

Appendix 4D

Half Year Report

1. Company details

Name of entity

Countplus Limited

ABN or equivalent company reference

11 126 990 832

Half year ended ('current period')

31 December 2016

Half year ended ('previous period')

31 December 2015

2. Results for announcement to the market

\$A'000's

2.1	Revenues from ordinary activities	Down	1.00%	to	61,890
2.2	Profit (loss) from ordinary activities after tax attributable to members	Down	67.00%	to	2,070
2.3	Net profit (loss) for the period attributable to members	Down	75.00%	to	1,494
2.4	Dividends		Current Period		Previous Period
	Final Dividend (fully franked at 30% tax rate) paid		2.0¢ 15-Aug-16		2.0¢ 14-Aug-15
	Interim Dividend (fully franked at 30% tax rate) paid		2.0¢ 15-Nov-16		2.0¢ 16-Nov-15
	Interim Dividend (fully franked at 30% tax rate) payable/paid		2.0¢ 15-Feb-17		2.0¢ 15-Feb-16
	Interim Dividend proposed (fully franked at 30% tax rate)		1.0¢ 15-May-17		2.0¢ 16-May-16
2.5	Record date for determining entitlements to the proposed interim dividend.		27 April 2017		

2.6 Brief explanation of any of the figures in 2.1 to 2.4 above necessary to enable the figures to be understood:

The Company reported consolidated net profit after tax for the half year ending December 2016 of \$2.07m (2015: \$6.23). This represented a decline of 67.0% due primarily to non-recurring expenditures. This comprised of a write-down \$0.8M of goodwill as a result of the Company's valuation of one of its subsidiary companies Wearne & Co Pty Ltd, provision of (\$0.75m after tax) for Total Financial Solution remedial program and fair value revaluation of shares held in Class Limited of \$1.61m after tax.

Accounting revenue increased by 1.6%, while net financial planning was down 3.6% for the half-year compared to 2015.

Total expenses (excluding fair value loss on revaluation of listed shares and goodwill impairment) decreased by 1.5%

During the period, Countplus subsidiaries completed three acquisition as detailed in Section 4 of this report.

The unaudited operating revenue and earnings before interest, tax, depreciation and amortisation for the consolidated entity for the six months to 31 December 2016 and for the corresponding prior period ending 31 December 2015 are as follows:

	31.12.2016	31.12.2015
	\$'000	\$'000
Operating revenue for the period	61,890	62,028
EBITDA for the period	5,208	13,166
Net profit attributable to the members of Countplus Limited	1,494	5,992

3. NTA backing

	Current Period	Previous Period	
		30 June 2016	31 Dec 2015
Net tangible asset backing per security (cent per share)	12.80¢	17.91¢	12.19¢

4. Control gained over entities/loss of control over entities

Acquisition of businesses and controlled entities

The consolidated entity acquired the following businesses and entities (100% unless stated otherwise)

Particulars	McPhersons Financial Solutions \$'000	Brooks Accountants \$'000	DFK Crosbie Gold Coast \$.000
Date of acquisition of entity / business assets of entity	July 2016	November 2016	December 2016
Consideration:			
Cash paid	466	634	1,137
Deferred equity consideration	117	180	478
Total consideration	583	814	1,615

Fair value of net assets of controlled entities acquired:			
Acquired Client Relationships	117	150	615
Provisions	(35)	(131)	(317)
Goodwill on acquisition	501	795	1317
Total fair value	583	814	1,615

Results contributed by acquired entities since acquisition date and profit for the corresponding prior period:

The contributions made since acquisition by McPhersons Financial Solutions to Countplus Limited's net profit was \$69k.

The contributions made since acquisition by Brooks Accountants to Countplus Limited's net profit was \$58k.

DFK Crosbie Gold Coast was acquired on 12 December 2016, hence its contribution was immaterial and not reported in this half-year.

5. Dividends

	Current period		Previous period	
	Date dividend paid/payable	\$'000	Date dividend paid	\$'000
Final Dividend	15 August 2016	2,282	14 August 2015	2,274
Interim Dividend	15 November 2016	2,283	16 November 2015	2,282
Total Dividend Paid		4,565		4,556
Dividend provided for and recognised as a liability	15 February 2017	2,284	15 February 2016	2,282
Dividends proposed and not recognised as a liability	15 May 2017	1,141	16 May 2016	2,283

6. Dividend reinvestment plans

The company does not operate a dividend reinvestment plan.

7. Details of associates and joint venture entities

There was no new interest in associates or joint ventures in the half-year.

8. Foreign entities

Not applicable.

9. Events after balance sheet date

In January 2017, Countplus subsidiary 360 Financial Advantage Pty Ltd acquire 100% of the business assets of R W Fox & Associates. A cash consideration of \$66,000 was made on settlement with the remaining expected balance of \$60,000 to be settled in 2 deferred payments.

On 17 February 2017 Countplus sold 1,000,000 Class Limited shares for \$3.04 per share for a total consideration of \$3,026,624 (net of transaction cost).

On 22 February 2017, Countplus Limited declared an interim dividend for 2016/17 of 1 cent per share payable on 15 May 2017 (record date: 27 April 2017).

On 22 February 2017 Countplus' CEO and Managing Director Phillip Aris advised the Company of his intention to resign his position at the close of business 23 February 2017.

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

10. If the accounts are subject to audit dispute or qualification, details are described below:

Additional disclosures can be found in the notes to the 2016 Half – Year Financial Statements.

This report is based on the consolidated 2016 Half-Year Financial Statements which have been reviewed by Grant Thornton with the Independent Auditor's Review Report included in the 2016 Half-Year Financial Statements.