountPlus Limited's member firm, AdviceCo Pty Ltd, acquired the accounting revenue of Arch Capital Pty Ltd for \$0.4M.

On 30 September 2020, CountPlus Limited's wholly owned subsidiary, Cooper Reeves Pty Ltd, acquired the financial advice revenues of CBD Wealth Solutions Pty Ltd for \$0.6M.

On 6 October 2020, CountPlus Limited's member firm, Mogg Osborne Pty Ltd, acquired the NSW based business Freedom Accounting Group Pty Ltd for \$0.7M.

On 8 December 2020, CountPlus Limited's member firm, O'Brien Accountants and Advisors Pty Ltd acquired the accounting business of Hillard O'Donnell and Associates for \$0.6M.

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

### Class action lawsuit

Class action proceedings have been filed by Piper Alderman in the Federal Court of Australia against CountPlus Limited's member firm, Count Financial Limited. The proceedings seek financial compensation and relates to commissions paid to Count Financial and its authorised representative financial advisers. The commissions were in respect of financial products (including insurance) and certain obligations of its financial advisers to provide ongoing advice in the period 21 August 2014 to 21 August 2020.

CountPlus Limited acquired Count Financial Limited from Commonwealth Bank of Australia (CBA) on 1 October 2019. CBA has provided an indemnity to CountPlus Limited in relation to certain conduct that occurred prior to and after the acquisition of Count Financial by CountPlus Limited for an amount of \$300M.

### COVID-19

There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies.

COVID-19 has had an initial adverse financial impact on the CountPlus business, however, in the half year ended 31 December 2020 this has improved as clients accelerate work normally done in the second half of the financial year. Work-in-progress and receivables provisioning has increased due to work-from-home requirements and the general disruption of workflows as a result of the COVID-19 environment.

CountPlus received \$2,309,000 in COVID-19 related government grants in this reporting period.

Note that CountPlus' clientele is comprised of small, Australian-based businesses from a broad cross-section of industries.

Going forward, the Group is unable to determine if COVID-19 will have a material impact on its operations. The Company is managing the downside risk presented by COVID-19 via tight management of costs, a focus on working capital management and targeted deployment of capital and resources.

### Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016 / 191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument 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 immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors,



**Ray Kellerman**  
Director  
23 February 2021  
Sydney



## Auditor's Independence Declaration

under Section 307C of the Corporations Act 2001



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## Auditor's Independence Declaration

To the Directors of CountPlus Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of CountPlus Limited for the half-year ended 31 December 2020, I declare that, to the best of my knowledge and belief, there have been:

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

Grant Thornton Audit Pty Ltd  
Chartered Accountants

S M Thomas  
Partner – Audit & Assurance

Sydney, 23 February 2021

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2020

	Note	31 December 2020 \$'000	31 December 2019 \$'000
<b>Revenue from contracts with customers</b>	4	<b>42,278</b>	38,852
Other income	5	<b>2,951</b>	229
Interest income		<b>37</b>	98
Gain on bargain purchase		<b>-</b>	10,952
<b>Expenses</b>			
Salaries and employee benefits expense		<b>(27,311)</b>	(25,972)
Depreciation expense		<b>(2,054)</b>	(1,800)
Premises expenses		<b>(874)</b>	(837)
Acquisition related expenses		<b>(153)</b>	(284)
Amortisation expense		<b>(674)</b>	(663)
Share based payment expense		<b>(97)</b>	(52)
Finance costs		<b>(541)</b>	(531)
Other operating expenses	6	<b>(7,618)</b>	(8,617)
<b>Total expenses</b>		<b>(39,322)</b>	(38,756)
<b>Operating profit</b>		<b>5,944</b>	11,375
Share of net profits of associates accounted for using equity method	18	<b>1,753</b>	1,055
<b>Profit before income tax expense</b>		<b>7,697</b>	12,430
Income tax expense		<b>(2,150)</b>	(496)
<b>Profit after income tax expense for the half-year</b>		<b>5,547</b>	11,934
Other comprehensive income for the half-year, net of tax		<b>(23)</b>	-
<b>Total comprehensive income for the half-year</b>		<b>5,524</b>	11,934
<b>Profit for the half-year is attributable to:</b>			
Owners of CountPlus Limited		<b>4,082</b>	11,534
Non-controlling interest		<b>1,465</b>	400
		<b>5,547</b>	11,934
<b>Total comprehensive income for the half-year is attributable to:</b>			
Owners of CountPlus Limited		<b>4,059</b>	11,534
Non-controlling interest		<b>1,465</b>	400
		<b>5,524</b>	11,934
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share		<b>3.66</b>	10.44
Diluted earnings per share		<b>3.63</b>	10.44

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Financial Position

As at 31 December 2020

	Note	31 December 2020 \$'000	30 June 2020 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		27,638	25,842
Trade and other receivables		17,781	19,711
Contract assets		15,855	14,730
Loans and advances		293	424
Remediation receivable	7	219,702	195,000
<b>Total current assets</b>		<b>281,269</b>	<b>255,707</b>
<b>Non-current assets</b>			
Trade and other receivables		17	245
Contract assets		24,220	25,673
Investments in associates	18	18,674	17,629
Property, plant and equipment		3,794	4,078
Right-of-use assets		13,863	13,950
Intangible assets		38,777	36,741
<b>Total non-current assets</b>		<b>99,345</b>	<b>98,316</b>
<b>Total assets</b>		<b>380,614</b>	<b>354,023</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		12,361	13,633
Contract liabilities		11,935	12,925
Interest bearing loans and borrowings		3,378	3,359
Lease liabilities		3,339	3,321
Current tax liabilities		1,643	1,278
Provisions	8	6,408	6,002
Remediation provision	9	219,732	195,030
Other liabilities		1,027	925
<b>Total current liabilities</b>		<b>259,823</b>	<b>236,473</b>
<b>Non-current liabilities</b>			
Trade and other payables		-	40
Contract liabilities		22,929	24,158
Interest bearing loans and borrowings		1,475	1,372
Lease liabilities		11,866	12,041
Deferred taxation		163	215
Provisions	8	1,046	1,010
Other liabilities		591	602
<b>Total non-current liabilities</b>		<b>38,070</b>	<b>39,438</b>
<b>Total liabilities</b>		<b>297,893</b>	<b>275,911</b>
<b>Net assets</b>		<b>82,721</b>	<b>78,112</b>
<b>Equity</b>			
Contributed equity	10	123,153	123,065
Reserves		(47,856)	(47,913)
Accumulated losses		(3,640)	(6,435)
Capital and reserves attributable to the owners of CountPlus Limited		71,657	68,717
Non-controlling interest	11	11,064	9,395
<b>Total equity</b>		<b>82,721</b>	<b>78,112</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

For the Half-Year Ended 31 December 2020

Consolidated	Contributed Equity \$'000	Treasury Shares* \$'000	Share Based Payment Reserve \$'000	Acquisition Reserve \$'000	Foreign Currency Translation Reserve \$'000	Accumulated Losses \$'000	Total \$'000	Non-controlling interests (NCI) \$'000	Total Equity \$'000
<b>Balance at 1 July 2020</b>	126,566	(3,501)	645	(48,548)	(10)	(6,435)	68,717	9,395	78,112
Profit after income tax expense for the half-year	–	–	–	–	–	4,082	4,082	1,465	5,547
Other comprehensive income for the half-year, net of tax	–	–	–	–	(23)	–	(23)	–	(23)
<b>Total comprehensive income for the half-year</b>	–	–	–	–	<b>(23)</b>	<b>4,082</b>	<b>4,059</b>	<b>1,465</b>	<b>5,524</b>
<b>Transactions with owners in their capacity as owners:</b>									
Transactions with non-controlling interests (NCI)	–	–	–	–	–	154	154	1,154	1,308
Reallocation of employee share reserve	–	–	24	–	–	–	24	–	24
Share based payments for long term incentives (LTI)	–	–	97	–	–	–	97	–	97
Dividends provided for or paid	–	–	–	–	–	(1,394)	(1,394)	(950)	(2,344)
Transfer of treasury shares	–	88	(41)	–	–	(47)	–	–	–
<b>Balance at 31 December 2020</b>	<b>126,566</b>	<b>(3,413)</b>	<b>725</b>	<b>(48,548)</b>	<b>(33)</b>	<b>(3,640)</b>	<b>71,657</b>	<b>11,064</b>	<b>82,721</b>

Consolidated	Contributed Equity \$'000	Treasury Shares* \$'000	Share Based Payment Reserve \$'000	Acquisition Reserve \$'000	Foreign Currency Translation Reserve \$'000	Accumulated Losses \$'000	Total \$'000	Non-controlling interests (NCI) \$'000	Total Equity \$'000
<b>Balance at 1 July 2019</b>	126,566	(4,983)	1,486	(48,548)	–	(19,412)	55,109	6,232	61,341
Adjustment for change in accounting policy	–	–	–	–	–	(1,075)	(1,075)	–	(1,075)
<b>Balance at 1 July 2019 – restated</b>	<b>126,566</b>	<b>(4,983)</b>	<b>1,486</b>	<b>(48,548)</b>	<b>–</b>	<b>(20,487)</b>	<b>54,034</b>	<b>6,232</b>	<b>60,266</b>
Profit after income tax expense for the half-year	–	–	–	–	–	11,534	11,534	400	11,934
Other comprehensive income for the half-year, net of tax	–	–	–	–	–	–	–	–	–
<b>Total comprehensive income for the half-year</b>	–	–	–	–	–	<b>11,534</b>	<b>11,534</b>	<b>400</b>	<b>11,934</b>
<b>Transactions with owners in their capacity as owners:</b>									
Transactions with non-controlling interests (NCI)	–	–	–	–	–	118	118	2,548	2,666
Share based payments for long term incentives (LTI)	–	–	52	–	–	–	52	–	52
Dividends provided for or paid	–	–	–	–	–	(1,129)	(1,129)	(342)	(1,471)
Transfer of treasury shares	(626)	626	–	–	–	–	–	–	–
<b>Balance at 31 December 2019</b>	<b>125,940</b>	<b>(4,357)</b>	<b>1,538</b>	<b>(48,548)</b>	<b>–</b>	<b>(9,964)</b>	<b>64,609</b>	<b>8,838</b>	<b>73,447</b>

\* The Company has formed a trust to administer a loan funded share plan. Shares held by the trust are disclosed as Treasury Shares and deducted from contributed equity.

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2020

	31 December 2020 \$'000	31 December 2019 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	73,379	66,406
Payments to suppliers and employees (inclusive of GST)	(67,146)	(63,278)
Government grants received	2,309	–
	<b>8,542</b>	3,128
Interest received	27	98
Interest and other finance costs paid	(542)	(531)
Income taxes paid (net)	(1,924)	(1,008)
<b>Net cash from operating activities</b>	<b>6,103</b>	1,687
<b>Cash flows from investing activities</b>		
Payment for purchase of business units and associates	(1,747)	(3,676)
Payments for property, plant and equipment	(438)	(1,394)
Payment for deferred consideration on acquisition of controlled entities	(284)	–
Proceeds from acquisition of subsidiary, net of cash acquisition	–	32,699
Payment for completion adjustment on acquisition of subsidiary	–	(21,704)
Proceeds from sales under the 'Owner, Driver – Partner' model	856	357
Dividends received	708	763
<b>Net cash (used in) / from investing activities</b>	<b>(905)</b>	7,045
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	424	3,773
Dividends paid	(1,394)	(1,129)
Repayment of lease liabilities	(1,482)	(1,152)
Payment of dividends by controlled subsidiaries to non-controlling interests	(950)	(342)
<b>Net cash (used in) / from financing activities</b>	<b>(3,402)</b>	1,150
<b>Net increase in cash and cash equivalents</b>	<b>1,796</b>	9,882
Cash and cash equivalents at the beginning of the financial half-year	25,842	10,258
<b>Cash and cash equivalents at the end of the financial half-year</b>	<b>27,638</b>	20,140

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2020

### 1 Basis of preparation of half-year report

These general purpose financial statements for the interim half-year reporting period ended 31 December 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

### 2 Significant accounting policies

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

#### New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

#### Impact of changes in provisional accounting on the comparative figures

##### Provisional accounting applied in the prior period – 31 December 2019

Comparative data has been restated as the acquisition of Count Financial was accounted for on a provisional basis during the half-year ended 31 December 2019. The impact on prior period comparable information is set out below:

<b>Consolidated Statement of Profit or Loss and Other Comprehensive Income (extract)</b>	<b>2019 provisional accounting \$'000</b>	<b>Profit increase / (decrease) \$'000</b>	<b>2019 restated \$'000</b>
Gain on bargain purchase	12,489	(1,537)	10,952
Amortisation expense	(679)	16	(663)
Profit before income tax	13,951	(1,521)	12,430
Income tax expense	(492)	(4)	(496)
Net profit after income tax for the half-year	13,459	(1,525)	11,934
<b>Attributable to:</b>			
Owners of CountPlus Limited	13,061	(1,527)	11,534
Non-controlling interest	398	2	400

  

<b>Consolidated Statement of Changes in Equity (extract)</b>	<b>31 December 2019 provisional accounting \$'000</b>	<b>(Decrease) \$'000</b>	<b>31 December 2019 restated \$'000</b>
Accumulated losses	(8,437)	(1,527)	(9,964)
Profit after income tax expense for the half year	13,061	(1,527)	11,534
Non-controlling interest	9,107	(269)	8,838
Transactions with non-controlling interest	2,819	(271)	2,548

The impact on the Consolidated Statement of Financial Position has not been presented here as the 30 June 2020 Statement of Financial Position is presented in this report as the comparable prior period (not the 31 December 2019 Statement of Financial Position). The changes to provisional accounting did not have an impact on the Consolidated Statement of Cash Flows.

Changes arose to the provisional accounting due to additional information becoming available which impacted the valuation of the separately identifiable assets and liabilities, particularly the intangible assets (Acquired Client Relationship and Brand), Remediation provision payable and Remediation provision receivable.

## Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2020

### 3 Operating segments

The chief operating decision making function (CODM) viewed the Group's operations under the following separate reportable segments:

<b>Accounting</b>	which comprises the provision of accounting, audit and assurance, taxation, and business and corporate advisory services.
<b>Financial advice</b>	which comprises of financial advice services offered by member firms.
<b>Financial services</b>	which comprises of financial advice services provided by Australian Financial Services licence (AFSL) holders.
<b>Other</b>	which mainly comprises of information technology related revenue, legal related revenue, conference and insurance related revenue.

The CODM primarily uses the measure of contribution margin (revenue less salaries and superannuation) to assess the performance of the operating segments.

No segment assets and liabilities are disclosed because there is no measure of segment assets and liabilities regularly reported to the CODM.

#### Segment performance

<b>Consolidated – 31 December 2020</b>	<b>Accounting \$'000</b>	<b>Financial Advice \$'000</b>	<b>Financial Services \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
Revenue from contracts with customers	27,699	6,259	4,817	3,503	<b>42,278</b>
Segment contribution margin	13,792	2,672	2,591	567	<b>19,622</b>
Segment contribution margin percentage	50%	43%	54%	16%	<b>46%</b>

<b>Consolidated – 31 December 2019</b>	<b>Accounting \$'000</b>	<b>Financial Advice \$'000</b>	<b>Financial Services \$'000</b>	<b>Other \$'000</b>	<b>Total \$'000</b>
Revenue from contracts with customers	26,927	5,630	4,352	1,943	38,852
Segment contribution margin	12,935	2,914	2,295	1,776	19,920
Segment contribution margin percentage	48%	52%	53%	91%	51%

Reconciliation of segment contribution margin to profit from operations before income tax

	<b>31 December 2020 \$'000</b>	<b>31 December 2019 \$'000</b>
Total contribution margin	<b>19,622</b>	19,920
Other income and interest income	<b>2,988</b>	327
Gain on bargain purchase	–	10,952
Share of net profit of associates	<b>1,753</b>	1,055
Amortisation and depreciation expense	<b>(2,728)</b>	(2,463)
Premises expenses	<b>(874)</b>	(837)
Finance costs	<b>(541)</b>	(531)
Other costs	<b>(12,523)</b>	(15,993)
<b>Profit from operations before income tax</b>	<b>7,697</b>	12,430

The segment revenue described above represents revenue generated from external customers.

Other costs include \$6,982,000 (2019: \$6,542,000) of salaries and employee benefit expense that are not included in contribution margin.

## Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2020

### 4 Revenue from contracts with customers

	31 December 2020 \$'000	31 December 2019 \$'000
Accounting services revenue	27,699	26,927
Financial advice revenue	6,259	5,630
Financial services revenue	4,817	4,352
Other operating revenue	3,503	1,943
<b>Revenue from contracts with customers</b>	<b>42,278</b>	<b>38,852</b>

The disaggregation of revenue from contracts with customers is as follows:

	31 December 2020 \$'000	31 December 2019 \$'000
<b>Timing of revenue recognition</b>		
Transferred at a point in time	14,579	11,925
Transferred over time	27,699	26,927
	<b>42,278</b>	<b>38,852</b>

### 5 Other income

	31 December 2020 \$'000	31 December 2019 \$'000
Government grants	2,309	–
Other income	186	229
Gain on lease modification	110	–
Gain on deferred consideration	346	–
<b>Other income</b>	<b>2,951</b>	<b>229</b>

### 6 Other operating expenses

	31 December 2020 \$'000	31 December 2019 \$'000
Audit fees	175	205
Legal fees	168	231
Accounting and other professional fees	398	327
Bad and doubtful debts – trade receivables	168	295
Sales and marketing expenses	419	529
Administration expenses	1,148	1,266
Insurance expense	1,761	1,434
Technology expense	3,001	2,751
Count Financial transition expenses	–	1,224
Other	380	355
<b>Other operating expenses</b>	<b>7,618</b>	<b>8,617</b>



## Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2020

### 7 Remediation receivable

	31 December 2020 \$'000	30 June 2020 \$'000
<b>Current assets</b>		
Remediation receivable	219,702	195,000

Included in the Statement of Financial Position of Count Financial is a provision for remediation amounting to \$219,702,000 (30 June 2020: \$195,000,000). A corresponding remediation receivable asset has been recognised which represents an amount receivable pursuant to an indemnity deed granted by the Commonwealth Bank of Australia. The provision is for financial advice issues, including ongoing service fees charged to clients where no service was provided, and relates to the period prior to the purchase of Count Financial by CountPlus.

The indemnity of \$300,000,000 (30 June 2020: \$210,000,000) provided by Commonwealth Bank of Australia (CBA) relates directly to the remediation provision. The indemnity is subject to renegotiation if some of the underlying assumptions behind the provision are reassessed. Refer to note 9 for further information on the provision for remediation. Recoveries of remediation amounts are expected to be assessable for tax purposes, and remediation payments are expected to be deductible for tax purposes.

### 8 Provisions

	31 December 2020 \$'000	30 June 2020 \$'000
<b>Current liabilities</b>		
Employee benefits – annual leave	3,145	2,788
Employee benefits – long service leave	2,786	2,715
Employee benefits – sick leave	42	–
Bonus provision	435	495
Other	–	4
	6,408	6,002
<b>Non-current liabilities</b>		
Employee benefits – long service leave	1,046	1,010

## Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2020

### 9 Remediation provision

	31 December 2020 \$'000	30 June 2020 \$'000
<b>Current liabilities</b>		
Remediation provision – ongoing service fees – Count Financial	217,201	195,000
Remediation provision – other advice issues – Count Financial	2,501	–
Remediation provision – Total Financial Solutions Australia	30	30
	<b>219,732</b>	<b>195,030</b>

#### Remediation provision – Count Financial

The Count Financial remediation provision represents the estimated cost of remediation of current and former clients in respect of advice issues, including ongoing service fees charged where no service was provided. The advice issues occurred prior to the acquisition of Count Financial by CountPlus on 1 October 2019. Refer to note 7 for disclosure on the corresponding remediation receivable asset.

The provision includes the following elements:

	31 December 2020 \$'000	30 June 2020 \$'000
Ongoing service fees – cost of remediation of clients	115,606	109,200
Ongoing service fees – interest on amounts payable to clients	101,595	85,800
Other advice issues	2,501	–
	<b>219,702</b>	<b>195,000</b>

#### Ongoing service fees

The following key assumptions have been reflected in the remediation provision:

Value of ongoing service fees charged	\$452,449,000 (30 June 2020: \$429,000,000)
Number of years in which issues occurred	11 years (30 June 2020: 11 years)
Refund rate	24% (30 June 2020: 24%)
Interest calculation methodology	RBA cash rate plus 6% compounded monthly (30 June 2020: RBA cash rate plus 6% compounded monthly)
Value below which refunds will be made without investigation	\$650 (excluding interest) (30 June 2020: \$650 (excluding interest))

We anticipate that ongoing service fee client remediation may be completed by April 2022.

#### Other advice issues

'Other advice issues' presented above relate to additional items covered under the CBA indemnity deed including remediation due to specifically identified clients, deceased estates, clients of specific financial advisers and in respect of litigation matters. While these items formed part of the indemnity provided by CBA to Count Financial in prior reporting periods, they were unable to be estimated. Since 1 July 2020, resolution of these items has been prioritised, and at 31 December 2020, future expected payments are able to be estimated.

## Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2020

### 10 Contributed equity

	31 December 2020 Shares	30 June 2020 Shares	31 December 2020 \$'000	30 June 2020 \$'000
Contributed equity	114,222,559	114,222,559	126,566	126,566
Treasury shares – Issued capital held by loan funded share plan	(2,612,310)	(2,679,657)	(3,413)	(3,501)
	<b>111,610,249</b>	111,542,902	<b>123,153</b>	123,065

### 11 Non-controlling interest

Reconciliation of non-controlling interest in controlled entities

	31 December 2020 \$'000	30 June 2020 \$'000
Opening balance	9,395	6,232
Acquisition from business combination	–	2,308
Purchase of shares from non-controlling interest holder	–	(183)
Disposal of shares to non-controlling interest holder	1,154	240
Share of net profit for the period	1,465	1,587
Dividends paid by subsidiaries to non-controlling interest holder	(950)	(789)
<b>Closing balance</b>	<b>11,064</b>	9,395

### 12 Dividends

Dividends paid during the financial half-year were as follows:

	31 December 2020 \$'000	31 December 2019 \$'000
Dividends paid during the half-year on ordinary shares declared in prior period	–	–
Dividends paid or proposed during the half-year on ordinary shares declared in the current period	1,394	1,142
	<b>1,394</b>	1,142

The interim dividend of 1.25 cents (fully franked) per share has been proposed but not recognised at the half year 31 December 2020.

## Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2020

### 13 Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, loans, advances and other receivables and interest-bearing borrowings approximate their fair value.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

#### Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed 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

**Level 3** Unobservable inputs for the asset or liability

<b>Consolidated – 31 December 2020</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial liabilities</b>				
Contingent cash consideration	–	–	(973)	(973)
<b>Total liabilities</b>	–	–	(973)	(973)

<b>Consolidated – 30 June 2020</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>Financial liabilities</b>				
Contingent cash consideration	–	–	(985)	(985)
<b>Total liabilities</b>	–	–	(985)	(985)

<b>Consolidated</b>	<b>Total \$'000</b>
Balance at 1 July 2020	(985)
Gains recognised in profit or loss	350
Additions to deferred cash consideration for acquisition of assets during the year	(622)
Cash paid for settlement of deferred cash consideration	284
<b>Balance at 31 December 2020</b>	<b>(973)</b>

The fair value of the financial assets and liabilities represents 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. The following methods and assumptions were used to estimate the fair values.

Fair value of contingent cash consideration is derived from management expectations of the performance of the acquired businesses and assets.

There were no transfers between levels during the financial half-year.

The maximum potential payment for deferred consideration is \$973,000 (30 June 2020: \$985,000).

Management believes no reasonable change in any other key assumptions would have a material impact on the fair value of the other investments and deferred consideration.

## Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2020

### 14 Contingent assets

The Group has no contingent assets as at 31 December 2020 (30 June 2020: nil).

### 15 Contingent liabilities

#### Class action lawsuit

Class action proceedings have been filed by Piper Alderman in the Federal Court of Australia against CountPlus Limited's member firm, Count Financial Limited. The proceedings seek financial compensation and relates to commissions paid to Count Financial and its authorised representative financial advisers. The commissions were in respect of financial products (including insurance) and certain obligations of its financial advisers to provide ongoing advice in the period 21 August 2014 to 21 August 2020.

CountPlus Limited acquired Count Financial Limited from Commonwealth Bank of Australia (CBA) on 1 October 2019. CBA has provided an indemnity to CountPlus Limited in relation to certain conduct that occurred prior to and after the acquisition of Count Financial by CountPlus Limited for an amount of \$300M.

A reliable estimate of the expected future inflows and / or outflows related to the class action cannot be formed at this stage.

The Group has no other contingent liabilities as at 31 December 2020 (30 June 2020: nil).

### 16 Related party transactions

#### Parent entity

CountPlus Limited is the parent entity.

Commonwealth Bank of Australia has maintained its 35.85% shareholding in CountPlus, held by its subsidiary Colonial First State Group Limited.

Transactions between the Company and its subsidiaries during the year consisted of:

- ▶ the loans advanced by the parent to subsidiaries;
- ▶ the loan repayments by the subsidiaries to the parent;
- ▶ the payment of dividends to the parent by subsidiaries; and
- ▶ recharges from the parent to the subsidiaries.

At the half-year end, all loan balances, payment of dividends and recharges between the parent and these subsidiaries were eliminated on consolidation.

#### Associates

Interests in associates are set out in note 18.

### 17 Business combinations

#### Prior period acquisition of Count Financial Limited

On 1 October 2019, CountPlus Limited acquired 85% of the ordinary shares of Count Financial for \$2,125,000. Details of this business combination were disclosed in note 41 of the Group's Annual Report for the year ended 30 June 2020. Refer to note 2 for the impact of changes in provisional accounting to the 2019 comparative figures.

## Notes to the Consolidated Financial Statements

For the Half-Year Ended 31 December 2020

### 18 Investment in associates

Interests in associates are accounted for using the equity method of accounting. Information relating to associates are set out below:

Name of associate	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2020 %	30 June 2020 %
One Hood Sweeney Pty Ltd	Australia	32.36%	32.36%
Hunter Financial Planning Pty Ltd	Australia	40.00%	40.00%
OBM Financial Services Pty Ltd	Australia	40.00%	40.00%
Rundles CountPlus Pty Ltd	Australia	40.00%	40.00%
Rundles Financial Planning Pty Ltd	Australia	20.00%	20.00%
DMG Financial Holdings Pty Ltd	Australia	30.00%	30.00%

Movements during the year in equity accounted investment in associated companies

	31 December 2020 \$'000	30 June 2020 \$'000
Opening balance	17,629	13,607
Acquisitions	–	3,439
Share of associate company's profit after tax	1,753	2,179
Dividends and distributions	(708)	(1,596)
<b>Closing balance</b>	<b>18,674</b>	<b>17,629</b>

### 19 Events after the reporting period

The financial report was authorised for issue on 23 February 2021 by the Board of Directors.

On 23 February 2021, the Directors resolved to declare a half-year dividend of 1.25 cents (fully franked) to be paid on 14 April 2021 (Record date 19 March 2021).

No other matters or circumstances have arisen since the end of the financial half-year which significantly affected or could significantly affect:

- (a) the Group's operations in future financial periods, or consolidated entity,
- (b) the results of those operations in future financial periods, or
- (c) the Group's state of affairs of the consolidated entity in future financial periods.

## Directors' Declaration

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For the Half-Year Ended 31 December 2020

In the Directors' opinion:

- ▶ the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- ▶ the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- ▶ there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors,



**Ray Kellerman**

Director

23 February 2021

Sydney



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## Independent Auditor's Report

### To the Members of CountPlus Limited

#### Report on the review of the half year financial report

##### Conclusion

We have reviewed the accompanying half year financial report of CountPlus Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of CountPlus Limited does not give a true and fair view of the financial position of the Group as at 31 December 2020, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

##### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report Performance by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

##### Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

##### Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the*

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## Independent Auditor's Review Report

to the members of CountPlus Limited



*Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of CountPlus Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

A handwritten signature in cursive script that reads "Grant Thornton".

Grant Thornton Audit Pty Ltd  
Chartered Accountants

A handwritten signature in cursive script that reads "S M Thomas".

S M Thomas  
Partner – Audit & Assurance  
Sydney, 23 February 2021



**Appendix 4D and Financial Statements**  
For the Half-Year Ended 31 December 2020



