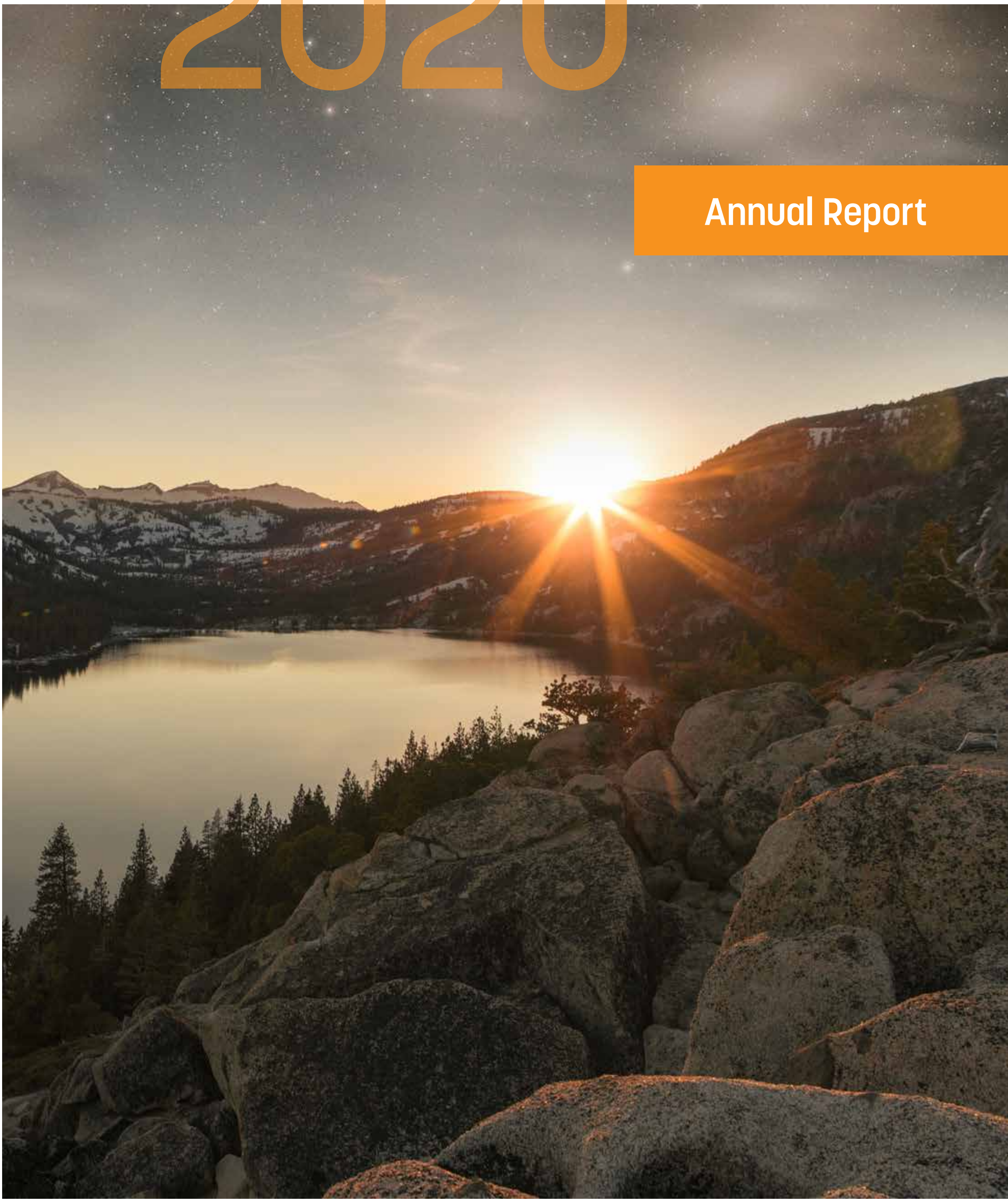
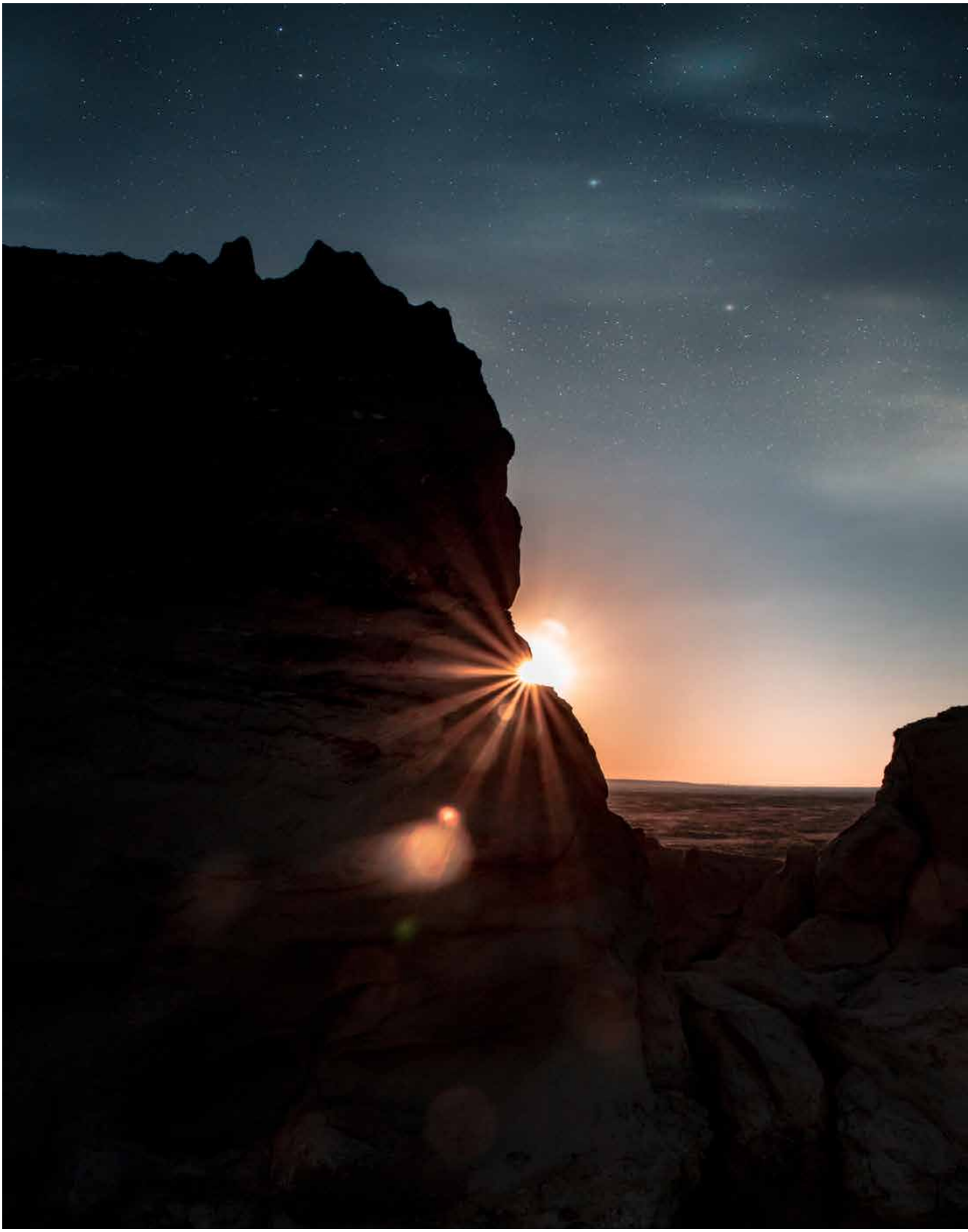
CountPlus
Quality Partnerships, Leading Advice

2020



Annual Report



Appendix 4E
For the Year Ended 30 June 2020

1 Company details

Name of entity	CountPlus Limited
ABN	11 126 990 832
Reporting period	For the year ended 30 June 2020
Previous period	For the year ended 30 June 2019

2 Results for announcement to the market

				$'000
Revenues from ordinary activities	up	20%	to	82,607
Profit from ordinary activities after tax attributable to the owners of CountPlus Limited	up	>100%	to	15,861
Profit for the year attributable to the owners of CountPlus Limited	up	>100%	to	15,861

Comments

The profit for the Group after providing for income tax and non-controlling interest amounted to $15,861,000 (30 June 2019: $1,635,000).

3 Net tangible assets

	Reporting period Cents	**Previous period Cents**
Net tangible assets per ordinary security	35.78	22.65

4 Control gained over entities

Name of entity	Count Financial Limited
Date control gained	1 October 2019

	$'000
Contribution of Count Financial Limited ('Count Financial') to the reporting entity's profit from ordinary activities before income tax during the period	2,533
Profit from ordinary activities before income tax of the controlled entity for the whole of the previous period	2,020

Commentary on the results is provided in the review of operations within the attached Directors' report and ASX release results presentation.

Appendix 4E
For the Year Ended 30 June 2020

5 Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Interim dividend – paid on 15 April 2020	1.250	1.250
Full year final dividend*– to be paid 14 October 2020	1.250	1.250

* record date 25 September 2020

Previous period

	Amount per security Cents	Franked amount per security Cents
Interim dividend – paid on 17 April 2019	1.000	1.000
Full year final dividend – paid on 16 October 2019	1.000	1.000

6 Details of associates

	Reporting entity's percentage holding		Contribution to profit	
Name of associate	**Reporting period %**	**Previous period %**	**Reporting period $'000**	**Previous period $'000**
One Hood Sweeney Pty Ltd	32.36%	32.36%	950	952
Hunter Financial Planning Pty Ltd	40.00%	40.00%	360	421
OBM Financial Services Pty Ltd	40.00%	40.00%	188	111
Rundles CountPlus Pty Ltd	40.00%	40.00%	336	56
Rundles Financial Planning Pty Ltd	20.00%	20.00%	57	13
DMG Financial Holdings Pty Ltd	30.00%	–	288	–
Group's aggregate share of associates profit				
Profit from ordinary activities after income tax			2,179	1,553

About CountPlus

The CountPlus vision is to become Australia's leading network of professional accounting and advice firms, aligned through shared values, mutual success, and our sense of community.

The CountPlus vision is to become Australia's leading network of professional accounting and advice firms, aligned through shared values, mutual success, and our sense of community.

CountPlus Limited ('the Company') is ready for its next phase of selective growth and is prepared to carefully assess and navigate future uncertainty within a broader industry and global context.

The addition of Count Financial Limited ('Count Financial') to the CountPlus ranks adds to our overall market position and builds upon our experience in selecting and embedding strong strategic growth opportunities.

The combination of culture, a client-centric advice business model and capacity to make a decent profit decently defines the CountPlus 'fit'.

Our commitment to the Owner, Driver – Partner model is unchanged.

The Company supports member firms through capital investment, practical leadership, and intellectual input.

Underpinned with strong financial systems and management, we focus on aligned value and professional outcomes. We help to guide firms through high-quality training and leadership programs, identifying emerging leaders and giving practical support to our existing senior people.

The Owner, Driver – Partner model:

- Improves performance at the individual firm level while leveraging the benefits of a national group, its collective wisdom, expertise, and best practice.
- Inspires loyalty and relationships, by allowing firms to preserve their local brand and unique identity.
- Builds confidence by offering strategic support, funding for growth, scalable benefits, and succession planning.

Through its people, strong governance and leadership CountPlus strives to maintain high quality services, innovation in technology and systems, a fair workplace and abiding commitment to the communities and people we serve. Sustainable financial performance and shareholder value is built though this approach.

Our strategy sets us apart in Australia and will allow us to realise the vision of CountPlus as the nation's leading network of professional accounting and advice firms.

Contents

Chairman's Report

COVID-19 and Industry Dislocation – Unprecedented Times

Like all global economies, Australia is swept up in what the World Bank recently described as the worst recession since the Second World War and the first since 1870 to be triggered solely by a pandemic.

The sudden impact of COVID-19 has dealt an economic and humanitarian blow of such magnitude that World Bank forecasts* are suggesting a 5.2 per cent contraction for the global economy this year.

Beyond 2020, the economic outlook is highly uncertain. Any recovery would appear tied to the development of a COVID-19 vaccine. Even with an approved drug therapy to help combat the virus, the climb back for Australia and other economies is expected to be slow.

The CountPlus Board is alert to the impact of these sobering statistics and appreciates the complex jeopardy of COVID-19 and its impact on human health, macro-economic conditions, and the resulting social effects.

With the impact of the pandemic, questions are being posed of different industries while also presenting opportunities for others such as in technology. Similarly, increased regulation of the Advice industry in which CountPlus operates is also causing huge change and dislocation, and with such change, opportunity will present itself to those prepared to act sensibly and with conviction.

Strong Management

Our job is to consider the empirical evidence and make prudent decisions in the best interests of the Company and its shareholders.

Our first priority during the early days of the COVID-19 crisis was to secure the safety and wellbeing of our people. Our follow up action was to ensure that we played our part in supporting our partnerships, communities and wider network of clients, friends and families.

I am proud of the manner in which the CountPlus people rallied in support of clients and communities. All Australians faced unprecedented challenges of flattening the case number curve, locking down schools and businesses and the overnight economic disruption of a nation going into hibernation.

Such support and cooperation are part of being a trusted guardian of our clients' interests. It also reflects the strong values and purpose of the CountPlus business, its executive team and all of our people around Australia.

I am proud of the manner in which the CountPlus people rallied in support of clients and communities.

* World Bank *Global Economic Prospects* June 2020

A Strong CountPlus – Financial Stability and Opportunity

I am pleased to report that, despite the immense global challenges of the second half of the financial year, the Company delivered on some important targets to finish 30 June 2020 in a position of financial stability and strength.

Chief among these targets was formalising and bedding down the Count Financial acquisition. This transaction absorbed significant time and resources. The successful finalisation of the Count Financial purchase on 1 October 2019 led to an on-boarding program conducted by the CountPlus team with great energy and I congratulate all involved for their part in its success.

The Company's management team and your Board have worked hard to create a financially stable CountPlus which has begun to execute on its growth plans. With the vast change being experienced broadly across the Australian economy, and more specifically in the industries in which CountPlus operates, opportunities will continue to present themselves. The Company is very well positioned to seek to maximise opportunities that arise and build on an excellent foundation for continued growth of CountPlus in the medium term.

Moving forward

Whilst in a position of strength, our collective future remains subject to the unfolding economic environment dictated by the impact of the pandemic. For reasons stated above, the global pandemic and its consequences for the Australian economy, with flow-on effects to CountPlus, have proven highly challenging and difficult.

Your Board is particularly cognisant of the economic impact for small to medium enterprise in Australia.

Small business comprises much of the clientele of CountPlus member firms and affiliates. The Company will remain vigilant to managing the downside risks of prevailing economic conditions, but also be prepared to deploy capital wisely should the right opportunity arise.

Thank you for being a CountPlus shareholder.

Ray Kellerman
Chairman

CEO Report

I have long felt that the definition of leadership is not what we say but what we do.

Acts of leadership are abundant in recent times. The horrific Summer bushfire season in Australia was barely extinguished before we were immersed in a global health pandemic, creating unprecedented challenges for leaders in politics, business and across communities, religious and socio-economic backgrounds. Brave acts of leadership have emerged when we needed them most – from volunteer firefighters, nurses, doctors, neighbours and friends.

I am proud to have seen selfless acts of leadership within the CountPlus community, as our own responders brought their professional talent and trusted care to the people and townships they serve.

Against a backdrop of historic global events, it is important to emphasise to shareholders that, despite the prevailing health and economic challenges, the Company's leadership team has not averted its gaze from the task of steering CountPlus safely.

'Acts of leadership' spawned by the pandemic provide a useful metaphor for the way in which the CountPlus leadership team is responding to industry-specific challenges – and opportunity – facing our business.

Financial Stability

This FY2020 report demonstrates strong, stable financial results for CountPlus. A combination of an experienced management team and a unified strategy executed with purpose has guided these solid results. Strategic acquisitions have bolstered our reported profit and proven our capacity to make prudent decisions for the best long term interests of the Company and shareholders.

I encourage you to read this financial report as I do – with optimism for the future and a strong sense of confidence in the capacity of CountPlus to prevail throughout future challenges.

Growth has begun

The Count Financial acquisition completed on 1 October 2019. It is the start of the CountPlus industry leadership and growth journey and emblematic of a comprehensive and judicious approach by CountPlus to attracting, retaining, and growing high-quality financial advice firms.

Where other sector players have shrunk or simply exited, CountPlus is focused on growing a sustainable, long term network of accounting-led advice practices.

The CountPlus balance sheet provides us with more than modest room for future acquisitions. The completion of the 100-day strategy to bed down Count Financial within our culture of client-centric financial advice has already delivered systematic efficiencies and synergies.

We are ready for the next chapter of growth and describe the revitalised Count Financial business as a 'clean' and future-ready licensee.

Prevailing now for 40 years, Count Financial is facing near-term (2021) challenges including the rollback of subsidies and commissions paid by product manufacturers. The fiscal impact of this alone is significant, as we expect some 45% of the 'old world' conflicted total Count Financial revenue will disappear. Despite this, your leadership team is confident that our mission to drive Count Financial as the licensee of the future built on fee-for-service, non-conflicted remuneration is achievable and well within our reach.

Safe harbour

The sentiment that storms are lashing global economies applies equally to the Australian financial advice sector. In fact, various storm clouds have hung over the financial advice industry for a long period. Heightened regulation, a significant uplift in education and ethical standards, challenges to the commercial models for licensees, deeper community and consumer expectations post the Hayne Royal Commission and the exit of vertically integrated institutions has created a highly disrupted sector ripe with challenge and opportunity.

Add to this the wholesale departure of adviser numbers and we have a perfect storm scenario.

Is there a safe harbour? The Count Financial and CountPlus model is purpose-built for these times. Quality advisers will seek a quality 'safe harbour' in which to securely anchor their client trust and to build a business with future security intact. We are ready. We are well-funded. We are prepared for fresh acts of leadership and 'doing not telling' in the months and years ahead.

Thank You

Matthew Rowe

Matthew Rowe
CEO and Managing Director

Twomeys

Twomeys grows through Owner, Driver – Partner model and strategic 'tuck-in' acquisition

CountPlus member firm Twomeys has experienced growth in its regional New South Wales base and restructured partners within the firm as part of the CountPlus 'Owner, Driver – Partner' model.

Twomeys and CountPlus have worked hard over three years to make the Owner, Driver – Partner (OD–P) model a reality. The model enables leaders within a firm to buy equity alongside CountPlus, driving aligned partnerships. "This provides the Principals with more accountability and reward for the success of Twomeys. In turn, it assists in driving continual growth in the business," explains Michael Gay, Principal and financial planner of Twomeys. In early July 2020, Twomeys completed a tuck-in acquisition of client accounting-based services, Cultiv8, and undertook an equity buyback program under the CountPlus OD–P model. Michael explains that the main consideration when deciding between an acquisition or tuck-in strategy was that in this instance Twomeys was looking primarily at the fit of the people within the firm they were acquiring. "We wanted to consider how they could make a difference in our business and assist us with our growth strategy.

"In regional areas, a critical factor in growth is about the relationships we have with our clients, as well as having a positive presence in the community," Michael says. "This acquisition provided us with four new employees that have a positive presence in the community and very strong people skills that will allow them to foster new relationships and grow our business."

A secondary consideration was the client demographic. "We could have purchased a larger (income) parcel elsewhere; however, the attraction was the age of the clients and the potential to grow with them as they develop their businesses." The addition of Cultiv8's Director, Peter Maher, to the Twomeys team this year has strengthened the accounting aspect of the business. The converged model is central in building trust and referrals. "At Twomeys, we have a real strength in our accounting and business services expertise. In Peter Maher, we have secured a leader with the passion and time to embrace technology and a desire to work with both existing and new clients in the advisory space to assist the clients to grow their business. Because of Peter's ability to foster relationships, he will quickly build trust with clients and then cross-refer to other valued services within the business." The CountPlus OD–P model has enabled Twomeys to continue to grow in a way that positively impacts the four regional NSW communities they represent.

Twomeys provides cost-effective accounting and financial solutions for both small and large business across a range of structures from individuals to superannuation funds.

Affinitas Financial Planning

Why Count Financial was the best partner for Affinitas Financial Planning

Choosing a licensee is a decision to never be taken lightly. Affinitas Financial Planning recently travelled down that road and explain what impacted their decision to choose Count Financial.

Brad Peters, Director and Senior Financial Planner at Affinitas Financial Planning, took a lot of care and time to decide. "Starting with a matrix of assessment factors, I divided licensees into three general categories – Must, Preferable and Nice (but not necessary). Then, with the help of a consultant, I met with about 14 potential licensees. It then came down to a final three – where we went into a lot more depth."

"Of all of the licensees, Count Financial was always ahead in terms of financial backing and potential long term stability."

Brad spent time getting to know people like Matthew Rowe and Andrew Kennedy – and spoke with some of the key people he would be working with on a daily basis to better understand the service offerings, cost structures and cultural alignment. Brad also spoke with some existing Count Financial advisor firms and was made aware of how they were going to be remoulded and reinvigorated under CountPlus ownership.

"In the end, I felt Count Financial understood who we were, could provide what we needed and valued what we offered," explains Brad.

"Count Financial provided a clear outline of the steps required, helped us prepare and was always there to assist with advice and practical help at each step. Count Financial delivered on everything they promised as far as pricing and levels of support were concerned during the changeover process."

As a result of transferring to Count Financial, Brad feels that Affinitas Financial Planning now has the right levels of support in key areas to ensure they can continue to service existing clients, write new business and remain compliant.

"We have been able to contact key decision makers/support people when needed, and have received real value from having ongoing access to a dedicated Practice Development Manager," Brad explains.

"Affinitas Financial Planning firm has operated as part of an overall business structure that includes an accounting practice. Support for accounting qualified financial planners has always been part of Count's DNA. Therefore, practice development will always be mindful of how changes in the tax/accounting landscape will impact our overall business." In addition to support, Brad says the Australia-wide network of Count Financial firms and the CountPlus ownership model provide some potentially exciting succession planning opportunities.

"Businesses don't change licensees for fun – because it is a labour intensive, time consuming and potentially costly process." However, Brad explains that it is going to be a necessary reality for many advisory firms who want to secure their long term future in the financial planning industry. Choosing the right licensee makes all the difference.

Operating for 20 years, Affinitas Financial Planning is part of the wider Affinitas group, a Brisbane-based business that provides individual and small business clients with a holistic offering covering accounting, tax, finance, investment and personal insurance advice. The accounting practice services about 1400 clients, of which about 400 are investment and/or insurance clients.

Verve Group

People value the converged model

Verve Group was named as the Count Financial Member Firm of the Year 2019. Director and Senior Wealth Adviser, Matt Carberry, talks about what success looks like.

"Verve Group was able to stand out for a few reasons. Our firm is a 'one stop shop' for our clients. Our value proposition for clients and integrated businesses covers accounting and financial planning. We are able to assist with the creation of financial freedom and our clients resonate with that very well. In turn, the business achieves many referrals," Matt explains.

Today, success has materialised through Verve Group's ability to shift to remote working quickly, ensuring that services for clients continued when they needed them.

"If anything, we learned that we were more productive during COVID-19," explains Matt. "With available technology and our ability to continue to work remotely, we were able to maintain and build connections with clients. Our firm will continue to adopt the new normal of remote work."

Matt explains that clients now have the option of face-to-face meetings or video conferencing. Verve Group has been supporting its clients with monthly education videos on JobKeeper and policy changes, as well as how to use platforms like Zoom.

With offices in South Australia and the Northern Territory, it is essential for the firm to maintain excellent service to clients.

"Pre-COVID, we would fly 6-8 times a year to see clients. Now we are able to maintain the connection over video," Matt explains.

Matt explains that referrals are a big part of the firm. "Through tax planning to financial planning, internal referrals are common. Once our accountants have assisted their referrals, they will often pass on clients who haven't seen an advisor in years to the financial planning team."

The converged model has played a valuable role in helping Verve Group grow as a business.

"It's a one stop shop, and people value that. More of us are time poor these days and people prefer to work with one business for tax and financial planning."

"We are also reviewing our process in terms of assisting clients' family and friends, as well as our unique value proposition. Clients remember the little things, the personal relationships, the support and trust. It's not all about the money but the great experience clients have had with our firm," explains Matt.

"At the end of the day, in terms of markets, jobs, and incomes, people need advice and someone to lean on in this time now more than ever."

Count Charitable Foundation

Count Charitable Foundation passes $1M milestone

The Count Charitable Foundation was established in 2004 by Barry and Joy Lambert to provide a mechanism for the Count Financial business to provide support to employee initiatives in raising funds for their community needs. This year it has passed a significant milestone, having donated more than $1 million in a financial year. There is a bright future for the foundation and its work.

It operates by matching the funds raised by network firms, to bolster the support for communities.

"I worked for Commonwealth Bank in the 60s and 70s but left the bank because customers couldn't invest in inflation-proof investments, which led me to establish Count in August 1980. After 20 years of hard work we listed the business on the ASX to give equity to our staff and franchisees. By 2004 the business was thriving, and the next step was to give back to the community," Barry Lambert says.

The scheme supports – and depends on – the participation of the network.

"Accountants and their staff need to get involved, because their staff will know what needs to be done," Barry said. "It might be coaching sporting teams, working in service clubs, leading the charge to right a wrong, or helping the under privileged."

This year, the Count Charitable Foundation worked with the Count Financial and CountPlus networks to raise $100,000 for a national initiative – the Lifeline Bushfire Recovery Line dedicated phone support service. The network raised $50,000, while Barry personally donated $50,000.

"Mental illness is always a great need, but even more so when we have a crisis such as the bushfires, drought and now COVID," Barry said. "Ideally, we like to give a hand up rather than a hand out, so those that receive support can in turn give back. While we can't substitute for government welfare, neither can we let people slip through the cracks, so we also help out at the grassroots level. The greatest payback is probably going to come from helping our children and youth get a good start in life."

The Foundation celebrated donating more than $1 million in a single financial year for the first time, but the plans will expand from here.

"We are currently paying out $1M per annum and we pay out 5% of our capital. As we build up our funds – by earning more than 5% each year – the payout amount will grow," Barry said. "I look forward to seeing payouts reach $2M each year. The fund is a perpetual fund, so if we manage the investments effectively the payout will continue to grow. This is a fund that keeps on giving."

The Harvard experience

People, strategy, and culture: Value lessons from Harvard

In January 2020 – or pre-Covid as we now know it – Marisa Riccio, Managing Director of Hood Sweeney, was privileged to travel to Boston in the United States for intensive, week-long learnings on Leading of Professional Services Firms as the recipient of the Barry Lambert Harvard Business School Scholarship.

"Joining 140 participants representing 34 countries and a range of professional services, from accounting and legal to pharmaceutical and marketing, I was incredibly honoured to be exposed to a host of captivating Professors and their thinking around the issues that consume each of us every day in our businesses," says Marisa.

"What I felt as we dissected case studies and exchanged personal experiences, was comfort and validation that what we are doing at Hood Sweeney, and as part of the CountPlus network, is the best pathway," she explains.

"People are paramount and looking after them – providing staff with opportunities for development and wellbeing, and clients with advice, value and support – are at the core of what we do, and very much aligned with the Harvard learnings."

While there were many key learnings to take away from the experience, the most valuable lessons for Marisa were around people development, and value pricing and creation.

"Empowerment, trust, appreciation, responsibility and effective delegation are all big issues that businesses of any size or industry face when managing their people. Discussions around this were relatable and I came away confident that we are on the right track with our performance management and other people management systems," Marissa explains.

"The value lessons centred on how we measure the value we provide clients versus how clients value the services we offer. One Professor said: 'We put pressure on our price when we imitate what others do,' which really resonated with me."

For examples, Marisa explains that as advisors, value strategies with clients may be based on:

- Ability to grow
- Alignment with strategy
- Respect and appreciation for advice
- Value over pricing
- Advocacy and expanding networks.

The clients may perceive Value based on:

- Convenience
- Price
- Flexibility
- Relationships.

"How we perceive value will ultimately determine our client base. Sometimes that may mean saying no to clients whose values don't align with ours, or who don't believe in our strategy or respect our staff," she explains.

In terms of implementing any of the learnings into Hood Sweeney, Marisa feels that although the business is on the right track, there was plenty of food for thought. "It was an opportunity to review our services and our strategy to ensure that what we are delivering is clear."

"I wanted to see if we needed to be even more concise around business strategy and delivery of our messaging and that is reflected in our ongoing review of our core values and employee performance management," Marisa explains.

"What was very clear during the workshops was how similar professional services businesses are. We may just have slightly different ways of approaching the same issues."

It all comes down to clients, your people, your strategy and your culture.

Financial Summary

	2018 $'000	2019 $'000	2020 $'000	2019 / 2020 change %
Revenue from contracts with customers [1]	**74,386**	**68,646**	**82,607**	**20**
Other income	3,247	2,452	2,141	(13)
Total operating expenses [2]	**(73,369)**	**(66,434)**	**(76,067)**	**15**
EBITA before profit from associates	**4,264**	**4,664**	**8,681**	**86**
Share of net profit from associates [3]	828	1,553	2,179	40
Earnings before interest, tax and amortisation (EBITA) [4]	**5,092**	**6,217**	**10,860**	**75**
Interest Income [5]	53	75	163	large
Interest expense [6]	(463)	(342)	(1,108)	large
Amortisation [7]	(2,070)	(1,440)	(1,402)	(3)
Profit before tax	**2,612**	**4,510**	**8,513**	**89**
Income tax expense [8]	(300)	(1,554)	(2,017)	30
Gain on bargain purchase [9]	–	–	10,952	large
Net profit from operations after income tax [10]	**2,312**	**2,956**	**17,448**	**large**
Loss for the year from discontinued operations [11]	(1,465)	–	–	–
Profit for the year	**847**	**2,956**	**17,448**	**large**
Profit attributable to owners of CountPlus [10]	(176)	1,635	15,861	large
Profit attributable to non-controlling interest	1,023	1,321	1,587	20
Basic (loss) / earnings per share (cents)	**(0.16)**	**1.48**	**14.30**	**large**
Diluted (loss) / earnings per share (cents)	**(0.16)**	**1.48**	**14.24**	**large**
Current assets [12]	26,566	25,708	255,707	large
Current liabilities [13]	10,961	12,999	236,473	large
Current ratio	2.42	1.98	1.08	(45)
Non-current assets [14]	48,711	51,699	98,316	90
Non-current liabilities [15]	3,528	3,067	39,438	large
Net assets	60,788	61,341	78,112	27
Net cash [16]	8,975	8,503	21,111	large

Notes to Financial Summary

1. Revenue from contracts with customers
Revenue is generated from accounting services, financial planning services and financial services. Accounting related revenue represents 63% of revenue from contracts with customers and was up on the prior period by 2%. Financial planning revenue makes up 14% of revenue from contracts with customers and was up 1%. Financial services revenue makes up 15% of revenue from contracts with customers and was up 221% on prior period. Revenue from contracts with customers was up on last year by 20% primarily due to the acquisition of Count Financial on 1st October 2019.

2. Total operating expenses
Total operating expenses are up 15% on the prior period. This is primarily due to the acquisition of Count Financial.

3. Share of net profit from associates
Share of net profit from associates is up by 40% due to one newly acquired associate, DMG Financial Holdings Pty Ltd and full year share of profits from OBM Financial Services Pty Ltd, Rundles CountPlus Pty Ltd and Rundles Financial Planning Pty Ltd which were acquired during the course of FY19.

4. EBITA
EBITA increased by 75%. EBITA has improved due to the acquisition of Count Financial which contributed $2.5M in EBITA in FY20. CountPlus Limited and its subsidiary undertakings ('the Group') has also received government grants of $1.5M due to COVID-19 which has also contributed to the increase in EBITA.

5. Interest income
The increase in interest income was driven by the large cash balances held within Count Financial.

6. Interest expense
Interest expense has increased due to the adoption of AASB 16 Leases accounting standard ($716K of interest in 2020 (2019: nil)) and drawdown on the financing facility with Westpac Banking Corporation to fund the acquisition of DMG Financial Holdings Pty Ltd.

7. Amortisation
Amortisation (non-cash) of $1.4M (2019: $1.4M) relates primarily to an accounting requirement to write down the value of intangible assets, acquired client relationships and adviser networks, over their expected lifetime.

8. Income tax expense
Income tax expense for FY20 was higher in 2020 due to the acquisition of Count Financial and increased profitability across the rest of the Group.

9. Gain on bargain purchase
The gain on bargain purchase of $11M represents the excess of the fair value of the acquired identifiable assets and liabilities over the purchase price of Count Financial.

10. Net profit from operations after income tax
Net profit after tax was $17.4M for the period as a result of the acquisition of Count Financial. Profit attributable to CountPlus Ltd shareholders was $15.9M.

11. Loss for the year from discontinued operations
The loss on discontinued operations in the 2018 year relates to the sale of the business unit Kidmans PEC Pty Ltd.

12. Current assets
Current assets increased due to the recognition of a remediation receivable asset of $195M which is due from the Commonwealth Bank of Australia. In addition, the acquisition of Count Financial has resulted in a significant increase in cash ($14.3M), trade and other receivables ($8.5M) and contract assets ($11.1M).

13. Current liabilities
The increase in current liabilities was due largely to the recognition of a remediation provision within Count Financial of $195M. The acquisition of Count Financial has also resulted in the recognition of contract liabilities of $11.9M and trade and other payables of $8.3M. The adoption of AASB 16 Leases accounting standard has resulted in a $3.3M lease liability as at 30 June 2020.

14. Non-current assets
Non-current assets has increased compared to last year due to the adoption of AASB 16 Leases accounting standard ($14M impact) and the acquisition of Count Financial which has non-current contract assets of $25.7M.

15. Non-current liabilities
Non-current liabilities has increased compared to last year due to the adoption of AASB 16 Leases accounting standard ($12M impact) and the recognition of non-current contract liabilities of $24.2M in Count Financial.

16. Net cash
Net cash (cash and cash equivalent less interest bearing liabilities) has increased to $21.1M (2019: $8.5M) due predominantly to the cash received as part of the acquisition of Count Financial and from operating cash flows generated by member firms.

CountPlus Board

Ray Kellerman

Ray has over 30 years of experience in the financial services industry including in the funds management, financial advisory, life insurance and corporate and structured finance industries. Previous appointments include Independent Chairman of ClearView Wealth, an ASX listed life insurance and financial services company, and Independent Chairman of Credit Suisse Asset Management Australia. Prior to this he was with Perpetual Trustees Australia for 10 years before establishing his own financial services and compliance advisory business in 2001.

Ray is an owner and Executive Director of Quentin Ayers, an implemented asset advisor specialising in alternative private market investments. He holds qualifications in law, economics, investment securities and management.

Ray currently acts as a director for Goodman Funds Management Australia, Foundation Life New Zealand and Ryder Capital. He is also active in a number of governance related roles for some major fund managers operating in Australia.

Ray was appointed a Director of CountPlus in January 2017 and Chairman in April 2017.

Alison Ledger

Alison has more than 30 years of experience in the financial services industry. She has held senior operational and strategic roles in banking, funds management and insurance with Chase, Bankers Trust and IAG. As a Partner with McKinsey & Company, Alison advised leading global and Australian banks on strategy, performance improvement and organisational change. Alison's more recent experience has been in digital transformation and customer experience (CX). As Executive General Manager of Product, Pricing and eBusiness, Alison ran IAG's digital business and CX for the consumer brands including NRMA, SGIO and SGIC.

Alison is Chair of CountPlus' Remuneration and Nominations Committee and a member of the Audit and Risk Committee. She is also a Non-Executive Director of ASX listed Audinate Group Limited as well as private equity owned Latitude Financial Services and Hallmark Insurance.

Alison holds a Bachelor of Arts (Hons) in Economics from Boston College and an MBA from Harvard University. She is also a graduate of the Australian Institute of Company Directors.

Kate Hill

Kate has over 20 years' experience as an audit partner with Deloitte Touche Tohmatsu, working with ASX listed and privately-owned clients. She has worked extensively in regulated environments including assisting with Initial Public Offerings, capital raising and general compliance, as well as operating in an audit environment. She held a variety of leadership and executive roles in Deloitte and served for a period on the Board of Partners of the Australian firm.

Kate Hill is an independent Non-Executive Director, chair of the Audit and Risk Committee and member of the Acquisitions Committee. She is also an Independent Non-Executive Director of Elmo Software Limited (ASX: ELO) where she serves as Chair of the Audit and Risk Committee, and is a member of the Remuneration and Nominations Committee. She is a member of the Finance and Risk Committee, and the People and Culture Committee of Seeing Machines Limited (AIM: SEE).

Kate holds a Bachelor of Science (Hons) from Bristol University, is a member of the Institute of Chartered Accountants in Australia and New Zealand, and a graduate of the Australian Institute of Company Directors.

Andrew McGill

Andrew has more than 29 years' financial markets experience, including investment and management experience within the alternative asset sector and the funds management industry generally. He was previously Managing Director and CEO of ASX-listed Pacific Current Group Limited and in this capacity also served on the Board of a number of affiliated companies. Prior to joining Pacific Current Group, he was a founding partner of Crescent Capital Partners, an independent mid-market private equity firm where he worked from 2000 to 2010. Earlier in his career, Andrew held executive roles within Macquarie Bank's Corporate Finance and Direct Investment teams. He was also a consultant with The LEK Partnership, an international firm of business strategy consultants.

Andrew is currently a member of the Investment Committee for Besen Pty Ltd. He also serves as a member of the Council of Kambala Girls School.

Andrew holds a Bachelor of Commerce and a Bachelor of Laws from the University of New South Wales and a Graduate Diploma in Applied Finance (FinSIA). He is also a Fellow of the Financial Services Institute of Australasia.

Matthew Rowe

Matthew Rowe is the former Managing Director of Hood Sweeney, the 30th largest Accounting firm in Australia and twice a BRW top 10 fastest growing firm. Matthew successfully managed his transition and succession from the business to attend Harvard Business School. Matthew was also the longest serving Chairman in the history of the Financial Planning Association of Australia and represented Australia on the Global Standards Body.

In 2017, Matthew was appointed by the Minister for Revenue and Financial Services to the Board of the Financial Adviser Standards and Ethics Authority and served in this capacity for two and a half years.

Matthew brings to CountPlus a track record in leading a high performing professional services organisation, strong corporate and regulatory experience, as well as being recognised as a successful change agent within financial services.

Matthew was appointed a Director of CountPlus in October 2016 and CEO in February 2017.

Directors' Report

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 year ended 30 June 2020.

Board of Directors and Company Secretaries

Name	Position	Date of Appointment
Ray Kellerman	Chairman	27 April 2017
Alison Ledger	Independent Non-Executive Director	1 October 2016
Kate Hill	Independent Non-Executive Director	26 June 2017
Andrew McGill	Independent Non-Executive Director	4 December 2017
Matthew Rowe	Executive Director / Chief Executive Officer / Managing Director	24 February 2017
Laurent Toussaint	Company Secretary	29 June 2018
Narelle Wooden	Company Secretary	30 November 2018
Company Matters Pty Ltd (William Hundy)	Company Secretary	30 April 2020

Information on the current Directors including their experience, expertise and other current directorships (including former directorships) of publicly listed companies, is contained in the Board Profile Report on pages 20 to 21.

Meetings of Directors

Board of Directors			Audit and Risk Committee		Acquisitions Committee		Remuneration and Nominations Committee	
Name	**Position**	**Meetings Attended**	**Position**	**Meetings Attended**	**Position**	**Meetings Attended**	**Position**	**Meetings Attended**
Ray Kellerman	Non-Executive Chair	6/6	Member	5/5			Member	4/4
Alison Ledger	Non-Executive Director	6/6	Member	5/5			Chair	4/4
Kate Hill	Non-Executive Director	6/6	Chair	5/5	Member	2/2		
Andrew McGill	Non-Executive Director	6/6			Chair	2/2	Member	4/4
Matthew Rowe	Managing Director and CEO	6/6			Member	2/2		

Principal activities

During the financial year the principal continuing activities of the Group consisted of:

- accounting, tax and audit services;
- financial advice in relation to investment, superannuation and personal insurance; and
- financial services being the operator of financial advice licence businesses.

Review of operations

The profit for the Group after providing for income tax amounted to $17,448,000 including gain on bargain purchase (30 June 2019: $2,956,000).

The management team has been focussed on working with our member firms to improve the key financial, cultural and strategic drivers and grow by acquisitive activity which is reflected in the improved financial results for the year ending 30 June 2020.

COVID-19

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian and international markets. 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 minimal adverse financial impact on the CountPlus business in the year ended 30 June 2020, given the continued demand for accounting and financial services and given the support provided by the Australian Government. 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.

Capital management

Interest-bearing debt has increased from $1,755,000 at 30 June 2019 to $4,731,000 at 30 June 2020 due to acquisitive activity. CountPlus continues to focus on prudent capital management by improving cashflows generated by member firms, paying dividends from operating cashflows and investing in earnings accretive acquisitions after undergoing a rigorous acquisition process.

Significant changes in the state of affairs

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

On 1 October 2019, CountPlus Limited purchased an 85% interest in Count Financial for $2.125M.

On 27 October 2019, CountPlus Limited's member firm, Kidmans Partners Pty Ltd, purchased the business assets of Toll (Vic) Pty Ltd trading as Latitude Advisory Services for $0.9M.

On 18 November 2019, CountPlus Limited purchased a 30% interest in DMG Financial Holdings Pty Ltd for $2.891M.

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

Dividends

Dividends paid / declared during the financial year were as follows:

Financial year ended	Franking	Status	Cents per share	Payment date
2019	Fully franked	Paid	1.0 (per fully paid share)	16 October 2019
2020	Fully franked	Paid	1.25 (per fully paid share)	17 April 2019
2020	Fully franked	Declared	1.25 (per fully paid share)	14 October 2020

Matters subsequent to the end of the financial year

On 30 July 2020, the indemnity related to remediation matters in Count Financial granted by the Commonwealth Bank of Australia (CBA) was increased from $210,000,000 to $300,000,000.

On 1 July 2020, CountPlus Limited member firm, NSW based Twomeys Group Pty Ltd acquired the accounting based services of Cultiv8 Accounting Pty Ltd. Twomeys also completed a 38% equity buy back by key management under the CountPlus 'Owner, Driver – Partner' model. CountPlus retains a 62% shareholding in Twomeys.

On 27 August 2020, the Directors resolved to declare a full year final dividend for FY20 of 1.25 cents (fully franked) to be paid on 14 October 2020 (Record date 25 September 2020).

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

a) the consolidated entity's operations in future financial years;

b) the results of those operations in future financial years; or

c) the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

A letter has been sent to shareholders providing a report into the operational and strategic initiatives being driven by the Group. We are continuing to build the capacity to undertake merger and acquisition opportunities at a time of unprecedented change in our core business segments.

Our core business

The Group's core business is accounting, financial planning and financial services. The Group will continue to align, build, and grow its core business through organic and acquisitive growth.

Material business risks

The main risks for the Group are classified into two categories, operational and legislative. Group risks are regularly assessed by the Board and the Board's Audit and Risk Committee. Risks are addressed in an appropriate manner and are reflected through changes in Group policies as required.

As part of the Group's operational risk, we are focused on the impact of COVID-19.

Operational risk

The main operational risk for our member firms relates to potential loss of clients, working capital management and staff costs which may be triggered by either senior team departures or declining service levels. Member firms have regular board and management meetings in which the performance of the firm and forecasts are analysed. Any operational issues are also addressed at those meetings. Member firm Principals are subject to restraint clauses as part of their employment contracts. In addition, all member firms have succession plans in place.

Training and compliance monitoring have been implemented to ensure standards are being met.

A further operational risk relates to inappropriate or inadequate client advice. Regarding the acquisition of Count Financial, which completed on 1 October 2019, the Commonwealth Bank of Australia has provided a $300 million indemnity to cover remediation of past conduct as of 30 July 2020 ($200 million from 1 October 2019 to 29 June 2020 and $210 million from 30 June 2020 to 29 July 2020). All firms are required to have quality assurance processes and appropriate professional indemnity insurance either directly or as part of the Group policy. Member firms who are part of the Count Financial licensee network are covered under Count Financial's professional indemnity insurance arrangements for their financial planning services.

Legislative risk

In terms of legislative risk, any substantive changes that impact the provision of accounting / tax services or financial planning services, could have a material impact on the Group. For accounting / tax related services, initiatives being considered by the Federal Government to further reduce the requirement for individuals to lodge tax returns may have some impact on the compliance based work for some member firms.

Legislative risk is not currently expected to significantly impact the profitability of accounting-based member firms and the Group, but it will continue to be closely monitored by the Board's Audit and Risk Committee.

In addition to the two main risk categories, the following are some of the additional risks assessed by the Board:

- Integration risk: risk relating to the successful integration of newly acquired member firms;
- Expense management; failure to control expenses such as staff costs would result in earnings for CountPlus not reflecting revenue performance by member firms; and
- Owner, Driver – Partner model: the timing and implementation of this initiative will be subject to the underlying performance of the participating firms against key performance indicators.

Remuneration Report (audited)

The remuneration report details the Key Management Personnel (KMP) remuneration arrangements for CountPlus Limited ('CountPlus' or 'the Company'), in accordance with the requirements of the Corporations Act 2001 (Cth) ('the Act') and its Regulations.

Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The following Key Management Personnel are covered by this report:

Non-Executive Directors	Title / Committees	Changes during FY20
Ray Kellerman	Non-Executive Chairman Member, Audit and Risk Committee Member, Remuneration and Nominations Committee	No change
Alison Ledger	Non-Executive Director Member, Audit and Risk Committee Chair, Remuneration and Nominations Committee	No change
Kate Hill	Non-Executive Director Member, Acquisitions Committee Chair, Audit and Risk Committee	No change
Andrew McGill	Non-Executive Director Member, Remuneration and Nominations Committee Chair, Acquisitions Committee	No change
Executive Director		
Matthew Rowe	Chief Executive Officer Managing Director Member, Acquisitions Committee	No change
Other Key Management Personnel		
Laurent Toussaint	Chief Financial Officer and Company Secretary	No change
Graham McGeagh	Chief Operating Officer	No change
Narelle Wooden	General Counsel and Company Secretary	No change
Andrew Kennedy	Chief Advice Officer, Count Financial	Appointed 13 January 2020

This section of the Directors' report has been audited by the external auditors, Grant Thornton, as required by section 308(3C) of the Act.

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation with the creation of shareholder value; and
- transparency.

The Remuneration and Nominations Committee ('the Committee') is responsible for determining and reviewing remuneration arrangements for its Directors and Executives. The performance of the Group depends on the quality of its Directors and Executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Committee's purpose is to:

- Make recommendations to the Board in relation to the remuneration of Executive and Non-Executive Directors;
- Review and approve CEO and Senior Management remuneration policy for CountPlus; and
- Evaluate potential candidates for executive positions, oversee the development of executive succession plans and evaluate potential candidates for non-executive director positions.

Any decision made by the Committee concerning an individual Executive’s remuneration is made without the Executive being present at the meeting.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

- having economic profit as a core component of plan design;
- focusing on sustained growth in value for shareholders, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre Executives.

Additionally, the reward framework should seek to enhance Executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of Non-Executive Director and Executive Director remuneration is separate.

Non-Executive Directors' remuneration

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Committee. The Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

The Chairman's fees are determined independently to the fees of other Non-Executive Directors taking into account the fees paid for similar roles in comparable companies. The Chairman is not present at any discussions relating to the determination of his own remuneration. Non-Executive Directors do not receive performance rights or other incentives.

ASX listing rules require that the aggregate remuneration for the Non-Executive Directors of the Group be approved by shareholders. The Group most recently obtained approval from its shareholders at its 2019 Annual General Meeting held on 19 November 2019 for a maximum annual aggregate remuneration of $700,000.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The Executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short term performance incentives;
- long term incentives including share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the Executives' total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, is reviewed annually by the Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remuneration.

The short term incentive ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators being achieved.

The long term incentives ('LTI') now consist of share-based payments. Performance rights are awarded to executives based on long term incentive measures. These measures are earnings per share ('EPS') and return on equity ('ROE') performance hurdles. The Committee reviews the long term equity-linked performance incentives specifically for executives annually.

Group performance and link to remuneration

Short term incentives are based on the achievement of a financial and non-financial balanced scorecard.

Long term incentives are based on Adjusted EPS Growth and ROE. Short term incentives are based on balanced scorecard outcomes.

The table below provides a summary of the Group's earnings performance for the current and prior years:

	2020	2019	2018
Group Revenue ($'000)	82,607	68,646	74,386
Adjusted net profit after tax attributable to CountPlus shareholders ($'000)	5,950	3,681	2,741
Share price ($)	0.90	0.81	0.66
Share of associates earnings ($'000)	2,179	1,553	828
Dividends paid / declared (cents)	2.50	2.00	1.00
Adjusted EPS (cents)	5.37	3.33	2.48
Adjusted ROE (%)	9.68	6.50	4.94

Use of remuneration consultants

No remuneration consultants were engaged during the year ended 30 June 2020. In the prior year, the Committee commissioned services from two consultants, Richard Altman Consulting and Guerdon Associates Pty Ltd. CountPlus paid $75,000 in aggregate for these services.

Voting and comments made at the Company's most recent Annual General Meeting ('AGM')

At the November 2019 AGM, 98% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Service agreements

Non-Executive Directors

Non-Executive Directors do not have fixed-term contracts with the Group. On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Group in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation.

Executive Key Management Personnel

Remuneration and other terms of employment for the Executive Director and other Key Management Personnel are formalised in employment contracts. Each of these agreements provide for the provision of performance related cash bonuses and other benefits (which may include car allowances, car parking and participation in any equity scheme). The major provisions of the agreements relating to remuneration are set out below.

Key Management Personnel

Employee	Base salary*	Term of agreement	Notice period
Matthew Rowe	478,997	Five years**	Six months
Laurent Toussaint	333,997	Unspecified	Three months
Graham McGeagh	313,997	Unspecified	Three months
Narelle Wooden	293,997	Unspecified	Three months
Andrew Kennedy	303,997	Unspecified	Three months

* Excluding superannuation based on FY20 contractual salaries. Refer to pages 32 and 33 for a detailed breakdown of the remuneration components paid and expensed.

** Matthew Rowe's agreement commenced on 24 February 2017.

On termination the Executive Director and other Key Management Personnel are entitled to the following benefits:

Resignation

On resignation, unless the Board determines otherwise, all unvested STI or LTI benefits are forfeited.

Statutory entitlements

Payment of statutory entitlements of long service leave and annual leave applies in all events of separation.

Death or total permanent disability

On death or total and permanent disability, the Board has discretion to allow all unvested STI and LTI benefits to vest.

Termination for serious misconduct

The Group may immediately terminate employment at any time in the case of serious misconduct, and the CEO and other executive KMP will only be entitled to payment of total fixed remuneration up to the date of termination. On termination without notice by the Group in event of serious misconduct: all unvested STI or LTI benefits will be forfeited; and any equity instruments provided to the employee on vesting of STI and LTI awards that are held in trust, will be forfeited.

Post-employment restraints

All KMP are subject to post-employment restraints of up to 12 months.

Short term incentive

Short term incentives are in place to reward Executive Key Management Personnel for meeting annual performance targets set by the Board at the beginning of the reporting period. The service and performance criteria used to determine the STI for Key Management Personnel is a combination of financial metrics, member firm metrics and focus, people and community metrics. The determination of the STI for each individual KMP against these metrics is at the discretion of the CountPlus Board of Directors. The STI is set as a percentage of base salary. All STIs awarded are recommended by the Committee to the Board for approval. As a listed Company, the Directors are mindful of shareholder expectations for the Group's performance when setting and approving these incentives.

Long term incentive

Executive Key Management Personnel may, at the discretion of the Board, be granted Performance Rights, which are contractual rights to receive shares in the Group if nominated performance milestones are achieved. These Performance Rights are designed to align a proportion of Executive Key Management Personnel's remuneration with shareholder value over the longer term subject to the satisfaction of various performance milestones, as described on pages 36 to 37 of this report.

Details of remuneration

Remuneration of Key Management Personnel of the Group are set out in the following tables.

2020	Short term benefits			Post-employment benefits	Long term benefits	Share based expense[2]		
	Cash salary and fees	Cash bonus[3]	Non-monetary	Superannuation	Long service leave	Rights issue	Total	% of Variable Remuneration
	$	$	$	$	$	$	$	
Non-Executive Directors								
Ray Kellerman	136,986	–	–	13,014	–	–	150,000	0%
Alison Ledger	82,192	–	–	7,808	–	–	90,000	0%
Kate Hill	82,192	–	–	7,808	–	–	90,000	0%
Andrew McGill	82,192	–	–	7,808	–	–	90,000	0%
Executive Director								
Matthew Rowe	459,119	117,000	–	21,003	9,006	71,556	677,684	28%
Other Key Management Personnel								
Laurent Toussaint	328,164	53,500	–	21,003	3,049	14,888	420,604	16%
Graham McGeagh	308,164	38,548	–	21,003	1,009	13,977	382,701	14%
Narelle Wooden	291,497	44,000	–	21,003	886	10,401	367,787	15%
Andrew Kennedy [1]	134,422	36,480	–	9,290	3,640	3,675	187,507	21%
Total	**1,904,928**	**289,528**	**–**	**129,740**	**17,590**	**114,497**	**2,456,283**	

[1] Andrew Kennedy was appointed Chief Advice Officer of Count Financial on 13 January 2020.

[2] Represents the value calculated in accordance with AASB 2 Share Based Payment of performance rights granted as part of the long term incentive.

[3] The STI award date was 27 August 2020.

2019	Short term benefits			Post-employment benefits	Long term benefits	Share based expense[2]		
	Cash salary and fees	Cash bonus[4]	Non-monetary	Superannuation	Long service leave	Rights issue	Total	% of Variable Remuneration
	$	$	$	$	$	$	$	
Non-Executive Directors								
Ray Kellerman	91,324	–	–	8,676	–	–	100,000	0%
Alison Ledger	65,000	–	–	6,175	–	–	71,175	0%
Kate Hill	65,000	–	–	6,175	–	–	71,175	0%
Andrew McGill	65,000	–	–	6,175	–	–	71,175	0%
Executive Director								
Matthew Rowe	423,950	272,650	–	20,531	–	8,937	726,068	39%
Other Key Management Personnel								
Laurent Toussaint	299,951	64,097	–	20,531	–	6,538	391,117	18%
Graham McGeagh [5]	203,833	60,000	–	15,399	–	6,127	285,359	23%
Narelle Wooden [6]	173,314	30,000	–	13,456	–	3,051	219,821	15%
Mark Chapman [7]	65,827	–	–	5,653	–	–	71,480	0%
Total	**1,453,199**	**426,747**	**–**	**102,771**	**–**	**24,653**	**2,007,370**	

[4] The STI awarded date was 23 August 2019.

[5] Graham McGeagh was appointed as Chief Operating Officer on 1 October 2018.

[6] Narelle Wooden was appointed as General Counsel on 19 November 2018 and Company Secretary on 30 November 2018.

[7] Mark Chapman resigned as Chief Operating Officer on 8 October 2018.

The table below shows the FY20 and FY19 STI awarded as a percentage of maximum opportunity:

Name	STI awarded as a % of maximum opportunity		STI not awarded as a % of maximum opportunity	
	2020	**2019**	**2020**	**2019**
Ray Kellerman	–	–	–	–
Alison Ledger	–	–	–	–
Kate Hill	–	–	–	–
Andrew McGill	–	–	–	–
Executive Director				
Matthew Rowe	47%	67%	53%	33%
Other Key Management Personnel				
Laurent Toussaint	50%	100%	50%	0%
Graham McGeagh	38%	100%	62%	0%
Narelle Wooden	47%	100%	53%	0%
Andrew Kennedy	56%	–	44%	–

Shares held by Key Management Personnel

The number of shares in CountPlus Limited held during the financial year by each Director and other members of Key Management Personnel of the Group, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions*	Disposals / other	Balance at the end of the year
Ray Kellerman	750,000	–	157,000	–	907,000
Alison Ledger	10,000	–	–	–	10,000
Kate Hill	100,000	–	100,000	–	200,000
Andrew McGill	10,000	–	–	–	10,000
Matthew Rowe	884,122	–	600,878	–	1,485,000
Laurent Toussaint	20,000	–	–	–	20,000
Graham McGeagh	8,330	–	20,000	–	28,330
Andrew Kennedy	–	–	10,394	–	10,394
Total	**1,782,452**	**–**	**888,272**	**–**	**2,670,724**

* All additions during the year were from on-market purchases.

No other Key Management Personnel have an interest in CountPlus shares.

Equity plans

CountPlus operates three equity plans for employees: a loan funded share plan, an employee loyalty equity plan, and a long term incentive plan. The only equity plan that includes Key Management Personnel is the long term incentive plan.

Long term incentive plan

Performance Rights are issued by the Group to Key Management Personnel under its long term incentive plan at the discretion of the Board.

The purpose of this incentive plan is to align the remuneration of Executive Key Management Personnel with shareholder value, while retaining key executives.

This long term incentive plan offers Performance Rights in CountPlus subject to the satisfaction of the relevant performance milestones, as well as service and other conditions, at the relevant vesting date. All equity grants are made after the AGM each year. Executives must still be employed by CountPlus to be eligible to receive the Performance Rights.

Current plans in place

See below summary of long term incentive plans and rights issued:

Plan	Grant date	Expiry date	Total performance shares granted	Exercised	Forfeited	Total balance at end of the year
2019 LTI award	19/11/2019	20/12/2023	567,415	–	–	567,415
2018 LTI award	19/11/2018	20/12/2022	386,706	–	–	386,706
2017 LTI award	23/11/2017	22/11/2020	134,693	–	–	134,693
Total			**1,088,814**	**–**	**–**	**1,088,814**

Summary of performance rights issued

The table below outlines performance rights granted to each Executive KMP under the individual plans:

Participant	Plan	Performance Rights issued	Fair value per right $	Total fair value $
Matthew Rowe*	2019	358,943	1.0447	375,000
	2018	140,182	0.5850	82,000
	2017	134,693	0.6088	82,000
		633,818		**539,000**
Laurent Toussaint	2019	63,939	1.0447	66,799
	2018	102,555	0.5850	59,990
	2017	–	–	–
		166,494		**126,789**
Graham McGeagh	2019	60,110	1.0447	62,799
	2018	96,110	0.5850	56,220
	2017	–	–	–
		156,220		**119,019**
Narelle Wooden	2019	56,282	1.0447	58,799
	2018	47,859	0.5850	27,995
	2017	–	–	–
		104,141		**86,794**
Andrew Kennedy	2019	28,141	1.0447	29,400
	2018	–	–	–
	2017	–	–	–
		28,141		**29,400**
Total		**1,088,814**		**901,002**

* Approval for the issue of the Performance Rights to Matthew Rowe was obtained from shareholders under ASX Listing Rule 10.14.

Performance milestones and vesting schedule

Each Performance Right is issued by the Group and vests into one ordinary share in the Group. Performance Rights carry no dividend or voting rights. For Performance Rights to vest, the relevant Executive must remain employed or engaged by the Group at the relevant vesting date and the relevant performance milestones must be satisfied.

No exercise price is payable by an Executive on vesting of a Performance Right. If the minimum set value for each performance milestone is not satisfied on particular vesting date, the relevant Performance Rights lapse.

The performance hurdles are EPS and ROE performance hurdles. These were chosen because the Group believes they align with the Group's strategy and shareholder interests and best reflect the key financial performance metrics of the Group and strike an appropriate balance between growth and long term profitability.

When EPS of 10% to 12.5% or more is generated, tranche 1 vests on a straight-line basis between 20% and 100%.

When ROE of 9% to 15% or more is generated, tranche 2 vests on a straight-line basis between 10% and 100%.

Satisfaction of the performance hurdles are determined by reference to FY20 Annual Report, which represents the best information available in that regard.

Vesting schedule

Plan	Term
2019	Four years
2018	Four years
2017	Three years

No Performance Rights have vested or been exercised in FY20 and no ordinary shares for the Company were issued on the vesting or exercise of Performance Rights in FY20.

Diluted EPS Growth Hurdle (50%)

For all current plans on issue the first performance milestone is based on whether the Group's earnings per share achieves or exceeds a diluted average earnings growth rate as set out below over the consecutive financial years of the plan.

Diluted EPS Growth	% of Performance Rights vesting
< 10% per annum	0%
= or > 10% per annum	20% – 99%
> 12.5% per annum	100%

Average ROE Hurdle (50%)

For the 2018 and 2019 plans on issue the second performance milestone is based on whether the Group's return on equity meets or exceeds the returns set out below over the consecutive financial years of the plan.

Average ROE	% of Performance Rights vesting
< 9% per annum	0%
= or > 9% per annum	10% – 99%
> 15% per annum	100%

For the 2017 plan on issue the second performance milestone is based on whether the Group's return on equity meets or exceeds the returns set out below over the consecutive financial years of the plan.

Average ROE	% of Performance Rights vesting
< 12% per annum	0%
= or > 12% per annum	20% – 99%
> 15% per annum	100%

Where the EPS and ROE performance hurdle is met; the relevant hurdle vests on a straight-line basis.

Other transactions with Key Management Personnel

Managing Director and CEO Matthew Rowe is a Director and indirect shareholder of My Accounts Pty Ltd ('My Accounts'). In FY20 CountPlus used the services of My Accounts for which it paid $34,336 (excluding GST). CountPlus' 100% owned subsidiary CountPlus One Pty Ltd paid $26,400 (excluding GST) in fees and disbursements to My Accounts. CountPlus 85% owned subsidiary Count Financial paid $24,600 (excluding GST) in fees and disbursements to My Accounts. Mr Rowe did not participate or bear any kind of influence in decisions relating to transactions with My Accounts.

There are no other transactions which involved the Key Management Personnel during the 2020 financial year.

This concludes the remuneration report, which has been audited.

Indemnity and Insurance of Directors, Officers and Auditors

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

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

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 35 to the financial statements.

The board, via the Audit and Risk Committee, has a formal policy on the provision of auditing and related services. Specifically, the external auditor is precluded from the provision of any services that might threaten its independence or conflict with its assurance and compliance role. The policy provides that all non-audit services by the external auditor are pre-approved by the Chair of the Audit and Risk Committee. Semi-annual reports on the provision of auditing and related services are provided to the Board through the Audit & Risk Committee.

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 35 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 were pre-approved by the Chair of the Audit and Risk Committee with consideration given to the nature of the services, the suitability of the proposal of the audit firm compared with other tenderers and the quantum of fees involved;
- all non-audit services have been considered specifically 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 Group, acting as an advocate for the Group or jointly sharing economic risks and rewards.

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.

Rounding of amounts

The Group 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.

Corporate Governance statement

The Group's Directors and management are committed to conducting the business of the Group in an ethical manner. The Group has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) (Recommendations) to the extent appropriate to the size and nature of the Group's operations. The Group has prepared a statement which sets out the corporate governance practices that were in operation throughout the financial year for the Group, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations (Corporate Governance Statement).

In accordance with ASX Listing Rules 4.7.4 and 4.10.3, the Corporate Governance Statement will be available for review on CountPlus' website (www.countplus.com.au) and will be lodged together with an Appendix 4G with ASX while this Annual Report is lodged with ASX. The Appendix 4G will identify each Recommendation that needs to be reported against by CountPlus and will provide shareholders with information as to where relevant governance disclosures can be found. The Group's corporate governance policies and charters and policies are all available on CountPlus' website.

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,

Ray Kellerman
Chairman
Sydney
28 August 2020

Auditor's Independence Declaration

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Sydney NSW 2000

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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 audit of CountPlus Limited for the year ended 30 June 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

S M Thomas
Partner – Audit & Assurance

Sydney, 28 August 2020

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Corporate Directory

DIRECTORS

Ray Kellerman
Chairman

Alison Ledger
Independent Non-Executive Director

Kate Hill
Independent Non-Executive Director

Andrew McGill
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) *Appointed 30 April 2020*
PRINCIPAL REGISTERED OFFICE IN AUSTRALIA	Level 8 1 Chifley Square Sydney NSW 2000 Telephone +61 2 8218 8778
SHARE REGISTRY	**Computershare Investor Services Pty Ltd** Level 3, 60 Carrington Street Sydney NSW 2000 Telephone +61 2 8234 5000
INDEPENDENT AUDITOR	**Grant Thornton** Level 17, 383 Kent Street Sydney NSW 2000 Telephone +61 2 8297 2400
SOLICITORS	**Baker McKenzie** Level 46, Tower One International Towers Sydney 100 Barangaroo Avenue Barangaroo NSW 2000 Telephone +61 2 9225 0200
	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**
ABN	**11 126 990 832**

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2020

	Note	2020 $'000	2019 $'000
Revenue from contracts with customers	5	**82,607**	68,646
Other income	6	**2,141**	1,452
Interest income		**163**	75
Gain on disposal of investments, business units and subsidiaries		**–**	1,000
Gain on bargain purchase	41	**10,952**	–
Expenses			
Salaries and employee benefits expense	7	**(52,748)**	(47,706)
Depreciation expense		**(3,964)**	(847)
Premises expenses		**(1,621)**	(4,324)
Acquisition related expenses		**(427)**	(1,840)
Amortisation expense		**(1,402)**	(1,440)
Share based payment expense		**(115)**	8
Impairment of intangible assets		**–**	(1,060)
(Impairment of) / reversal of impairment of receivables		**(528)**	103
Finance costs		**(1,108)**	(342)
Other operating expenses	8	**(16,664)**	(10,768)
Total expenses		**(78,577)**	(68,216)
Share of net profits of associates accounted for using equity method	19	**2,179**	1,553
Profit before income tax expense		**19,465**	4,510
Income tax expense	9	**(2,017)**	(1,554)
Profit after income tax expense for the year		**17,448**	2,956
Other comprehensive income for the year, net of tax		**(10)**	–
Total comprehensive income for the year		**17,438**	2,956
Profit for the year is attributable to:			
Owners of CountPlus Limited		**15,861**	1,635
Non-controlling interest	30	**1,587**	1,321
		17,448	2,956
Total comprehensive income for the year is attributable to:			
Owners of CountPlus Limited		**15,851**	1,635
Non-controlling interest		**1,587**	1,321
		17,438	2,956

	Note	Cents	Cents
Basic earnings per share	44	**14.30**	1.48
Diluted earnings per share	44	**14.24**	1.48

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 30 June 2020

	Note	2020 $'000	2019 $'000
Assets			
Current assets			
Cash and cash equivalents	10	**25,842**	10,258
Trade and other receivables	11	**19,711**	11,909
Contract assets	12	**14,730**	3,522
Loans and advances	13	**424**	19
Remediation receivable	15	**195,000**	–
Total current assets		**255,707**	25,708
Non-current assets			
Trade and other receivables	11	**245**	672
Contract assets	12	**25,673**	–
Investments in associates	19	**17,629**	13,607
Property, plant and equipment	16	**4,078**	3,697
Right-of-use assets	17	**13,950**	–
Intangible assets	18	**36,741**	33,173
Deferred taxation	14	**–**	550
Total non-current assets		**98,316**	51,699
Total assets		**354,023**	77,407
Liabilities			
Current liabilities			
Trade and other payables	20	**13,633**	5,785
Contract liabilities	21	**12,925**	916
Interest bearing loans and borrowings	22	**3,359**	527
Lease liabilities	23	**3,321**	–
Current tax liabilities	14	**1,278**	336
Provisions	25	**6,002**	5,001
Remediation provision	26	**195,030**	51
Other liabilities	24	**925**	383
Total current liabilities		**236,473**	12,999
Non-current liabilities			
Trade and other payables	20	**40**	108
Contract liabilities	21	**24,158**	–
Interest bearing loans and borrowings	22	**1,372**	1,228
Lease liabilities	23	**12,041**	–
Deferred taxation	14	**215**	–
Provisions	25	**1,010**	1,130
Other liabilities	24	**602**	601
Total non-current liabilities		**39,438**	3,067
Total liabilities		**275,911**	16,066
Net assets		**78,112**	61,341
Equity			
Contributed equity	27	**123,065**	121,583
Reserves	28	**(47,913)**	(47,062)
Accumulated losses	29	**(6,435)**	(19,412)
Capital and reserves attributable to the owners of CountPlus Limited		**68,717**	55,109
Non-controlling interest	30	**9,395**	6,232
Total equity		**78,112**	61,341

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

Consolidated Statement of Changes in Equity
For the Year Ended 30 June 2020

	Issued Capital $'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
Balance at 1 July 2019	126,566	(4,983)	1,486	(48,548)	–	(19,412)	55,109	6,232	61,341
Adoption of AASB 16 Leases***	–	–	–	–	–	(1,075)	(1,075)	–	(1,075)
Balance at 1 July 2019 – restated	126,566	(4,983)	1,486	(48,548)	–	(20,487)	54,034	6,232	60,266
Profit after income tax expense for the year	–	–	–	–	–	15,861	15,861	1,587	17,448
Other comprehensive income for the year, net of tax	–	–	–	–	(10)	–	(10)	–	(10)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**(10)**	**15,861**	**15,851**	**1,587**	**17,438**
Transactions with owners in their capacity as owners									
Transactions with non-controlling interests (NCI)	–	–	–	–	–	117	117	2,365	2,482
Share-based payments for long term incentives ('LTI')	–	–	115	–	–	–	115	–	115
Transfer of treasury shares	–	1,482	(376)	–	–	–	1,106	–	1,106
Reallocation of employee share reserve	–	–	(580)	–	–	580	–	–	–
Dividends paid (note 31)**	–	–	–	–	–	(2,506)	(2,506)	(789)	(3,295)
Balance at 30 June 2020	**126,566**	**(3,501)**	**645**	**(48,548)**	**(10)**	**(6,435)**	**68,717**	**9,395**	**78,112**

	Issued Capital $'000	Treasury Shares* $'000	Share Based Payment Reserve $'000	Acquisition Reserve $'000	Accumulated Losses $'000	Total $'000	Non-controlling interests (NCI) $'000	Total equity $'000
Balance at 1 July 2018	126,566	(4,983)	1,494	(52,857)	(15,439)	54,781	6,007	60,788
Profit after income tax expense for the year	–	–	–	–	1,635	1,635	1,321	2,956
Other comprehensive income for the year, net of tax	–	–	–	–	–	–	–	–
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**1,635**	**1,635**	**1,321**	**2,956**
Transactions with owners in their capacity as owners								
Transactions with non-controlling interests (NCI)	–	–	–	–	–	–	(161)	(161)
Share-based payments for long term incentives ('LTI')	–	–	(8)	–	–	(8)	–	(8)
Transfer to accumulated losses^	–	–	–	4,309	(3,350)	959	–	959
Dividends paid (note 31)**	–	–	–	–	(2,258)	(2,258)	(935)	(3,193)
Balance at 30 June 2019	**126,566**	**(4,983)**	**1,486**	**(48,548)**	**(19,412)**	**55,109**	**6,232**	**61,341**

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

* The Group 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.

** This amount includes the dividends applied to the Loan Funded Share Plan.

*** Refer to note 2 for adoption of AASB 16 Leases.

^ Transfer of Acquisition Reserve to Accumulated Losses for firms disposed.

Consolidated Statement of Cash Flows
For the Year Ended 30 June 2020

	Note	2020 $'000	2019 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**152,786**	109,477
Payments to suppliers and employees (inclusive of goods and services tax)		**(137,759)**	(101,810)
		15,027	7,667
Interest received		**143**	75
Interest paid		**(1,108)**	(342)
Income taxes paid (net)		**(1,625)**	(1,451)
Net cash inflow from operating activities	43	**12,437**	5,949
Cash flows from investing activities			
Proceeds from sales under the Owner, Driver – Partner model		**357**	–
Proceeds received in advance for sales under Owner, Driver – Partner model		**452**	–
Proceeds from sale of property, plant and equipment and business units		**13**	1,169
Purchase of equipment and other non-current assets		**(1,785)**	(957)
Dividends/distribution received from associates		**1,596**	757
Cash acquired from acquisition of subsidiary, net of cash paid	41	**32,699**	–
Payment for completion adjustment of acquisition of subsidiary	39 / 41	**(24,286)**	(919)
Payments for acquisition of associates		**(2,988)**	(3,722)
Purchase of shares under Owner, Driver – Partner model		**(128)**	–
Purchase of business assets		**(819)**	–
Payment for deferred consideration on acquisition of controlled entities and associates	24	**(206)**	(370)
Net cash inflow / (used) in investing activities		**4,905**	(4,042)
Cash flows from financing activities			
Proceeds from borrowings		**3,741**	1,168
Repayment of borrowings		**(385)**	(622)
Proceeds from Loan Funded Share Plan		**1,104**	–
Repayment of lease liability AASB 16		**(2,923)**	–
Payment of dividends to equity holders		**(2,506)**	(2,258)
Payment of dividends by controlled subsidiaries to non-controlling interests		**(789)**	(935)
Net cash outflow from financing activities		**(1,758)**	(2,647)
Net increase / (decrease) in cash and cash equivalents held		**15,584**	(740)
Cash and cash equivalents at beginning of year		**10,258**	10,998
Cash and cash equivalents at end of the period	10	**25,842**	10,258

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

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

1 General information

CountPlus Limited ('the Company') is a listed public company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange ('ASX'). The consolidated financial report for the year ended 30 June 2020 ('the financial report') comprises the parent and its controlled entities ('the Group'). CountPlus Limited is the ultimate parent entity in the Group.

The Group's core business is to collaborate with leading accounting and advice firms for the long term success of the clients, people and share holders by the way of shared values, mutual success and sense of community.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 28 August 2020.

2 Summary of 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. The financial statements are for the Group / Consolidated entity consisting of CountPlus Limited and its subsidiaries.

Basis of preparation

These consolidated general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. CountPlus Limited is a for-profit entity for the purpose of preparing the financial statements.

Both the functional and presentation currency of CountPlus Limited and its subsidiaries is Australian dollars (A$) and the financial report is presented in Australian dollars (A$). In accordance with ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016 / 191, amounts in the financial report are rounded off to the nearest thousand dollars unless otherwise indicated.

Compliance with IFRS

These consolidated financial statements of the Group also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group'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 3.

Historical cost convention

The Consolidated financial statements have been prepared on an accrual basis and are based on historical costs modified by the revaluation of certain financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Changes to presentation

Wherever necessary, CountPlus Limited has regrouped and reclassified certain balances in the financial statements in order to provide more relevant information to our stakeholders. The comparative information has been reclassified accordingly. These reclassifications do not have any impact on the profit for the current year or prior year.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 46.

Going concern

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operations and the realisation of assets and discharges of liabilities in the ordinary course of business.

At 30 June 2020, the Group had a net current assets of $19,234,000 (current assets less current liabilities) and net cash of $21,111,000 (cash and cash equivalents less interest bearing liabilities). Furthermore, the impacts of the COVID-19 has had minimal adverse financial impact on the CountPlus business in the year ended 30 June 2020, given the continued demand for accounting and financial services and given the support provided by the Australian Government. 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 to its operations. The Group 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.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

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.

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

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

AASB 16 Leases

The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 Leases.

The adoption of this new Standard has resulted in the Group recognising a right-of-use asset and related lease liability in connection with all former operating leases except for those identified as low-value or having a remaining lease term of less than 12 months from the date of initial application.

The new Standard has been applied using the modified retrospective approach, with the cumulative effect of adopting AASB 16 being recognised in equity as an adjustment to the opening balance of retained earnings for the current period. Prior periods have not been restated.

The Group has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of AASB 16, being 1 July 2019.

Instead of performing an impairment review on the right-of-use assets at the date of initial application, the Group has relied on its historic assessment as to whether leases were onerous immediately before the date of initial application of AASB 16.

On transition, for leases previously accounted for as operating leases with a remaining lease term of less than 12 months and for leases of low-value assets the Group has applied the optional exemptions to not recognise right-of-use assets but to account for the lease expense on a straight-line basis over the remaining lease term.

On transition to AASB 16 the weighted average incremental borrowing rate applied to lease liabilities recognised under AASB 16 was 4.5%.

The Group has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases.

The adoption of the standard has had the following impact on the Group at 1 July 2019:

	1 July 2019 $'000
Right-of-use assets (AASB 16)	11,151
Net investment in sublease (AASB 16)	347
Lease liabilities – current (AASB 16)	(3,138)
Lease liabilities – non-current (AASB 16)	(9,761)
Transfer of make good assets from property, plant and equipment	(232)
Transfer of lease incentive received from other liabilities	121
Deferred tax asset recognised at 1 July 2019	437
Net impact on accumulated losses at 1 July 2019	**(1,075)**

	1 July 2019 $'000
Reconciliation from operating lease commitments disclosure at 30 June 2019 to the operating lease liability at 1 July 2019	
Operating lease commitments as at 30 June 2019 (AASB 117)	7,911
Adding the effects of extension and termination options	7,146
Discounted using the lessee's incremental borrowing rate at the date of initial application (4.5%)	(2,158)
Lease liability recognised at 1 July 2019	**12,899**

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Adoption of interpretations and amendments to existing standards

AASB Interpretation 23 Uncertainty over Income Tax Treatments (Interpretation 23)

Interpretation 23 clarifies the application of the recognition and measurement criteria in AASB 12 Income taxes where there is uncertainty over income tax treatments. It requires an assessment of each uncertain tax position to determine whether it is probable that a taxation authority will accept the position. Where it is not considered probable, the effect of the uncertainty will be reflected in determining the relevant taxable profit or loss, tax bases, unused tax credits or tax rates. The amount will be determined as either the single most likely amount or the sum of the probability weighted amounts in a range of possible outcomes, whichever better predicts the resolution of the uncertainty. Judgements will be reassessed as and when new facts and circumstances are presented. The previous recognition and measurement requirements applied by the Group are aligned with Interpretation 23 and hence no transition adjustment to retained income was required.

Accounting standards and interpretations issued but not yet effective

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Consolidated entity has decided against early adoption of these standards. Set out below is a summary of future requirements, and their impact on the Consolidated entity:

AASB 101 Presentation of financial statements has been amended to clarify that a liability is classified as non-current if an entity has the right at the end if the reporting period to defer settlement of the liability for at least 12 months after the reporting period, and such right has substance. The amendments also clarify that settlement of a liability refers to a transfer to the counterparty that results in the extinguishment of the liability. The amendments are effective for the Group from 1 July 2020.

Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of CountPlus Limited and its subsidiaries as at 30 June 2020 and the results of CountPlus Limited and its subsidiaries for the year then ended. CountPlus Limited and its subsidiaries together are referred to in these financial statements as ('the Group').

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

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 Group.

Investments in subsidiaries are accounted for at cost in the financial statements of CountPlus Limited less any impairment charges.

Where the Group 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 Group 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.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post acquisition profits or losses is recognised in profit or loss and its share of post-acquisition other comprehensive income, is recognised in Other Comprehensive Income. The cumulative post acquisition movements are adjusted against the carrying amount of the investment. Dividends from associates are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equal or exceeds its interest in the associate, including any other unsecured long term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Employee share trust

The Group has formed a trust to administer the Group's Loan Funded Share Plan. This trust is consolidated as the substance of the relationship is that the trust is controlled by the Group.

Shares held by the trust are disclosed as Treasury Shares and are deducted from contributed equity.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Foreign currency translation

The financial statements are presented in Australian dollars, which is CountPlus 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 rates at the dates of the transactions, 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.

Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost; or
- fair value through profit or loss (FVPL).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- the entities business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial assets.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Financial assets at fair value through profit or loss (FVPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit or loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses – the 'expected credit losses model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assesses impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables, contract liabilities and other liabilities. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

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 classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 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 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

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

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Dividends

Dividends are recognised when declared during the financial year.

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 Group 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.

Comparatives

The significant accounting policies adopted in the preparation of the financial statements have been consistently applied to the current year and the comparative period, unless otherwise stated. Where necessary, comparative information has been reclassified to be consistent with current period disclosures.

3 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.

Impairment

At each reporting date, the Group reviews the recoverable amount of its tangible and intangible assets to determine whether there is any indication that these assets may be impaired. If such an indication exists, the recoverable amount of the asset, assessed as the higher of its fair value less costs to sell and its value in use, is compared to its current carrying amount. Any excess of the asset's carrying value over its recoverable amount is expensed in the Statement of Profit or Loss and Other Comperhensive Income.

The Group determines whether goodwill is impaired at least on an annual basis. This requires estimation of the recoverable amount of the cash generating unit ('CGU') by determining the value in use of each individual CGU.

The following key assumptions are used in determining the value in use calculation for each CGU:

- Revenue growth;
- Employment expense ratio;
- EBITA margin;
- Discount rates; and
- Long term growth rate (terminal rate).

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Acquired client relationships are tested for impairment whenever there is an indication that the intangible asset may be impaired. This assessment is made at least on an annual basis. The net carrying value is compared with the expected future benefits from the relationships for each cash generating unit. If the carrying value of the relationships is higher than the expected future benefits an impairment loss is recorded for the difference.

Allowance for expected credit losses of receivables

Where receivables are outstanding beyond the normal trading terms, the recovery likelihood of these receivables is assessed and reviewed by management. Outstanding debts that are deemed to be uncollectable are written off when identified. Historical experience and information of the Group's client base are considered when determining the allowance for expected credit losses.

The allowance for expected credit loss of receivables includes assumptions about risk of default and expected loss rates; management judgement is applied in determining these rates.

Allowance for expected credit losses of contract assets

The recoverability of contract assets are assessed and reviewed by management on a regular basis. Any amounts in excess of net recoverable value are written off when identified. Historical experience and information of the Group's client base are considered when determining the allowance for expected credit losses.

Remediation provision

The key accounting judgements and estimates used in calculating the remediation provision include, the value of ongoing service fees charged, the number of years in which issues have occurred, the refund rate, the interest calculation methodology and the value below which fee refunds will be made without investigation. The key assumptions reflected in the remediation provision are subject to a high degree of uncertainty. The key assumptions will become clearer over time as the remediation program obtains greater insight into the actual quantum of the issues identified.

The value of ongoing service fees charged has been estimated using Count Financial's books and records and the books and records of third-party product providers where relevant; the population of impacted customers is subject to some uncertainty and is yet to be finalised.

The refund rate has been estimated by reference to testing conducted on a small sample of client cases. The refund rate is subject to change as actual refund rate data (incurred by Count Financial) becomes available.

The interest calculation methodology that has been applied is based on a rate equivalent to the RBA cash rate plus 6% compounded monthly. This methodology is subject to change.

Some customers may be remediated without investigation where the combined value of the refund and the interest is below a certain amount, however this is dependent on the availability of underlying customer records. This is subject to change.

Contingent consideration

Some acquisitions involve the payment of contingent consideration to vendors. This consideration is determined based on a multiple of actual earnings over a fixed period and is dependent on revenue or client retention. Consideration payable to the vendors in relation to acquisitions is recognised at fair value based on expected financial performance over the applicable future financial years. The component of contingent consideration not expected to be settled within 12 months after the end of the reporting period is measured as the present value of expected future payments to be made in respect of this contingent consideration, using a risk adjusted discount rate.

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.

Deferred taxes

The Consolidated entity is subject to taxes in Australia. The application of tax law to the specific circumstances and transactions of the Consolidated entity requires the exercise of judgement by management. The tax treatments adopted by management in preparing the financial statements may be impacted by changes in legislation and interpretations or be subject to challenge by tax authorities.

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

In addition, CountPlus has recognised a deferred tax asset on tax capital losses. CountPlus plans to continue with the successful Owner, Driver – Partner model which is expected to result in transactions with core firms over the next two to three years. A consequence of these transactions is likely to create taxable capital gains. The envisaged structure of most of the transactions, being share sale transactions, are subject to predefined financial hurdles being met by firms. Both the structure of the transactions and the potential increase in value in the firms are likely to give rise to taxable capital gains which the Group has concluded will result in the deferred tax assets being utilised in the foreseeable future.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

AASB 16 Leases

Lease term

Where lease arrangements contain options to extend the term or terminate the contract, the Group assesses whether it is 'reasonably certain' that the option to extend or terminate the contract will be made. Consideration is given to the prevalence of other contractual arrangements and or the economic circumstances relevant to the lease contract, that may indicate the likelihood of the option being exercised. Lease liabilities and Right of Use assets are measured using the reasonably certain contract term.

Lease discount rates

The discount rate applicable to a lease arrangement is determined at the inception of the contract or when certain modifications are made to the contract. The discount rate applied is the rate implicit in the arrangement, or if unknown, the Group's incremental borrowing rate. The incremental borrowing rate is determined with reference to the Group's borrowing portfolio at the inception of the arrangement or the time of the modification and the amount and nature of the lease arrangement. If the arrangement relates to a specialised asset, incremental project financing assumptions are considered.

Ongoing insurance trail commissions receivable

The key assumptions underlying the ongoing insurance trail commission asset include the remaining life of the product and the likely run off of products over time. It has been assumed that the insurance policies have a remaining life of five years and that 20% of policies are cancelled at the end of each year. These assumptions are subject to change depending on the actual experience of the insurance arrangements over time.

Ongoing insurance trail commission payable

The key assumptions underlying the ongoing insurance trail commission liability are the remaining life of the insurance products, the likely run off of products over time and the adviser payout ratio.

It has been estimated that the insurance policies have a remaining life of five years and that 20% of policies are cancelled at the end of each year. These assumptions are subject to change depending on the actual experience of the insurance arrangements over time.

In respect of the adviser payout ratio, it has been estimated that 93% of ongoing insurance trail commission is paid to aligned advisers. This is subject to change if Count Financial's adviser pricing changes or if the average payout ratio changes across the portfolio; this may occur given the tiered pricing model applicable to aligned advisers.

4 Operating segments

Identification of reportable operating segments

The consolidated entity is organised into four operating segments. 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.

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

The CODM reviews contribution margin (revenue less salaries and superannuation) to assess the performance of the operating segments. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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

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

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Operating segment information

2020	Accounting	Financial planning	Financial services	Other	Total
Revenue from contracts with customers ($'000)	51,975	11,779	12,515	6,338	82,607
Segment contribution ($'000)	24,012	5,742	7,739	55	37,548
Segment contribution margin %	46%	49%	62%	1%	45%

2019	Accounting	Financial planning	Financial services	Other	Total
Revenue from contracts with customers ($'000)	50,714	11,718	3,900	2,314	68,646
Segment contribution ($'000)	22,751	5,506	2,189	1,120	31,566
Segment contribution margin %	45%	47%	56%	48%	46%

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

	2020 $'000	2019 $'000
Total contribution margin	**37,548**	31,566
Other income and interest income	**2,304**	2,527
Share of net profit of associates	**2,179**	1,553
Gain on bargain purchase	**10,952**	–
Amortisation and depreciation expense	**(5,366)**	(2,287)
Finance costs	**(1,108)**	(342)
Premises expenses	**(1,621)**	(4,324)
Impairment of goodwill	**–**	(1,060)
Other costs	**(25,423)**	(23,123)
Profit from operations before income tax	**19,465**	4,510

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

Other costs include $12,674,000 (2019: $10,702,000) of salaries and employee benefit expense that are not included in contribution margin.

5 Revenue from contracts with customers

	2020 $'000	2019 $'000
Accounting services revenue	**51,975**	50,714
Financial planning revenue	**11,779**	11,718
Financial services revenue	**12,515**	3,900
Other operating revenue	**6,338**	2,314
Revenue from contracts with customers	**82,607**	68,646

Disaggregation of revenue

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

	2020 $'000	2019 $'000
Timing of revenue recognition		
Transferred at a point in time	**30,632**	17,932
Transferred over time	**51,975**	50,714
	82,607	68,646

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Financial planning revenue

Financial planning revenue includes commissions and fees generated by CountPlus firms from financial advice services provided to clients.

Financial services revenue

Financial services revenue includes revenue generated from services performed by authorised representatives of Count Financial and Total Financial Solutions Australia Limited (TFS) (both Australian Financial Services Licence holders) and product margin rebates that are paid by product providers to TFS and Count Financial. Count Financial and TFS are considered to be acting as agent under the requirements of AASB 15 Revenue from Contracts with Customers. Fees, commissions and related costs are deducted from the gross number to obtain the reported net revenue figure as disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Significant accounting policy

Revenue recognition

To determine whether to recognise revenue, the Group follows a five-step process:

1 Identifying the contract with a customer;
2 Identifying the performance obligations;
3 Determining the transaction price;
4 Allocating the transaction price to the performance obligations; and
5 Recognising revenue when / as performance obligation(s) are satisfied.

The Group often enters into transactions involving a range of the Group's products and services, for accounting and financial planning services. In all cases, the total fee charged for an engagement is allocated amongst the various performance obligations based on their relative stand-alone fees. The fee charged for an engagement excludes any amounts collected on behalf of third parties. Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised services to its customers.

Performance obligations for accounting, financial planning and financial services revenue

The Group's contracts comprise performance obligations around completing client deliverables in line with engagement letter terms or contractual agreements. Under AASB 15, the Group must evaluate the separability of the promised services based on whether they are 'distinct'. A promised service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources; and
- it is 'separately identifiable' (i.e. the Group does not provide a significant service integrating, modifying or customising it).

Accounting services revenue

Accounting services revenue is recognised over a period of time. Accounting revenue from the provision of accounting services is recognised on an accrual basis in the period in which the service is provided, based on time spent and performance obligations satisfied. Any amounts unbilled at the end of the reporting period are presented in the Statement of Financial Position as contract assets. Recognition is in accordance with the terms of the client services agreement or engagement letter, adjusted for any time that may not be recoverable with reference to the professional hours incurred. Client engagement letter gives an enforceable right to payment for performance completed to date, including a reasonable margin if the contract is terminated by the customer for reasons other than CountPlus' failure to perform as promised.

Financial planning revenue

Financial planning revenue is recognised at a point in time. Financial planning revenue from the provision of financial planning services, loan commission and leasing commission is recognised at a point in time in the period in which the service is provided.

Financial services revenue

Financial services revenue is measured at the fair value of the consideration received or receivable.

Financial services revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group, and specific criteria have been met for each of the Group's activities as described below.

(i) Fee income – ongoing service fees

Service fees are received from end customers for ongoing advice services which are available to a client over a 12 month period. The performance obligation is to provide advice services to the customer throughout the period, as well as the continuous administration and maintenance of the end customers' portfolios. Income is recognised on an annual basis in accordance with rates specified in agreements with franchisees and product providers. These fees are recognised and charged over the length of the service.

(ii) Rebate income

Rebate income is an incentive bonus received from various product providers based on the achievement of new business written targets outlined in an agreement. The frequency of settlement varies by counterparty. Income is recognised in accordance with these agreements. These fees are recognised and charged when the related service is completed which is typically at the time of the transaction.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

(iii) Commission income

Commission income is received for the referral services which triggered a successful referral of a customer into a product where the customer has renewed the product for a second/subsequent year.

The net present value of future trail commissions is recognised at the start of a contract when the performance obligation has been met, typically when a customer is introduced to a new product.

For investment referral services, the Group is unable to forecast the trail commission revenue in line with the highly probable test in AASB 15. Therefore trail commission revenue on investment referral balances are recognised when received or paid.

(iv) Adviser fees

Adviser fees are received from financial advisers for financial advice licensee services which are provided on an ongoing basis. The performance obligation is to provide advisers with an authority to trade, to provide training services and financial advice support. Income is recognised over time in accordance with rates specified in agreements with advisers.

Interest revenue is recognised when there is control of the right to receive the interest payment.

Dividends received from associates are accounted for in accordance with the equity method of accounting. Other revenue is recognised when the right to receive payment is established.

All revenue is stated net of the amount of goods and services tax (GST).

6 Other income

	2020 $'000	2019 $'000
Government grants – COVID-19	**1,549**	–
Other income	**440**	1,452
Gain on lease modification	**152**	–
Other income	**2,141**	1,452

Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Grants that compensate the Group for expenses incurred are recognised in other income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income on a systematic basis in which the expenses are recognised.

Other income

Other income in the prior year includes $1,000,000 in relation to a gain on disposal of the Privilege model, a separately managed account platform.

7 Salaries and employee benefits expense

	2020 $'000	2019 $'000
Wages, salaries and on-costs	**43,402**	39,450
Post-employment benefits expenses	**3,771**	3,545
Other employee benefit expenses	**5,575**	4,711
	52,748	47,706

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

8 Other operating expenses

	2020 $'000	2019 $'000
Audit fees	**431**	389
Legal fees	**519**	664
Accounting and other professional fees	**1,016**	654
Sales and marketing expenses	**790**	855
Administration expenses	**2,318**	2,547
Insurance expense	**3,392**	1,727
Technology expense	**6,196**	3,422
Net (gain) / loss on disposal of property, plant and equipment	**(5)**	10
Count Financial transition expenses	**1,214**	–
Other	**793**	500
	16,664	10,768

9 Income tax expense

	2020 $'000	2019 $'000
Income tax expense		
Current tax	**2,567**	1,797
Deferred tax – origination and reversal of temporary differences	**(603)**	(241)
Over provision	**53**	(2)
Aggregate income tax expense	**2,017**	1,554
Deferred tax included in income tax expense comprises:		
(Decrease) / increase in deferred tax assets	**(4,179)**	400
Increase / (decrease) in deferred tax liabilities	**3,576**	(641)
Deferred tax – origination and reversal of temporary differences	**(603)**	(241)
Reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	**19,465**	4,510
Tax at the statutory tax rate of 30%	**5,840**	1,353
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
Non-deductible depreciation and amortisation	**8**	–
Gain on deferred consideration	**(27)**	–
Gain on bargain purchase	**(3,286)**	–
Impairment of goodwill	**–**	318
Benefit on trail commission	**(22)**	(22)
Share of equity accounted investments	**(632)**	(443)
Gain on sale of product	**–**	(273)
Non-deductible expenses	**207**	481
Non-taxable income	**(76)**	(40)
Taxable capital gain on sale of shares	**10**	–
Initial recognition of deferred tax asset on capital losses	**(2)**	(5)
Utilisation of capital losses previously brought to account	**–**	366
Profit on disposal of parcel of fees	**(20)**	(75)
Clawback on purchase price	**–**	(31)
Profit on legal settlement	**–**	(60)
Sundry items	**(36)**	(13)
	1,964	1,556
Under / (over) provision in prior years	**53**	(2)
Income tax expense	**2,017**	1,554

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Significant accounting policy

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 the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied 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.

Tax consolidation legislation

The parent and its 100% owned Australian subsidiaries formed an income tax consolidation group with effect from 5 November 2010. Subsidiaries joined the tax consolidation group from the date they became wholly owned. They would exit the tax consolidation group once they are less than 100% owned. The parent and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer.

Members of the CountPlus tax consolidation group entered into a tax sharing and funding agreement. Under the terms of this agreement, each member in the tax consolidation group agreed to make a tax equivalent payment to the parent based on their current tax liability or current tax asset. Deferred taxes are recorded by members of the tax consolidation group in accordance with the principles of AASB 112 Income Taxes.

10 Cash and cash equivalents

	2020 $'000	2019 $'000
Current assets		
Cash at bank and in hand	**25,842**	10,258
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:		
Balance as per Statement of Cash Flows	**25,842**	10,258

Risk exposure

The Group's exposure to interest rate risk is discussed in note 33. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of cash and cash equivalents mentioned above.

Significant accounting policy

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the Consolidated Statement of Financial Position.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

11 Trade and other receivables

	2020 $'000	2019 $'000
Current assets		
Trade receivables	**9,633**	9,558
Less: Allowance for expected credit losses	**(558)**	(570)
	9,075	8,988
Other receivables	**1,790**	1,808
Prepayments	**1,518**	1,113
Rebates and adviser revenue receivable	**7,328**	–
	10,636	2,921
	19,711	11,909
Non-current assets		
Other receivables	**245**	672

Ageing analysis of trade receivables

As at 30 June, the ageing analysis of receivables is as follows and represents both current and overdue but not impaired receivables:

	2020 $'000	2019 $'000
Current	**6,140**	6,308
0 to 3 months	**1,399**	1,512
3 to 6 months	**887**	650
Over 6 months	**1,207**	1,088
	9,633	9,558

Trade receivables are non-interest bearing and are generally on 30-day terms. Allowance for expected losses is recognised when there is objective evidence that a trade receivable is impaired and is based on the Group policies. These amounts have been included on the face of the Statement of Profit or Loss and Other Comperhensive Income.

Allowance for expected credit losses

As at 30 June, the ageing of the allowance for expected credit losses is as follows:

	2020 $'000	2019 $'000
Current	**3**	14
0 to 3 months overdue	**3**	6
3 to 6 months overdue	**151**	98
Over 6 months	**401**	452
	558	570

Movements in the allowance for expected credit losses are as follows:

	2020 $'000	2019 $'000
Opening balance	**(570)**	(980)
Changes in allowance for expected credit losses	**528**	103
Receivables written off / (recovered) during the year as uncollectable	**(516)**	307
Closing balance	**(558)**	(570)

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

The creation and release of the allowance for expected credit losses has been included on the face of the Statement of Profit or Loss and Other Comprehensive Income. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

The maximum exposure to credit risk at reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 33 for more information on the risk management policy of the Group.

Significant accounting policy

Trade receivables

Trade receivables are initially recognised at their fair value and subsequently measured at amortised cost using the effective interest method, less allowance for expected losses.

Recoverability of trade receivables is reviewed on an ongoing basis. Trade receivable balances which are known to be uncollectable are written off by reducing the carrying amount directly. An allowance for expected losses on trade receivables is raised by applying a rate based on historic collection rates for overdue balances, which are reassessed each year, and adjusted specific debtors where management is aware of specific conditions which affect the likely recovery of outstanding balances. The loss allowance is the amount equal to the expected lifetime credit losses.

The allowance for expected losses of receivables 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 if the impact of discounting is considered material.

Significant accounting judgements, estimates and assumptions

Allowance for expected losses of receivables

The allowance for expected losses of receivables assessment requires a degree of estimation and judgement. Where receivables are outstanding beyond the normal trading terms, the recovery likelihood of these receivables is assessed and reviewed by management. Outstanding debts that are deemed to be uncollectable are written off when identified. Historical experience and information of the Group's client base are considered when determining the allowance for expected credit losses.

12 Contract assets

	2020 $'000	2019 $'000
Current assets		
Contract assets	**3,983**	3,693
Allowance for expected credit losses of contract assets	**(387)**	(171)
Ongoing insurance trail commission receivable	**11,273**	–
Loss allowance on trail commission receivable	**(139)**	–
	14,730	3,522
Non-current assets		
Ongoing insurance trail commission receivable	**25,976**	–
Loss allowance on trail commission receivable	**(303)**	–
	25,673	–

Contract assets

Contract assets represents costs incurred and profit recognised on client assignments and services that are in progress and have not yet been invoiced at reporting date. Contract assets are valued at net realisable value after providing for any expected credit losses. Contract assets are recognised in the Statement of Financial Position and the movement recognised in the Statement of Profit or Loss and Other Comperhensive Income.

The value of contract assets in FY20 has increased predominantly due to balances acquired as part of the acquisition of Count Financial.

Ongoing insurance trail commission receivable

Contract assets have been raised to reflect the recognition of ongoing insurance trail commissions receivable across various commission arrangements. This reflects the recognition of ongoing insurance commission income when a performance obligation has been met, e.g. a new customer is introduced to a product.

The amount of ongoing insurance trail commission revenue and the associated expenses paid to aligned advisers is dependent on assumptions about the term of the underlying insurance policies generating the commission. The Group has recognised the net present value of expected future risk insurance trail commission income. Included in the recognition of the income are assumptions around the remaining life of the product and the likely run off of products over time. Ongoing insurance trail commission income, present valued, is only recognised to the extent that it is highly probable and on the basis that it is not expected to reverse in future periods.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Aging of contract assets

As at 30 June, the aging of the contract assets is as follows:

	2020 $'000	2019 $'000
Current	**1,742**	1,458
1 to 3 months	**1,040**	1,145
3 to 6 months	**676**	585
Over 6 months	**525**	505
	3,983	3,693

Movement and aging of allowance for expected credit losses

Movement in provision for allowance of credit losses.

	2020 $'000	2019 $'000
At 1 July	**(171)**	–
Allowance for credit losses recognised in the year	**(216)**	(171)
	(387)	(171)

At 30 June, the aging of the allowance for expected credit losses is as follows:

	2020 $'000	2019 $'000
Current	**–**	–
0 to 3 months	**35**	16
3 to 6 months	**70**	31
Over 6 months	**282**	124
	387	171

The maximum exposure to credit risk at reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 33 for more information on the risk management policy of the Group.

Significant accounting judgements, estimates and assumptions

Allowance for expected credit losses

The recoverability of contract assets is assessed and reviewed by management on a regular basis. The allowance for expected credit losses of contract assets assessment requires a degree of estimation and judgement. The level of expected credit losses is assessed by considering the ageing of contract assets, historical billing and collection rates and specific knowledge of the individual customer's financial position.

Ongoing insurance trail commissions

The key assumptions underlying the ongoing insurance trail commission asset include the remaining life of the product and the likely run off of products over time. It has been assumed that the insurance policies have a remaining life of five years and that 20% of policies are cancelled at the end of each year. These assumptions are subject to change depending on the actual experience of the insurance arrangements over time.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

13 Loans and advances

	2020 $'000	2019 $'000
Current assets		
Loans and advances	**424**	19

Included in above loans and advances is an amount receivable from Count Member Firm Pty Ltd of $395,000.

14 Tax assets and liabilities

Current tax assets and liabilities

	2020 $'000	2019 $'000
Current tax payable	**(1,278)**	(336)

Deferred tax assets

	2020 $'000	2019 $'000
The balance comprises temporary differences attributable to:		
Employee liabilities (annual leave and long service leave)	**1,954**	1,675
Bad and doubtful debts	**199**	171
Professional fees	**10**	17
Make good	**51**	67
Rent free period	**–**	16
Accruals	**377**	274
Contract liability – accrued trail commission expense	**10,392**	–
Tax losses	**697**	748
Right of Use Assets	**525**	–
Depreciation	**130**	–
Remediation Provision	**58,516**	–
Other	**86**	45
Total deferred tax assets	**72,937**	3,013
Set-off of deferred tax liabilities pursuant to set-off provisions	**(72,937)**	(2,463)
Net deferred tax assets	**–**	550

Movements in deferred tax assets

	$'000
At 1 July 2018	3,364
Charged to income tax expense	(400)
Increase in tax losses	49
At 30 June 2019	3,013
At 1 July 2019	**3,013**
Charged to income tax expense	**4,178**
Charged directly to equity	**438**
Deferred tax balance on acquisition of subsidiary	**6,861**
Deferred tax balance on remediation provision	**58,500**
Decrease in tax losses	**(53)**
	72,937

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Deferred tax liabilities

	2020 $'000	2019 $'000
The balance comprises temporary differences attributable to:		
Work in progress	**1,042**	1,057
Prepaid expenses	**19**	15
Fair valued intangible assets	**2,241**	1,385
Accrued income	**171**	–
Contract asset – accrued trail commission income	**11,175**	–
Remediation receivable	**58,500**	–
Other	**4**	6
Total deferred tax liabilities	**73,152**	2,463
Set-off of deferred tax assets pursuant to set-off provisions	**(72,937)**	(2,463)
Net deferred tax liabilities	**215**	–

Movements in deferred tax liabilities

	Fair valued intangible assets $'000	Other $'000	Total $'000
At 1 July 2018	1,634	1,340	2,974
Net deferred tax balance on acquisition of subsidiaries*	130	–	130
Credited to the income tax expense	(380)	(261)	(641)
At 30 June 2019	1,384	1,079	2,463
At 1 July 2019	**1,384**	**1,079**	**2,463**
Net deferred tax balance on acquisition of subsidiaries*	**1,236**	**7,377**	**8,613**
Deferred tax balance on remediation receivable	**–**	**58,500**	**58,500**
Debited to the income tax expense	**(379)**	**3,955**	**3,576**
At 30 June 2020	**2,241**	**70,911**	**73,152**

* Includes business assets acquired by member firms.

Significant accounting judgements, estimates and assumptions

Deferred taxes

The Group is subject to taxes in Australia. The application of tax law to the specific circumstances and transactions of the Consolidated entity requires the exercise of judgement by management. The tax treatments adopted by management in preparing the financial statements may be impacted by changes in legislation and interpretations or be subject to challenge by tax authorities.

Recognition of deferred tax assets on capital losses

CountPlus has recognised a deferred tax asset on tax capital losses. CountPlus plans to continue with the successful Owner, Driver – Partner model which is expected to result in transactions with core firms over the next two to three years. A consequence of these transactions is likely to create taxable capital gains. The envisaged structure of most of the transactions, being share sale transactions, are subject to pre-defined financial hurdles being met by firms. Both the structure of the transactions and the potential increase in value in the firms are likely to give rise to taxable capital gains which the Group has concluded will result in the deferred tax assets being utilised in the foreseeable future.

15 Remediation receivable

	2020 $'000	2019 $'000
Current assets		
Remediation receivable	**195,000**	–

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Remediation receivable

Included in the Statement of Financial Position of Count Financial is a provision for remediation amounting to $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 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 provided by Commonwealth Bank of Australia (CBA) relates directly to the remediation provision. The indemnity granted by CBA upon acquisition was $200,000,000. The indemnity increased to $210,000,000 at 30 June 2020 and subsequently increased to $300,000,000 at 30 July 2020. The remediation provision receivable and the remediation provision were initially recognised (at 1 October 2019) and provisionally accounted for at 31 December 2019 at $143,300,000. As at 30 June 2020, the acquisition accounting has been finalised after the receipt of additional information about the facts and circumstances related to the remediation matters that existed at the acquisition date. As a result, the remediation provision receivable and the remediation provision have been revised to $195,000,000 at both the date of acquisition (1 October 2019) and as at 30 June 2020. The indemnity is subject to renegotiation if some of the underlying assumptions behind the provision are reassessed. Refer to note 26 for further information on the provision for remediation.

Recoveries of remediation amounts are expected to be assessable for tax purposes. Note that remediation payments are expected to be deductible for tax purposes.

16 Property, plant and equipment

Reconciliations

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

	Office equipment $'000	Furniture, fixtures and fittings $'000	Leasehold improvements $'000	Other property, plant and equipment $'000	Motor vehicles $'000	Total $'000
Balance at 1 July 2018	1,314	949	986	418	38	3,705
Additions	486	115	260	–	18	879
Disposals	(12)	–	–	(28)	–	(40)
Depreciation expense	(425)	(222)	(106)	(81)	(13)	(847)
Balance at 30 June 2019	**1,363**	**842**	**1,140**	**309**	**43**	**3,697**
Additions	**490**	**150**	**1,023**	**2**	**21**	**1,686**
Disposals	**(20)**	**(25)**	**(4)**	**–**	**(9)**	**(58)**
Transfers in / (out)	**(200)**	**(4)**	**202**	**(230)**	**–**	**(232)**
Depreciation expense	**(485)**	**(195)**	**(295)**	**(30)**	**(10)**	**(1,015)**
Balance at 30 June 2020	**1,148**	**768**	**2,066**	**51**	**45**	**4,078**

	Office equipment $'000	Furniture, fixtures and fittings $'000	Leasehold improvements $'000	Other property, plant and equipment $'000	Motor vehicles $'000	Total $'000
At 30 June 2019						
Cost	4,324	2,830	1,678	1,343	100	10,275
Accumulated depreciation	(2,961)	(1,988)	(538)	(1,034)	(57)	(6,578)
Net book value	1,363	842	1,140	309	43	3,697
At 30 June 2020						
Cost	**4,002**	**2,915**	**3,014**	**942**	**69**	**10,942**
Accumulated depreciation	**(2,854)**	**(2,147)**	**(948)**	**(891)**	**(24)**	**(6,864)**
Net book value	**1,148**	**768**	**2,066**	**51**	**45**	**4,078**

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Significant accounting policy

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term, as follows:

- Office equipment 4% – 20%
- Furniture, fixtures and fittings 8% – 37%
- Leasehold improvements over the estimated life of the asset or shorter of the lease term
- Make good liability (prior year only) over the estimated life of the lease
- Motor vehicles 20% – 25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds less carrying amount, and are included in profit or loss.

Make good liability

Liability has been raised for the present value of anticipated costs of future restoration of various leased office premises. The liability includes future cost estimates associated with refurbishment to restore the leased premises to their original condition. A liability recognised for each office is measured at management's best estimate of the expenditures where it is probable that an outflow of resources will be required. Changes to the estimated future costs for sites are recognised in the Statement of Financial Position by adjusting both the expense or asset (if applicable) and liability.

17 Right-of-use assets

As described in note 2, the Group has applied AASB 16 using the modified retrospective approach and therefore comparative information has not been restated. This means comparative information is still reported under AASB 117.

The Group as a lessee

For any new contracts entered into on or after 1 July 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition the Group assesses whether the contract meets three key criteria, which include:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Notes to the Consolidated Financial Statements
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Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the Statement of Financial Position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

	2020 $'000	2019 $'000
Non-current assets		
Premises – right-of-use	22,194	–
Less: Accumulated depreciation	(8,607)	–
	13,587	–
Office equipment – right-of-use	687	–
Less: Accumulated depreciation	(338)	–
	349	–
Others – right-of-use	41	–
Less: Accumulated depreciation	(27)	–
	14	–
Balance at 30 June	13,950	–

Reconciliations

A reconciliation of the written down values at the beginning and end of the current financial year is out below:

	Right-of-use assets $'000	Total $'000
Balance at 30 June 2019	–	–
Adoption of AASB 16 Leases	11,152	11,152
Additions	5,749	5,749
Disposals	(2)	(2)
Depreciation expense	(2,949)	(2,949)
Balance at 30 June 2020	13,950	13,950

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

18 Intangible assets

Reconciliations

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

	Note	Goodwill $'000	Acquired client relationship / Adviser networks $'000	IT software $'000	Brand $'000	Other intangible assets $'000	Total $'000
Balance at 1 July 2018		27,959	5,814	68	–	387	34,228
Additions		902	442	62	–	20	1,426
Additions through business combinations	41	–	–	50	–	–	50
Disposals		(1)	(30)	–	–	–	(31)
Impairment of assets		(1,060)	–	–	–	–	(1,060)
Amortisation expense		–	(1,331)	(50)	–	(59)	(1,440)
Balance at 30 June 2019		**27,800**	**4,895**	**130**	**–**	**348**	**33,173**
Additions		**637**	**631**	**99**	**–**	**74**	**1,441**
Additions through business combinations	41	**–**	**2,041**	**–**	**1,493**	**–**	**3,534**
Disposals		**–**	**(5)**	**–**	**–**	**–**	**(5)**
Amortisation expense		**–**	**(1,275)**	**(43)**	**(45)**	**(39)**	**(1,402)**
Balance at 30 June 2020		**28,437**	**6,287**	**186**	**1,448**	**383**	**36,741**

	Goodwill $'000	Acquired client relationship / Adviser networks $'000	IT software $'000	Brand $'000	Other intangible assets $'000	Total $'000
At 30 June 2019						
Cost	37,790	25,978	637	–	428	64,833
Accumulated amortisation and impairment	(9,990)	(21,083)	(507)	–	(80)	(31,660)
Net book value	27,800	4,895	130	–	348	33,173
At 30 June 2020						
Cost	**38,427**	**28,634**	**733**	**1,493**	**503**	**69,790**
Accumulated amortisation and impairment	**(9,990)**	**(22,347)**	**(547)**	**(45)**	**(120)**	**(33,049)**
Net book value	**28,437**	**6,287**	**186**	**1,448**	**383**	**36,741**

Impairment tests for goodwill

Goodwill acquired through business combinations has been allocated to and is tested at the level of the respective cash generating units (CGUs), for impairment testing.

For the purpose of impairment testing, fifteen of the eighteen member firms listed in note 40, are considered as separate CGUs, operating largely independently from other businesses in the Group. All subsidiaries are separately identified in note 40.

The Group utilises a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period to assess the recoverable amount of the CGUs. The member firm budget for FY21 is used as the basis for the five year period; and year two to five is extrapolated at a 3% growth rate over the remainder of the five year budget period. A pre-tax discount rate has been applied to cash flow projections and cash flows beyond the five-year period have been extrapolated using a growth rate of 2.5%. This method is used to assess impairment for the individually significant CGUs. The same methodology of impairment testing is performed across all CGUs.

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For the purpose of annual impairment testing, goodwill is allocated to the following cash-generating units:

	2020 $'000	2019 $'000
Significant cash generating units		
CountPlus One Pty Ltd	**4,759**	4,761
The MBA Partnership Pty Ltd	**4,172**	4,172
Kidmans Partners Pty Ltd	**4,245**	3,617
Unite Advisory Pty Ltd (formerly 360 Financial Advantage Pty Ltd)	**3,502**	3,492
Bentleys (WA) Pty Ltd	**1,826**	1,826
Crosby Dalwood Pty Ltd	**1,782**	1,782
Mogg Osborne Pty Ltd	**1,629**	1,629
Remaining cash-generating units	**6,522**	6,521
	28,437	27,800

Key assumptions used for value in use calculations

The calculation of value in use for the CGUs was most sensitive to the following assumptions:

- Revenue growth
- Employment expense ratios;
- EBITA margin; and
- Discount rates.

Revenue growth is based on the budget for the next financial year as well as management assessment over the forecast period. Budget revenue for 2021 is based on management expectations and the average annual revenue growth thereafter is assumed to be maintained at 3% p.a. over the remaining forecast period for all CGUs.

Employment expense ratios are based on the budget for the next financial year and management assessment over the forecast period. Employment expense ratio shows the employment cost as a percentage of net revenue. This is assumed to be maintained between 57% and 70% over the forecast period.

Discount rates represent the current market assessment of the risks specific to the Group, considering the time value of money and specific risk of the underlying assets that have not been incorporated into the cash flow estimates. The discount rate is calculated using the weighted average cost of capital (WACC) and reflects management's estimation of the time value of money and specific risk estimated for the Group. The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. It incorporates a beta factor to reflect the specific risk associated with the industries in which the Group operates. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

It is assumed for the purpose of the analysis that the long term growth rate (terminal rate) will equate to the long term average growth rate of the national economy. Management estimate this to be 2.5% p.a. which is in line with the long term expected Australian inflation rate. The sensitivity analysis concluded that changing this rate to reflect possible lower growth projections would not materially impact the valuations of the individual CGUs.

Impairment of goodwill

At 30 June 2020 management performed impairment testing (including the impact of COVID-19) for each cash generating unit (CGU) of CountPlus. Management calculated the recoverable amount of the CGUs in accordance with AASB 136 Impairment of Assets at 30 June 2020 using a pre-tax discount rate of 18.57% (13.00% post tax) (30 June 2019: 18.57% (13.00% post tax)) . No impairment losses were identified at 30 June 2020. At 30 June 2019, an impairment loss of $1,060,000 was recognised for the CGU relating to the CountPlus FS Holdings Pty Ltd (TFS Group) due to the sale of its separately managed account platform available on HUB24 (Privilege Managed Account). Post the impairment loss, the goodwill recognised at Group level for TFS Group is nil.

For the below CGUs where an indication of impairment existed, management calculated the recoverable amount of these CGUs in accordance with AASB 136 Impairment of Assets.

Key assumptions for this value in use calculation at 30 June 2020 were:

- Revenue growth of 3%;
- Employment expense ratio 57% – 70%; and
- The long term growth rate (terminal rate) was estimated to be 2.5% p.a.

The recoverable amount of the above CGUs was determined based on value-in-use calculations, consistent with the methods used in prior years.

Notes to the Consolidated Financial Statements
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Sensitivity to changes in assumptions

A cash-generating unit ('CGU') is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets. The concept is used by the International Financial Reporting Standards in the determination of asset impairment.

Sensitivity has been tested for the following four CGUs based on management assessment that the assumptions in the value in use calculation for these CGUs were most sensitive to change.

For Bentleys (WA) Pty Ltd: The recoverable amount as determined by the value in use calculation exceeds the carrying value by $2,259,000.

Reasonably possible changes in assumptions may result in impairment as set out below:

- Other things being equal, if the company's yearly revenue is 5% less than expected over the forecast period, an impairment of $724,000 would result.
- Other things being equal, if the pre-tax discount rate is increased from 18.57% to 20.00%, the recoverable amount would exceed the carrying amount by $1,847,000.
- If the company's employment cost margin (its single largest expense item) increases from 66% to 70% over the forecast period, the recoverable amount would exceed the carrying amount by $681,000.
- If the long term average growth rate decreases from 2.5% to 1% p.a., the recoverable amount would exceed the carrying amount by $1,835,000.

For CountPlus One Pty Ltd: The recoverable amount as determined by the value in use calculation exceeds the carrying value by $1,661,000.

Reasonably possible changes in assumptions may result in impairment as set out below:

- Other things being equal, if the company's yearly revenue is 5% less than expected over the forecast period, an impairment of $360,000 would result.
- Other things being equal, if the pre-tax discount rate is increased from 18.57% to 20.00%, the recoverable amount would exceed the carrying amount by $1,081,000.
- If the company's employment cost margin (its single largest expense item) increases from 62% to 66% over the forecast period, the recoverable amount would exceed the carrying amount by $642,000.
- If the long term average growth rate decreases from 2.5% to 1% p.a., the recoverable amount would exceed the carrying amount by $1,070,000.

For Specialised Business Solutions Pty Ltd: The recoverable amount as determined by the value in use calculation exceeds the carrying value by $624,000.

Reasonably possible changes in assumptions may result in impairment as set out below:

- Other things being equal, if the company's yearly revenue is 5% less than expected over the forecast period, the recoverable amount would exceed the carrying amount by $26,000.
- Other things being equal, if the pre-tax discount rate is increased from 18.57% to 20.00%, the recoverable amount would exceed the carrying value by $441,000.
- If the company's employment cost margin (its single largest expense item) increases from 58% to 62% over the forecast period, the recoverable amount would exceed the carrying value by $345,000.
- If the long term average growth rate decreases from 2.5% to 1% p.a., the recoverable amount would exceed the carrying value by $438,000.

For Unite Advisory Pty Ltd (formerly 360 Financial Advantage Pty Ltd): The recoverable amount as determined by the value in use calculation exceeds the carrying value by $716,000.

Reasonably possible changes in assumptions may result in impairment as set out below:

- Other things being equal, if the company's yearly revenue is 5% less than expected over the forecast period, an impairment of $774,000 would result.
- Other things being equal, if the pre-tax discount rate is increased from 18.57% to 20.00%, the recoverable amount would exceed the carrying value by $335,000.
- If the company's employment cost margin (its single largest expense item) increases from 63% to 67% over the forecast period, an impairment of $48,000 would result.
- If the long term average growth rate decreases from 2.5% to 1% p.a., the recoverable amount would exceed the carrying value by $328,000.

For all CGUs:

Across all CGUs over the forecast period, if revenue is 10% lower than expectations, an impairment of $9,778,000 would result. Management believes that no other reasonable change in the key assumptions would cause the carrying value to materially exceed its recoverable amount.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Amortisation period of intangible assets other than Goodwill

The amortisation period for the intangible assets are as follows:

Acquired client relationships	10 years
Adviser networks	15 years
Brands	25 years
Software	1 – 5 years

The factors that are considered in determining the useful life of an intangible asset are:

- the expected usage of the asset by the entity and whether the asset could be managed efficiently by another management team;
- typical product life cycles for the asset and public information on estimates of useful lives of similar assets that are used in a similar way;
- technical, technological, commercial or other types of obsolescence;
- the stability of the industry in which the asset operates and changes in the market demand for the products or services output from the asset;
- expected actions by competitors or potential competitors;
- the level of maintenance expenditure required to obtain the expected future economic benefits from the asset and the entity's ability and intention to reach such a level;
- the period of control over the asset and legal or similar limits on the use of the asset, such as the expiry dates of related leases; and
- whether the useful life of the asset is dependent on the useful life of other assets of the entity.

Significant accounting judgements, estimates and assumptions

Impairment of intangible assets

At each reporting date, the Group reviews the recoverable amount of its intangible assets to determine whether there is any indication that these assets may be impaired. If such an indication exists, the recoverable amount of the asset, assessed as the higher of its fair value less costs to sell and its value in use, is compared to its current carrying amount. Any excess of the asset's carrying value over its recoverable amount is expensed in the Statement of Profit or Loss and Other Comperhensive Income.

The Group determines whether goodwill is impaired at least on an annual basis. This requires estimation of the recoverable amount of the CGU by determining the value in use of each individual CGU.

Acquired client relationships are tested for impairment whenever there is an indication that the intangible asset may be impaired. This assessment is made at least on an annual basis. The net carrying value is compared with the expected future benefits from the relationships for each cash generating unit. If the carrying value of the relationships is higher than the expected future benefits an impairment loss is recorded for the difference.

Goodwill

Goodwill acquired in a business combination is initially measured at cost of the business combination being the excess of the consideration transferred over the fair value of the entity's identified assets acquired and liabilities assumed, if this consideration transferred is lower than the fair value of the net identified assets of the subsidiary acquired, the difference is recognised in profit or loss.

Goodwill on consolidation is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities acquired at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment, is allocated to cash generating units and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

IT software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and / or cost reduction, are capitalised to software and systems. Costs capitalised include external direct costs of materials and service and direct payroll and payroll related costs of employees' time spent on the project.

Amortisation is calculated on a straight-line basis over periods generally ranging from three to five years. IT software is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Profit or Loss and Other Comperhensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Acquired client relationships and Adviser networks

Acquired client relationships are intangible assets identified in the acquisition of businesses and represent that part of the purchase consideration that is attributable to and represented by the clients and customers with long term relationships with the business being acquired. These assets are capitalised at fair values at the date of acquisition. Acquired client relationships are amortised over their useful life and tested for impairment at least annually and whenever there is an indication that the carrying value of the intangible asset may be impaired. The useful life of these assets are 10 years and they are amortised and expensed using the straight-line method. This is in accordance with the expected pattern of future benefits based on the net cash flows expected from those relationships. The amortisation period and the amortisation method are reviewed at least annually as at 30 June to ensure the amortisation expense reflects the performance of the intangible asset.

Adviser networks are the intangible assets identified in the acquisition of Count Financial and the TFS Group and represent that part of the purchase consideration that is attributable to and represented by the advisers with long term relationships with that business. These assets were capitalised at fair value at the date of the acquisition, amortised over their useful life and tested for impairment at least annually and whenever there is an indication that the carrying value of the intangible asset may be impaired. The useful life of these assets is 10 to 15 years and are amortised and expensed using the straight-line method. This is in accordance with the expected pattern of future benefits based on the net cash flows expected from those networks. The amortisation period and the amortisation method are reviewed at least annually as at 30 June to ensure that the amortisation expense reflects the performance of the intangible asset.

Brands

Brands are recognised at fair value at acquisition. Following initial recognition, they are carried at cost less any accumulated amortisation and accumulated impairment losses. They are amortised over 25 years on straight-line basis and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

This is in accordance with the expected pattern of future benefits based on the net cash flows expected from those assets. The amortisation period and the amortisation method are reviewed at least annually as at 30 June to ensure the amortisation expense reflects the performance of the intangible asset.

Other intangible assets

Other intangible assets acquired are recognised at cost at acquisition. Following initial recognition, they are carried at cost less any accumulated amortisation and accumulated impairment losses. These assets are amortised over the useful economic life and assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the Statement of Profit or Loss and Other Comperhensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount.

This is in accordance with the expected pattern of future benefits based on the net cash flows expected from those assets. The amortisation period and the amortisation method are reviewed at least annually as at 30 June to ensure the amortisation expense reflects the performance of the intangible asset.

Impairment of assets

Goodwill and 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 assets are tested 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash generating units). Non-financial assets, other than goodwill that suffered an impairment, are reviewed for possible reversal of the impairment at the end of each reporting period.

At each reporting date if an impairment indicator exists, the Group makes a formal estimate of the asset's recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined in aggregate for the cash generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Non-financial assets, other than goodwill that suffer an impairment, are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may have reversed.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

19 Investments in associates

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

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
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%**	–

The percentage of ownership interest held is equivalent to the percentage of voting rights for all associates. All associates have the same year end as the parent entity (30 June).

There are no significant restrictions on the ability of associates to transfer funds in the form of cash dividends or to repay loans or advances to the consolidated entity.

Summary of associates held during the year

One Hood Sweeney Pty Ltd

One Hood Sweeney is a South Australian professional services firm located across Adelaide, Whyalla and Kadina. It provides accounting, business advisory, financial planning, finance and technology services to its clients.

Hunter Financial Planning Pty Ltd

Hunter Financial is a financial planning specialist based in Newcastle. Hunter Financial offers a consultative approach to wealth management particularly in the area of wealth creation budgeting, insurance, estate planning and SMSF.

OBM Financial Services Pty Ltd

OBM Financial Services is a professional services firm based in Ivanhoe, Victoria. It provides accounting and financial planning services to its clients. OBM is a Count Financial member firm.

Rundles CountPlus Pty Ltd

Rundles CountPlus is a professional services firm based in Melbourne, Victoria. It provides accounting and business advisory services to its clients.

Rundles Financial Planning Pty Ltd

Rundles Financial Planning is a professional services firm based in Melbourne, Victoria. It provides financial planning services to its clients.

DMG Financial Holdings Pty Ltd

DMG Financial Holdings is a professional services firm located in Sale and Yarram, Victoria. It provides accounting and business advisory services to its clients. CountPlus Limited acquired a 30% interest in DMG Financial Holdings Pty Ltd on 18 November 2019.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Material Associates

2020	One Hood Sweeney $'000	Hunter Financial Planning $'000	OBM Financial Services $'000	Rundles CountPlus $'000	DMG Financial Holdings $'000
Summarised Consolidated Statement of Financial Position					
Current assets	5,685	1,131	948	1,560	1,615
Non-current assets	6,703	7,365	3,604	3,999	4,715
Current liabilities	(4,668)	(842)	(733)	(2,884)	(875)
Non-current liabilities	(1,970)	(187)	(591)	–	(1,212)
Net assets / equity	5,750	7,467	3,228	2,675	4,243
Summarised Consolidated Statement of Profit or Loss and Other Comprehensive Income					
Revenue	21,308	2,959	3,950	4,485	4,877
Profit for the year	2,936	899	470	839	961
Total comprehensive income	2,936	899	470	839	961
Group share of profit for the year	950	360	188	336	289

2019	One Hood Sweeney $'000	Hunter Financial Planning $'000	OBM Financial Services $'000	Rundles CountPlus $'000	DMG Financial Holdings $'000
Summarised Consolidated Statement of Financial Position					
Current assets	5,010	1,354	948	1,607	–
Non-current assets	6,475	7,069	315	4,084	–
Current liabilities	(4,074)	(760)	(885)	(3,035)	–
Non-current liabilities	(2,221)	(26)	(30)	–	–
Net assets / equity	5,190	7,637	348	2,656	–
Summarised Consolidated Statement of Profit or Loss and Other Comprehensive Income					
Revenue	20,826	3,196	2,280	751	–
Profit for the year	2,942	1,052	278	139	–
Total comprehensive income	2,942	1,052	278	139	–
Group share of profit for the year	952	421	111	56	–

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Carrying amount of investments in associates

Reconciliation of carrying amount of investments in associates to summarised financial information for associates accounted for using the equity method:

	2020 $'000	2019 $'000
One Hood Sweeney Pty Ltd		
Opening balance	**6,896**	6,464
Share in profit	**950**	952
Dividends	**(569)**	(520)
Carrying amount based on share in net assets of associate	**7,277**	6,896
Hunter Financial Planning Pty Ltd		
Opening balance	**2,809**	2,624
Share in profit	**360**	421
Dividends	**(427)**	(236)
Carrying amount based on share in net assets of associate	**2,742**	2,809
OBM Financial Services Pty Ltd		
Opening balance	**1,344**	–
Acquisition of associate	**–**	1,233
Share in profit	**188**	111
Carrying amount based on share in net assets of associate	**1,532**	1,344
Rundles CountPlus Pty Ltd		
Opening balance	**2,140**	–
Acquisition of associate	**–**	2,084
Share of profit	**336**	56
Dividends	**(248)**	–
Carrying amount based on share in net assets of associate	**2,228**	2,140
Rundles Financial Planning Pty Ltd		
Opening balance	**418**	–
Acquisition of associate	**–**	405
Share of profit	**56**	13
Dividends	**(127)**	–
Carrying amount based on share in net assets of associate	**347**	418
DMG Financial Holdings Pty Ltd		
Acquisition of associate	**3,439**	–
Share of profit	**289**	–
Dividends	**(225)**	–
Carrying amount based on share in net assets of associate	**3,503**	–

	2020 $'000	2019 $'000
Total carrying value of investments in associates as at 30 June	**17,629**	13,607
Total share of net profit of associates accounted for using the equity method	**2,179**	1,553

Contingent liabilities and capital commitments

The associates had no contingent liabilities or capital commitments as at 30 June 2020 or 30 June 2019.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

20 Trade and other payables

	2020 $'000	2019 $'000
Current liabilities		
Trade payables	**1,181**	1,027
Other payables	**11**	622
Adviser payments	**6,925**	–
GST payable	**1,546**	1,350
Sundry payables and accrued expenses	**3,970**	2,786
	13,633	5,785
Non-current liabilities		
Other payables	**40**	108

Refer to note 33 for further information on financial instruments risk.

21 Contract liabilities

	2020 $'000	2019 $'000
Current liabilities		
Unearned revenue	**2,441**	916
Ongoing insurance trail commission payable	**10,484**	–
	12,925	916
Non-current liabilities		
Ongoing insurance trail commission payable	**24,158**	–

Contract liabilities have been raised to reflect the recognition of ongoing insurance commissions payable across various commission arrangements. This reflects the recognition of certain future trail commission expenses when a performance obligation has been met, e.g. a new customer is introduced to a product. The expense and contract liability is calculated based upon the estimated payout to aligned advisers.

The value of contract liabilities in FY20 has increased due predominantly to balances acquired as part of the acquisition of Count Financial.

The Group has recognised revenue of $744,000 in the current period (2019: $487,000) that was included in the opening contract liability balance on 1 July 2019. The Group has recognised revenue in the current period of $454,000 (2019: nil) where the performance obligation was satisfied in the prior period.

Significant accounting judgements, estimates and assumptions

Ongoing insurance trail commission

The key assumptions underlying the ongoing insurance trail commission liability are the remaining life of the insurance products, the likely run off of products over time and the adviser payout ratio.

It has been estimated that the insurance policies have a remaining life of five years and that 20% of policies are cancelled at the end of each year. These assumptions are subject to change depending on the actual experience of the insurance arrangements over time.

In respect of the adviser payout ratio, it has been estimated that 93% of ongoing insurance trail commission is paid to aligned advisers. This is subject to change if Count Financial's adviser pricing changes or if the average payout ratio changes across the portfolio; this may occur given the tiered pricing model applicable to aligned advisers.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

22 Interest bearing liabilities

	2020 $'000	2019 $'000
Current liabilities		
Bank loans – funding facility and other loans	**461**	515
Acquisition facility	**2,891**	–
Hire purchase	**7**	12
	3,359	527
Non-current liabilities		
Bank loans – funding facility and other loans	**1,372**	1,228

Refer to note 33 for further information on financial instruments risk.

	2020 $'000	2019 $'000
Total facilities		
Bank overdraft	**5,000**	5,000
Bilateral funding facility	**23,332**	24,000
	28,332	29,000
Used at 30 June		
Bank overdraft	**1,024**	683
Bilateral funding facility	**4,722**	1,755
	5,746	2,438
Unused at 30 June		
Bank overdraft	**3,976**	4,317
Bilateral funding facility	**18,610**	22,245
	22,586	26,562

The interest-bearing loans and borrowings balance is $4,731,000 (Non-current: $1,372,000 Current: $3,359,000) (2019: Non-current: $1,228,000 Current: $527,000) borrowings from Westpac Bank. There are currently four lines of credit with Westpac Bank.

CountPlus Limited has an overdraft facility with Westpac Bank, the limit is $5,000,000 (2019: $5,000,000). From this facility, bank guarantees on properties are offset against this balance.

CountPlus Limited has a revolving line of credit with Westpac Bank, the limit is currently $20,000,000 (2019: $20,000,000) and is charged with a variable rate. This five-year facility with Westpac started on 1 December 2017. The rate is determined with reference to the Bank Bill Swap Bid Rate (BBSY). Reference Rates are published in the Australian Financial Review plus a margin. A guarantee and charge as security for the facility is provided by CountPlus Limited.

Kidmans Partners Pty Ltd has a bank loan with Westpac Bank, the limit is $1,624,000 repayable over ten years. In addition, there is a line fee on this facility. A guarantee and charge as security for the facility is provided by Kidmans Partners Pty Ltd.

The MBA Partnership Pty Ltd has a bank loan with Westpac Bank, the limit is $1,708,000 repayable over three years. In addition, there is a line fee on this facility. A guarantee and charge as security for the facility is provided by The MBA Partnership Pty Ltd.

Defaults and breaches

During the current and prior year there were no defaults or breaches on any of the loans.

Significant accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings, using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent whereby there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Changes in liabilities arising from financing activities

	2019 $'000	Cash flow $'000	Non-cash changes Reclassification to short term $'000	2020 $'000
Long term borrowings	1,228	605	(461)	**1,372**
Short term borrowings	515	2,376	461	**3,352**
Hire purchase short term liabilities	12	(5)	–	**7**
Total liabilities from financing activities	1,755	2,976	–	**4,731**

23 Lease liabilities

Lease liabilities are presented in the Statement of Financial Position as follows:

	2020 $'000	2019 $'000
Current liabilities		
Lease liabilities	**3,321**	–
Non-current liabilities		
Lease liabilities	**12,041**	–

The Group has leases for office buildings and some office equipment. With the exception of short term leases and leases of low-value underlying assets, each lease is reflected on the Statement of Financial Position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate (such as lease payments based on a percentage of Group sales) are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 16).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. For leases over office buildings the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease.

At 30 June 2020, 38 right-of-use assets were leased. The average lease term for premises is eight years, office equipment is five years and others is four years. The average lease term includes option periods which management are reasonably certain will be exercised. At 30 June 2020, the average remaining lease term for premises was five years, office equipment was two years and others was two years.

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2020 were as follows:

Minimum lease payments due

	Within 1 year	1–2 years	2–3 years	3–4 years	4–5 years	After 5 years	Total
30 June 2020							
Lease payments	3,388	3,005	2,906	2,498	1,974	4,138	**17,909**

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets, if any. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

At 30 June 2020 the Group was not committed to short term leases.

Variable lease payments expensed on the basis that they are not recognised as a lease liability include rentals based on revenue from the use of the underlying asset and excess use charges on office equipment. Variable payment terms are used for a variety of reasons, including minimising costs for office equipment with infrequent use. Variable lease payments are expensed in the period they are incurred.

The Group has signed a new lease commencing on 1st July 2020. The total expected future cash flows are $97,500.

Total cash outflow for leases for the year ended 30 June 2020 was $3,640,000 (2019: $3,255,000).

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Amounts relating to leases recognised for the reporting period

The following amounts are recognised in Statement of Profit or Loss and Other Comperhensive Income:

	2020 $'000	2019 $'000
Depreciation charge for the right of use assets by class of assets		
Premises	**2,791**	–
Office equipment	**144**	–
Others	**14**	–
Total depreciation charge	**2,949**	–
Interest expense on lease liabilities (included in finance cost)	**716**	–
Total expense related to leases	**3,665**	–

The following amounts are recognised in the Statement of Cash Flows:

	2020 $'000	2019 $'000
Cash outflow for leases (AASB 16) – financing activity		
Principal	**2,924**	–
Interest	**–**	–
Termination penalty	**–**	–
	2,924	–
Cash outflow for leases – operating activity	**716**	3,255
Total cash outflows	**3,640**	3,255

24 Other liabilities

	2020 $'000	2019 $'000
Current liabilities		
Deferred cash consideration for acquisition of business combinations, business assets and investment in associates	**877**	340
Other current liabilities	**48**	43
	925	383
Non-current liabilities		
Deferred cash consideration for acquisition of business combinations, business assets and investment in associates	**108**	108
Security deposits and bonds	**–**	60
Lease make good liabilities	**494**	433
	602	601

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Movements in deferred consideration

	$'000
Current	
At 1 July 2019	**340**
Arising during the year	**734**
Payments made during the year	**(206)**
Gain on deferred consideration	**(99)**
Transfer from non-current deferred consideration	**108**
Total current	**877**
Non-current	
At 1 July 2019	**108**
Arising during the year	**108**
Transfer to current deferred consideration	**(108)**
Total non-current	**108**
Total	**985**

Significant accounting judgements, estimates and assumptions

Deferred consideration

Some acquisitions involve the payment of deferred consideration to vendors. This consideration is determined based on a multiple of actual earnings over a fixed period and is dependent on revenue or client retention. Consideration payable to the vendors in relation to acquisitions is recognised at fair value based on expected financial performance over the applicable future financial years. The component of deferred consideration not expected to be settled within 12 months after the end of the reporting period is measured as the present value of expected future payments to be made in respect of this deferred consideration, using a risk adjusted discount rate.

25 Provisions

	2020 $'000	2019 $'000
Current provisions		
Employee benefits – annual leave	**2,788**	2,200
Employee benefits – long service leave	**2,715**	2,253
Bonus provision	**495**	543
Other	**4**	5
	6,002	5,001
Non-current provisions		
Employee benefits – long service leave	**1,010**	1,130

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Significant accounting judgements, estimates and assumptions

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events. It is probable that a future sacrifice of economic benefits will be required, and a reliable estimate can be made of the amount of the obligation.

Employee benefits

Further disclosures relating to Key Management Personnel are set out in the remuneration report which starts on page 28 of the Directors' Report.

Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. All short term employee benefit obligations are presented as payables and as provisions.

Long term obligations

The liability for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience, adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

26 Remediation provision

	2020 $'000	2019 $'000
Current liabilities		
Remediation provision – Count Financial	**195,000**	–
Remediation provision – Total Financial Solutions Australia	**30**	51
	195,030	51

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 15 for disclosure on the corresponding remediation receivable asset. The provision includes the following elements:

	2020 $'000	2019 $'000
Cost of remediation of clients	**109,200**	–
Interest on amounts payable to clients	**85,800**	–
	195,000	–

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

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

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A change in each of the key assumptions above may impact the value of the remediation provision. We set out below an estimate of the impact of a change in three of the key assumption on the value of the provision. Note that the impact of the movements in the assumptions (as set out below) are independent of each other.

Key assumption	Movement	Impact on provision $'000
Value of ongoing service fees charged	+$10,000,000	4,339
	-$10,000,000	(4,339)
Number of years in which issues occurred	+1 year	29,950
	-1 year	(27,430)
Refund rate	+1%	7,448
	-1%	(7,448)

Remediation settlements will not be known until individual cases have been reviewed and compensation offers accepted. Differences in amounts paid to the amount of provision recorded at 30 June 2020 will be recorded as profit or loss in future periods.

Remediation payments are expected to be deductible for tax purposes. If a remediation settlement is tax deductible, CountPlus will receive the net amount from the CBA. Similarly, if the reimbursement is deemed to be assessable, the CBA will remit the grossed up amount to CountPlus.

Significant accounting judgements, estimates and assumptions

Remediation provision

The key accounting judgements and estimates used in calculating the remediation provision include the value of ongoing service fees charged, the number of years in which issues have occurred, the refund rate, the interest calculation methodology and the value below which fee refunds will be made without investigation. The key assumptions reflected in the remediation provision are subject to a high degree of uncertainty. The key assumptions will become clearer over time as the remediation program obtains greater insight into the actual quantum of the issues identified.

The value of ongoing service fees charged has been estimated using Count Financial's books and records and the books and records of third-party product providers where relevant; the population of impacted customers is subject to some uncertainty and is yet to be finalised.

The refund rate has been estimated by reference to testing conducted on a small sample of client cases. The refund rate is subject to change as actual refund rate data (incurred by Count Financial) becomes available.

The interest calculation methodology that has been applied is based on a rate equivalent to the RBA cash rate plus 6% compounded monthly. This methodology is subject to change.

Some customers may be remediated without investigation where the combined value of the refund and the interest is below a certain amount, however this is dependent on the availability of underlying customer records. This is subject to change.

Notes to the Consolidated Financial Statements
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27 Contributed equity

	2020 Shares	2019 Shares	2020 $'000	2019 $'000
Ordinary shares – fully paid	**114,222,559**	114,222,559	**125,219**	125,219
Treasury shares – Issued capital held by loan funded share plan	**(2,679,657)**	(3,813,807)	**(3,501)**	(4,983)
Capital contribution	**–**	–	**1,968**	1,968
ASX listing cost	**–**	–	**(586)**	(586)
Loan funded share plan establishment costs	**–**	–	**(35)**	(35)
	111,542,902	110,408,752	**123,065**	121,583

Date	Details	Number of Shares	Issue price $	$'000
01/07/2019	Opening balance	114,222,559	–	125,219
30/06/2020	Closing balance	114,222,559	–	125,219

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group 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.

Employee share scheme

The Group has an equity scheme, under which an entitlement to loan funded shares are granted to certain employees. For further disclosure on the Group's share plans, refer to note 45.

Share buy-back

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

Capital risk management

When managing capital, the Board's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management monitors the capital structure to ensure that the Group is positioned to take advantage of favourable costs of capital or higher expected returns on assets. The Group currently has a facility of $20,000,000, with the Westpac Bank, which has been drawn down by $2,891,000 as at 30 June 2020. The Group has an overdraft facility of $5,000,000 which was drawn down by lease guarantees of $1,024,000 at 30 June 2020. In addition, there are two bank loans in member firms totalling $3,332,000 which have been drawn down by $1,831,000. Future acquisitions and investments will be funded from existing and future cash flows as well as funds received under the Group's Owner, Driver – Partner model.

In the long term, the Group expects to maintain a dividend payout ratio of between 60% and 90% of maintainable net profit after tax and minority interests, subject to market conditions and Group performance. The Group is not subject to any externally imposed capital requirements.

Significant accounting policy

Ordinary shares are classified as equity.

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

Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Notes to the Consolidated Financial Statements
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28 Reserves

	2020 $'000	2019 $'000
Acquisition reserve	**(48,548)**	(48,548)
Share-based payments reserve	**645**	1,486
Foreign currency reserve	**(10)**	–
	(47,913)	(47,062)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Share based payment reserve $'000	Acquisition reserve $'000	Foreign Currency Reserve $'000	Total $'000
Balance at 1 July 2018	1,494	(52,857)	–	(51,363)
Transfer to accumulated losses	–	4,309	–	4,309
Share based payments for long term incentive plan	(8)	–	–	(8)
Balance at 30 June 2019	**1,486**	**(48,548)**	**–**	**(47,062)**
Foreign currency translation	**–**	**–**	**(10)**	**(10)**
Transfer to accumulated losses	**(580)**	**–**	**–**	**(580)**
Transfer of loan funded share plan	**(376)**	**–**	**–**	**(376)**
Share based payments for long term incentive plan	**115**	**–**	**–**	**115**
Balance at 30 June 2020	**645**	**(48,548)**	**(10)**	**(47,913)**

Nature and purpose of reserves

Share based payment reserve

The share-based payments reserve records the value of shares issued to employee share trust on behalf of employees under the loan funded share plan and the value of dividends on those shares applied to the balance of employee loans under the plan.

In addition, the reserve is used to recognise the value of equity benefits provided to the Chief Executive Officer and other Key Management Personnel as part of their remuneration for the long term incentive plan. For further details see the remuneration report on pages 28 to 37.

Acquisition reserve

The acquisition reserve arises on the acquisition of the non-controlling interests of subsidiaries. On 1 July 2010, the Group's interests in 15 associates were consolidated with the non-controlling interest being measured as the present ownership's proportionate share of identifiable net assets. The acquisition of these non-controlling interests as part of the public listing was not a business combination but was an equity transaction between owners. Accordingly, in 2011, the difference between the consideration paid and fair value of the identifiable net assets of the non-controlling interests has been accounted for in the acquisition reserve.

29 Accumulated losses

	Note	2020 $'000	2019 $'000
Accumulated losses at the beginning of the financial year		**(19,412)**	(15,439)
Adjustment for change in accounting policy – AASB 16 Leases	2	**(1,075)**	–
Accumulated losses at the beginning of the financial year – restated		**(20,487)**	(15,439)
Profit after income tax expense for the year		**15,861**	1,635
Dividends paid	31	**(2,506)**	(2,258)
Transfers (out) / in		**697**	(3,350)
Accumulated losses at the end of the financial year		**(6,435)**	(19,412)

Notes to the Consolidated Financial Statements
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30 Non-controlling interest

Reconciliation of non-controlling interest in controlled entities

	2020 $'000	2019 $'000
Opening balance	**6,232**	6,007
Acquisitions	**2,308**	–
Purchase of shares from non-controlling interest holder	**(183)**	(161)
Disposal of shares to non-controlling interest holder	**240**	–
Share of net profit for the period	**1,587**	1,321
Dividends paid by subsidiaries to non-controlling interests	**(789)**	(935)
Closing Balance	**9,395**	6,232

	2020 $'000	2019 $'000
The MBA Partnership Pty Ltd		
The proportion of ownership interests (and voting rights) held by non-controlling interest	**37.97%**	40.00%
Opening non-controlling interest at 1 July	**2,098**	1,917
Disposals	**(183)**	–
The profit allocated to non-controlling interest for the period	**611**	585
Dividends paid	**(382)**	(404)
Closing non-controlling interest at 30 June	**2,144**	2,098
Specialised Business Solutions Pty Ltd		
The proportion of ownership interests (and voting rights) held by non-controlling interest	**38.72%**	38.72%
Opening non-controlling interest at 1 July	**763**	778
The profit allocated to non-controlling interest for the period	**44**	93
Dividends paid	**–**	(108)
Closing non-controlling interest at 30 June	**807**	763
Kidmans Partners Pty Ltd		
The proportion of ownership interests (and voting rights) held by non-controlling interest	**35.62%**	32.81%
Opening non-controlling interest at 1 July	**1,066**	1,076
Additions	**139**	–
Disposals	**–**	(161)
The profit allocated to non-controlling interest for the period	**226**	279
Dividends paid	**(153)**	(128)
Closing non-controlling interest at 30 June	**1,278**	1,066
AdviceCo CA Pty Ltd (formerly Robson Partners Pty Ltd)		
The proportion on ownership interests (and voting rights) held by non-controlling interest	**35.00%**	30.00%
Opening non-controlling interest at 1 July	**1,265**	1,211
Additions	**101**	–
The profit allocated to non-controlling interest for the period	**226**	191
Dividends paid	**(142)**	(137)
Closing non-controlling interest at 30 June	**1,450**	1,265
Mogg Osborne Pty Ltd		
The proportion on ownership interests (and voting rights) held by non-controlling interest	**35.00%**	35.00%
Opening non-controlling interest at 1 July	**1,040**	1,025
The profit allocated to non-controlling interest for the period	**260**	173
Dividends paid	**(112)**	(158)
Closing non-controlling interest at 30 June	**1,188**	1,040
Count Financial Limited		
The proportion on ownership interests (and voting rights) held by non-controlling interest	**15.00%**	–
Additions	**2,308**	–
The profit allocated to non-controlling interest for the period	**220**	–
Closing non-controlling interest at 30 June	**2,528**	–
Total non-controlling interest at 30 June	**9,395**	6,232

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The following information is provided for non-controlling interests that are material to the consolidated entity. Figures are as per the subsidiaries' financial statements:

	2020 $'000	2019 $'000
The MBA Partnership Pty Ltd		
Assets	**12,499**	10,488
Liabilities	**5,116**	3,496
Revenue	**10,397**	10,126
Net Profit	**1,187**	1,284
Kidmans Partners Pty Ltd		
Assets	**9,906**	8,639
Liabilities	**3,446**	2,385
Revenue	**7,498**	7,575
Net Profit	**714**	880
AdviceCo CA Pty Ltd (formerly Robson Partners Pty Ltd)		
Assets	**5,709**	4,921
Liabilities	**1,297**	698
Revenue	**4,184**	3,956
Net Profit	**677**	648
Mogg Osborne Pty Ltd		
Assets	**6,425**	5,031
Liabilities	**2,379**	1,058
Revenue	**4,386**	4,495
Net Profit	**745**	506
Count Financial Limited		
Assets	**256,848**	–
Liabilities	**242,150**	–
Revenue	**14,865**	–
Net Profit	**1,787**	–

31 Dividends

Dividends

Dividends paid during the financial year were as follows:

	2020 $'000	2019 $'000
Interim dividend fully franked based on tax paid @ 30%, ordinary dividend paid for the year ended	**1,111**	1,129
Full year dividend fully franked based on tax paid @ 30%, ordinary dividend paid for the year ended	**1,395**	1,129
Dividends proposed and recognised as liability	**–**	–
Final dividend fully franked based on tax paid @ 30%, ordinary dividend for the year ended	**–**	–
Total dividends paid or provided for during the year	**2,506**	2,258

Franking credits

	2020 $'000	2019 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	**7,006**	6,660

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

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

32 Financial assets and liabilities

Note 2 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

30 June 2020	Note	Amortised cost	Total
Financial assets			
Cash and cash equivalents	10	25,842	25,842
Trade and other receivables	11	9,075	9,075
Loans and advances	13	424	424
Total financial assets		35,341	**35,341**

30 June 2020	Note	Other liabilities (amortised cost)	Total
Financial liabilities			
Trade and other payables	20	1,181	1,181
Interest bearing loans and borrowings	22	4,731	4,731
Other liabilities	24	1,033	1,033
Total financial liabilities		6,945	**6,945**

30 June 2019	Note	Amortised cost	Total
Financial assets			
Cash and cash equivalents	10	10,258	10,258
Trade and other receivables	11	8,988	8,988
Loans and advances	13	19	19
Total financial assets		19,265	**19,265**

30 June 2019	Note	Other liabilities (amortised cost)	Total
Financial liabilities			
Trade and other payables	20	1,027	1,027
Interest bearing loans and borrowings	22	1,755	1,755
Other liabilities	24	551	551
Total financial liabilities		3,333	**3,333**

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- trade and other receivables;
- cash and cash equivalents;
- loans and advances;
- trade and other payables;
- other liabilities; and
- interest bearing borrowings.

Notes to the Consolidated Financial Statements
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33 Financial instruments risk

Financial risk management objectives

The Group's principal financial assets and liabilities, which arise directly from its operations, comprise of cash and cash equivalents, trade and other receivables, interest bearing loans, borrowing, trade and other payables.

The Group's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('Finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies and evaluates financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group's main interest rate risk arises from long term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

At 30 June 2020, the Group had total bank loans outstanding of $4,722,000 (2019: 1,755,000). The Group also had an overdraft facility of $5,000,000 which had been drawn down by lease guarantees of $1,024,000. The effect on profit as a result of changes in interest rate with all other variables remaining constant would be as follows:

Change in profit	**2020 $'000**	**2019 $'000**
+1% (100 basis points)	**(191)**	(40)
-1% (100 basis points)	**191**	40

Credit risk

The Group is exposed to credit risk from its operating activities (primarily cash and cash equivalents and trade and other receivables).

The Group trades only with creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. There are no significant concentrations of credit risk within the Group and financial instruments are spread amongst several counterparties to spread the risk of default of counterparties.

The Group's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments, as indicated in the Consolidated Statement of Financial Position. The maximum credit risk exposure does not consider the value of any collateral or other security held, in the event other entities / parties fail to perform their obligations under the financial instruments in question. In addition, receivable balances are monitored on an ongoing basis. The Group observes its provision policy.

Notes to the Consolidated Financial Statements
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Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

As at 30 June 2020, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

30 June 2020	**Current within 6 months**	**6 to 12 months**	**Non-current 1 to 5 years**	**later than 5 years**
Trade and other payables	1,181	–	–	–
Interest bearing loans and borrowings	321	314	4,205	326
Other liabilities	680	244	371	232
	2,182	558	4,576	558

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting period as follows:

30 June 2019	**Current within 6 months**	**6 to 12 months**	**Non-current 1 to 5 years**	**later than 5 years**
Trade and other payables	1,027	–	–	–
Interest bearing loans and borrowings	264	264	1,379	–
Other liabilities	62	355	168	398
	1,353	619	1,547	398

Financing arrangements

Unused borrowing facilities at the reporting date:

	2020 $'000	**2019 $'000**
Bank overdraft	**3,976**	4,317
Bank loans	**18,610**	22,245
	22,586	26,562

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time. For further details on bank loan facilities see note 22.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Notes to the Consolidated Financial Statements
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34 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.

2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities				
Contingent cash consideration	–	–	(985)	**(985)**
Total liabilities	–	–	(985)	**(985)**

2019	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities				
Contingent cash consideration	–	–	(448)	**(448)**
Total liabilities	–	–	(448)	**(448)**

	$'000
Balance at beginning of year	**(448)**
Gain on deferred consideration in profit or loss	**88**
Additions to deferred cash & equity consideration for acquisitions of assets, subsidiaries & associates during the year	**(842)**
Adjustment	**11**
Cash paid for settlement of deferred cash consideration	**206**
	(985)

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 other investments held at fair value through profit or loss is determined based on observable market transactions. Observable market transactions considered are those transactions which occurred on 30 June 2020, excluding new issue of shares. The fair value is calculated by multiplying the total number of shares outstanding by the market price.

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

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

There were no transfers between levels during the financial year.

The maximum potential payment for deferred consideration is $985,000 (2019: $448,000).

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
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35 Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the Group:

	2020 $	2019 $
Audit services – Grant Thornton		
Audit or review of the financial statements	**431,000**	389,000
Other services – Grant Thornton		
Taxation services including tax due diligence	**6,535**	92,000
Financial due diligence	**–**	259,000
Other advisory services*	**251,222**	315,148
Total other services – Grant Thornton	**257,757**	666,148
Total remuneration of Grant Thornton	**688,757**	1,055,148

* Other advisory services comprises of transaction advisory and IT systems integration.

36 Contingent assets

The Group has no contingent assets as at 30 June 2020 (2019: nil)

37 Contingent liabilities

The Group has no contingent liabilities as at 30 June 2020 (2019: nil).

38 Commitments

Capital commitments

The Group has total capital commitments of $1,024,000 (2019: $683,000), to various landlords in form of bank guarantees. No material losses are anticipated in respect of these guarantees.

Lease commitments

Operating leases

The Group has entered into commercial property leases for various offices under non-cancellable lease contracts. These leases are expiring at different times up to nine years from the reporting date. The leases are subject to different terms and conditions and rent renewals.
The Group also leases various office equipment under non-cancellable operating leases. The future commitments under these categories listed in the table below.

Given the replacement of AASB 117 Leases with AASB 16 Leases from 1 July 2019, as set out in note 2, the disclosures set out in this note are only are only relevant for 2019.

Finance leases

As at the reporting date, the Group has no material finance lease liabilities (2019: nil).

Hire purchase commitments

The Group leases various office equipment, motor vehicles and leasehold improvements under hire purchase arrangements. The future commitments under these categories listed in the table below.

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Commitments

	2020 $'000	2019 $'000
Lease commitments – operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	–	2,688
One to five years	–	4,295
More than five years	–	928
Lease commitments – operating	–	7,911
Hire purchase commitments		
Committed at the reporting date and recognised as liabilities, payable:		
Within one year	**6**	8
One to five years	**2**	4
Total commitment	**8**	12
Less: Future finance charges	–	–
Hire purchase commitments	**8**	12

Significant accounting policy

Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

Other operating lease payments are charged to profit or loss in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss on a straight-line basis over the period of the lease.

39 Related party transactions

Parent entity

CountPlus Limited is the parent entity.

CountPlus Limited purchased an 85% ownership in Count Financial on 1 October 2019. As at 30 June 2019, Count Financial had an ownership interest in CountPlus Limited of 35.85%. Commonwealth Bank of Australia has maintained its 35.85% shareholding in CountPlus, held by its subsidiary Colonial First State Group Limited. This shareholding was in place prior to the transaction and the transaction was completed on an arm's length basis.

Subsequent to the acquisition of Count Financial, completion adjustment payments of $24,286,000 were made to CBA. These payments consist of a completion adjustment payment of $21,704,000 and management fees' payment of $2,582,000.

Subsidiaries

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

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Subsidiaries

Interests in subsidiaries are set out in note 40.

Associates

Investment in associates are set out in note 19.

Key management personnel

	2020 $	2019 $
Short term employee benefits	**2,194,456**	1,879,946
Post-employment benefits	**129,740**	102,771
Long term benefits	**17,590**	–
Share-based payments	**114,497**	24,653
	2,456,283	2,007,370

Transactions with related parties

The following transactions occurred with related parties:

	2020 $'000	2019 $'000
Sale of goods and services:		
Net fees and commissions received from Count Financial	**2,400**	11,402
Net fees and commissions received from Colonial First State Group	**667**	–
Premises expenses:		
Catalyst Finance Pty Ltd	**254**	255
The Southport Unit Trust	**319**	317
Rosebead Pty Ltd	**62**	61
Mark & Bronwyn Kenmir Superannuation Fund	**29**	29
Bronwyn Kenmir	**44**	43
Cummings and West Super Fund	**–**	37

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to / from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2020 $'000	2019 $'000
Current receivables:		
Receivable from Count Financial	**–**	228
Loan to Count Member Firm Pty Ltd	**395**	–

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Notes to the Consolidated Financial Statements
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40 Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	**Principal place of business / Country of Incorporation**	**2020 %**	**2019 %**
1. The MBA Partnership Pty Ltd*	Australia	**62.03%**	60.00%
‣ Digital O2 Pty Ltd	Australia	**100.00%**	100.00%
‣ MBA FS (Rawsons) Pty Ltd	Australia	**70.00%**	70.00%
‣ The MBA Partnership (NSW) Pty Ltd	Australia	**51.00%**	51.00%
‣ Collective Outsourcing Pty Ltd	Australia	**100.00%**	–
‣ Collective Outsourcing Incorporated	Philippines	**100.00%**	–
2. Bentleys (WA) Pty Ltd*	Australia	**100.00%**	100.00%
‣ Bentleys Advisory (WA) Pty Ltd	Australia	**100.00%**	100.00%
‣ Bentleys Corporate Finance (WA) Pty Ltd	Australia	**100.00%**	100.00%
‣ Australian Superannuation & Compliance Pty Ltd	Australia	**100.00%**	100.00%
3. Addvantage Financial Freedom Pty Ltd*	Australia	**100.00%**	100.00%
‣ Addvantage Accountants Pty Ltd	Australia	**100.00%**	100.00%
‣ Cooma Accounting and Financial Services Pty Ltd	Australia	**100.00%**	100.00%
‣ Beames & Associates Accounting and Financial Services Pty Ltd	Australia	**100.00%**	100.00%
4. Specialised Business Solutions Pty Ltd*	Australia	**61.28%**	61.28%
5. Mogg Osborne Pty Ltd*	Australia	**65.00%**	65.00%
6. Crosby Dalwood Pty Ltd*	Australia	**100.00%**	100.00%
7. Cooper Reeves Pty Ltd*	Australia	**100.00%**	100.00%
8. CountPlus One Pty Ltd*	Australia	**100.00%**	100.00%
9. Evolution Advisers Pty Ltd*	Australia	**100.00%**	100.00%
10. AdviceCo CA Pty Ltd* (formerly Robson Partners Pty Ltd)	Australia	**65.00%**	70.00%
11. Kidmans Partners Pty Ltd*	Australia	**64.38%**	67.19%
12. Unite Advisory Pty Ltd* (formerly 360 Financial Advantage Pty Ltd)	Australia	**100.00%**	100.00%
13. CountPlus FS Holdings Pty Ltd (TFS Group)*	Australia	**100.00%**	100.00%
‣ Total Financial Solutions Australia Ltd	Australia	**100.00%**	100.00%
‣ TFS Operations Pty Limited	Australia	**100.00%**	100.00%
‣ TFS Advice Pty Limited	Australia	**100.00%**	100.00%
14. Twomeys Pty Ltd*	Australia	**100.00%**	100.00%
15. Count Financial Limited*	Australia	**85.00%**	–
16. Kidmans PEC Pty Ltd	Australia	**100.00%**	100.00%
17. BLUE789 Pty Ltd	Australia	**100.00%**	100.00%
18. ADVICE389 Pty Ltd	Australia	**100.00%**	100.00%

* These subsidiaries are separate cash generating units.

These entities are consolidated into the respective cash generating units (CGUs) identified above. The class of shares acquired for all the subsidiaries are ordinary shares.

Significant restrictions relating to subsidiaries

There are no statutory, contractual or regulatory restrictions on any of the subsidiary's ability to access or transfer or use its assets and settle the liabilities of the consolidated entity.

There are no guarantees given or other requirements that may restrict dividends and other capital distributions being paid, or loans and advances being made or repaid to (or from) other entities within the consolidated entity.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Consolidated structured entities

The Group does not have any consolidated structured entities other than the ones which are consolidated in these financial statements and listed as subsidiaries above.

41 Business combinations

Acquisition of Count Financial Limited

On 1 October 2019, CountPlus Limited acquired 85% of the ordinary shares of Count Financial for $2,125,000. Count Financial is a financial advice licensee business and operates in the Financial Services division of the consolidated entity. It was acquired to facilitate the growth and development of the Financial Services division. The gain on bargain purchase of $10,952,000 represents the excess of the fair value of the identifiable net assets of Count Financial over the purchase consideration.

	1 October 2019 $'000
Amount settled in cash by CountPlus	2,125
Amount settled by non-controlling interest in Count Financial	375
	2,500
Recognised amounts of identifiable net assets:	
Intangible assets	3,534
Trade and other receivables	3,761
Contract assets	24,590
Cash and cash equivalents	34,824
Remediation provision receivable*	195,000
Deferred tax liabilities	(1,577)
Remediation provision payable*	(195,000)
Trade and other payables	(26,878)
Contract liabilities	(22,869)
Net identifiable assets and liabilities	15,385
Net identifiable assets	15,385
Consideration by CountPlus	(2,125)
Non-controlling interest	(2,308)
Gain on bargain purchase to CountPlus	10,952

	1 October 2019 $'000
Purchase consideration – Cash inflow	
Inflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	(2,125)
Less: Balances acquired	
Cash	34,824
	32,699

* The remediation provision was initially accounted for on a provisional basis. At 31 December 2019 this provision was $143,300,000.

Acquisition-related costs amounting to $1,214,000 were recognised as an expense in other operating expenses in the Consolidated Statement of Comprehensive Income during the year to 30 June 2019. No other acquisition related costs were incurred in the period between 1 July 2019 and 30 June 2020.

Subsequent to the acquisition of Count Financial, completion adjustment payments of $24,286,000 were made to CBA. These payments consist of a completion adjustment payment of $21,704,000 and management fees payment of $2,582,000.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Non-controlling interest

The non-controlling interest in Count Financial at date of acquisition was $2,308,000. This represents 15% of the fair value of identifiable net assets of Count Financial at date of acquisition.

In accordance with AASB 3, management has recognised the NCI's proportionate share of the fair value of net identifiable assets acquired.

Identifiable net assets

At 30 June 2020, the fair values of the brand and client relationships amount to $1,493,000 and $2,041,000, respectively. The fair value of the trade and other receivables and contract assets acquired as part of the business combination amounted to $28,351,000.

Gain on bargain purchase

The gain on bargain purchase represents the excess of the fair value of the acquired identifiable assets and liabilities over the purchase price. This gain on bargain purchase has been allocated to the Group's Financial Services segment and is not expected to be assessable for tax purposes. The gain on bargain purchase arises as CBA decided to exit the aligned financial advice business. CountPlus was a logical acquirer of Count Financial given its historical corporate relationship and equity holdings in 15 Count Financial member firms.

Contribution to the Group results

Count Financial has contributed $11,801,000 in revenue from contracts with customers and profit after tax of $1,604,000 to the Group from the acquisition date to 30 June 2020.

Significant accounting policies

Business combinations

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.

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

42 Events after the reporting period

On 30 July 2020, the indemnity related to remediation matters in Count Financial granted by the Commonwealth Bank of Australia (CBA) was increased from $210,000,000 to $300,000,000.

On 1 July 2020, CountPlus Limited member firm, NSW based Twomeys Group Pty Ltd acquired the accounting based services of Cultiv8 Accounting Pty Ltd. Twomeys also completed a 38% equity buy back by key management under the CountPlus 'Owner, Driver – Partner' model. CountPlus retains a 62% shareholding in Twomeys.

On 27 August 2020, the Directors resolved to declare a full year final dividend for FY20 of 1.25 cent (fully franked) to be paid on 14 October 2020 (Record date 25 September 2020).

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect:

a) the consolidated entity's operations in future financial years;

b) the results of those operations in future financial years; or

c) the consolidated entity's state of affairs in future financial years.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

43 Reconciliation of profit after income tax to net cash from operating activities

	2020 $'000	2019 $'000
Net profit from operations after income tax for the year	**17,448**	2,956
Non-cash items in profit:		
Depreciation and amortisation	**5,366**	2,287
Net (gain) / loss on disposal of assets	**–**	(99)
Make good provision	**–**	(91)
Gain on disposal of product	**–**	(1,000)
Share based payments	**115**	(8)
Impairment / (reversal) of impairment of receivables	**528**	(103)
Interest income	**(20)**	–
Gain on bargain purchase	**(10,952)**	–
Gain on deferred consideration	**(88)**	–
Gain on lease modification	**(152)**	–
Share of associates net profit	**(2,179)**	(1,553)
Employee entitlements	**1,564**	–
Impairment of goodwill	**–**	1,060
Changes in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	**(1,373)**	875
Increase in contract liabilities	**151**	–
Increase in trade and other payables	**2,103**	1,078
Increase in income taxes payable	**942**	395
(Increase) in net deferred taxes liabilities	**(550)**	(292)
(Increase) / decrease in employee and other provisions	**(466)**	444
Net cash from operating activities	**12,437**	5,949

44 Earnings per share

	2020 $'000	2019 $'000
Profit after income tax	**17,448**	2,956
Non-controlling interest	**(1,587)**	(1,321)
Profit after income tax attributable to the owners of CountPlus Limited	**15,861**	1,635

	2020 Number	2019 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	**110,887,268**	110,408,752
Adjustments for calculation of diluted earnings per share:		
Long term incentive performance rights	**502,922**	–
Weighted average number of ordinary shares used in calculating diluted earnings per share	**111,390,190**	110,408,752

	2020 Cents	2019 Cents
Basic earnings per share	**14.30**	1.48
Diluted earnings per share	**14.24**	1.48

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Significant accounting policy

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

45 Share plans

Loan funded share plan

Long term incentive awards are delivered to employees in the form of a loan funded share plan (LFSP). Under the plan, employees who have contributed to Group performance may be granted an allocation of loan-funded shares which are held on their behalf by an employee share trust.

A summary of the Group shares issued up to the year ended 30 June 2020 are as follows:

Description	Grant date	Expiry date	Exercise price	Start of the year	Granted during the year	Exercised during the year	Expired	Forfeited	Balance at end of the year	Vested and exercisable at end of the year
LFSP 2015	March 2015	March 2018[(a)]	$1.12	1,572,031	–	(1,134,150)	–	(52,742)	385,139[(a)]	–

[(a)] Due to an extension granted in respect of the LFSP 2015 shares, the plan remained active at 30 June 2020. It is anticipated that the plan will be formally terminated during the FY21 period.

For the 2015 LFSP, due to the increase in the CountPlus share price post the acquisition of Count Financial, the vesting conditions were retested and it was determined that 1,134,150 shares were eligible to vest to the participants. These awards were exercised during the course of the 2020 financial year.

As at 30 June 2020, there are 385,139 awards outstanding in relation to the 2015 Loan Funded Share Plan. These vesting conditions were tested and it was determined that none of these awards are expected to vest. The 2015 Loan Funded Share Plan is expected to be cancelled during the course of the 2021 financial year.

Employee loyalty equity plan

During the 2020 and 2019 financial years no shares were issued under the employee loyalty equity share plan.

Long term incentive plan

The long term incentive plans are set out on pages 34 to 37 of this report

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

46 Parent entity information

The individual financial statements for the parent entity show the following aggregate amounts:

Statement of Financial Position

	2020 $'000	2019 $'000
Assets		
Current assets	**6,246**	4,352
Non-current assets	**55,740**	55,350
Total assets	**61,986**	59,702
Liabilities		
Current liabilities	**(2,355)**	(1,191)
Non-current liabilities	**(542)**	(26)
Total liabilities	**(2,897)**	(1,217)
	59,089	58,485
Equity		
Contributed equity	**126,552**	126,552
Share based payment reserve	**642**	1,486
Accumulated losses	**(68,105)**	(69,553)
	59,089	58,485

Statement of Profit or Loss and Other Comprehensive Income

	2020 $'000	2019 $'000
Loss for the year	**(3,463)**	(2,491)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Notes to the Consolidated Financial Statements
For the Year Ended 30 June 2020

Parent entity financial information

The financial information for the parent entity, CountPlus Limited, disclosed above have been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at the lower of cost and recoverable value in the financial statements of CountPlus Limited. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

Tax consolidation legislation

CountPlus Limited ('the Corporate Entity') and its 100% owned Australian subsidiaries formed an income tax consolidation group with effect from 5 November 2010. Subsidiaries joined the tax consolidation group from the date they became wholly owned. The Corporate Entity and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer.

Members of the CountPlus tax consolidation group entered into a tax sharing and funding agreement. Under the terms of this agreement, each member in the tax consolidation group agreed to make a tax equivalent payment to the Corporate Entity based on their current tax liability or current tax asset. Deferred taxes are recorded by members of the tax consolidation group in accordance with the principles of AASB 112 Income Taxes.

Financial guarantees

The Group currently has banking facilities with Westpac Bank. These comprise a $5,000,000 revolving line of credit facility and a $20,000,000 Bank Bill Business Loan. $2,891,000 was drawn during the year to facilitate the DMG acquisition and a bank guarantee of $1,024,000 has been provided for property leases. A subsidiary of CountPlus Limited, Kidmans Partners Pty Ltd currently has a bank loan of $1,624,000 with Westpac Bank. The MBA Partnership Pty Ltd currently has a bank loan of $1,708,000, with Westpac Bank. These two loans were drawn down by $1,831,000 in total at 30 June 2020.

Share based payments

The grant by the Group of options over its equity instruments to the employees of a subsidiary in the Group is treated as a capital contribution to the relevant subsidiary. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiaries, with a corresponding credit to equity.

Directors' Declaration

1. In the opinion of the Directors of CountPlus Limited:
   - **a.** The consolidated financial statements and notes of CountPlus Limited are in accordance with the Corporations Act 2001, including
     - **i.** Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
     - **ii.** Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
   - **b.** There are reasonable grounds to believe that CountPlus Limited will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2020.
3. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Board of Directors.

Ray Kellerman
Chairman
Sydney
28 August 2020

Independent Auditor's Report
To the members of CountPlus Limited

Grant Thornton

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Independent Auditor's Report

To the Members of CountPlus Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of CountPlus Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report
To the members of CountPlus Limited

Grant Thornton

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Business combinations (Note 41)	
During the year, the Group acquired 85% of Count Financial Limited for $2,125,000 which has been accounted for in accordance with AASB 3: *Business Combinations*. Accounting for a business combination is a complex and judgemental exercise, requiring management to determine the fair value of acquired assets and liabilities. Management engaged an Independent Expert to value the intangible assets acquired in this business combination, which resulted in a gain on bargain purchase of $10,952,000. This is a key audit matter due the complexity and judgements involved within the assessment of AASB 3: Business Combinations and the estimation involved in the valuation of intangible assets.	Our procedures included, amongst others: • obtaining the purchase agreement and management's accounting memorandum to confirm the terms of the contract • obtaining the acquisition balance sheet of Count Financial Ltd and agreeing material balances to supporting information; • assessing the qualifications and experience of the Independent Expert engaged by management and their suitability to perform the valuation engagement; • working with our valuation specialists to assess the work contained in the Independent Expert's Valuation Report to determine: – that the appropriate intangible assets had been identified and whether the appropriate valuation methodologies had been used; and – whether assumptions used were reasonable compared with external benchmarks (for example discount rates) and to consider the assumptions based on our knowledge of the Group and its industry; • testing the mathematical accuracy of the underlying calculations; • evaluating the forecasts provided by management upon which the valuations were based by assessing forecast revenues, operating costs based on our knowledge of the market and sector trends; • assessing the commercial logic for the recognition of a gain on bargain purchase; and • assessing the adequacy of the Group's disclosures in respect of the business acquisitions against the requirements of AASB 3: Business Combinations.
Remediation provision (Note 26) and Remediation receivable (Note 15)	
As at 30 June 2020, the Group recorded a remediation provision of $195,000,000 and a corresponding remediation receivable. The provision represents the estimated cost of remediation of current and former clients in respect of advice issues, including ongoing services charged where no service was performed by Count Financial. The advice issues occurred prior to the acquisition of Count Financial by the Group. The receivable represent an indemnity deed granted by the Commonwealth Bank of Australia. Per AASB 137: Provisions, Contingent Liabilities and Contingent Assets, a provision should be recognised if an entity has a present obligation as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made. The provision is based upon estimates in relation to the value of the ongoing service fees charged, the number of years in which issues	Our procedures included, amongst others: • obtaining the Group's calculation of the provision and documenting our understanding of the methodology used to calculate the provision and assessing the appropriateness of the provision in line with AASB 137; • evaluating the reasonableness of the key assumptions used to estimate the provision, specifically; – *Reviewing evidence provided by management to support the failure rate based on sample testing on underlying Count Financial transactions*; – *Evaluating the ongoing service fee calculation and agreeing to supporting* fee data; – *Assessing the appropriateness of the interest rate calculation with reference to ASIC's Regulatory Guide 256 Client review and remediation conducted by advice licensees.* • Recalculating the provision using management's assumptions; • Confirming the remediation receivable to the indemnification deed granted by the Commonwealth Bank of Australia; and • Evaluating the adequacy of the accounting policy and disclosures made in the Group's financial statements in respect of the remediation provision and asset.

Independent Auditor's Report
To the members of CountPlus Limited

have occurred, the refund rate, the interest calculation on those fees and the value below which fee refunds are made without investigation.

This is a key audit matter as the assumptions used in the determination of remediation costs involves complexity and significant management judgement and estimation.

Recoverable amount of intangible assets (Note 18)

As at 30 June 2020, the Group's intangible assets of $36,741,000 consist of goodwill, acquired client relationships/advisor networks, brands, IT software and other intangible assets. No impairment expense has been recognised during the year. AASB 136: *Impairment of Assets* requires that, for the purposes of impairment testing, goodwill acquired in a business combination be allocated to each of the Group's cash-generating units (CGU). Each CGU to which goodwill has been allocated must be tested for impairment annually. Management has assessed that the group has 15 CGUs, and has allocated the goodwill and other intangible assets to these CGUs. Management has tested the CGUs for impairment by comparing their carrying amounts with their recoverable amounts. The recoverable amounts were determined using value-in-use models. This is a key audit matter due to the judgements and estimates required in determining the appropriate CGUs and calculating the recoverable amount.	Our procedures included, amongst others: • enquiring with management to obtain and document an understanding of their processes and controls related to the assessment of impairment, including identification of CGUs and the calculation of the recoverable amount for each CGU; • evaluating the value in use models against the requirements of AASB 136; • obtaining management's value in use calculations and in consultation with our valuations experts, assessing the key assumptions, including: – testing the mathematical accuracy; – testing forecast cash inflows and outflows to be derived by the CGUs' assets; and – reviewing discount rates applied to forecast future cash flows; • evaluating management's ability to perform accurate estimates by comparing historical forecasting to actual results; • performing sensitivity analysis on the significant inputs and assumptions made by management in preparing the calculation; and • assessing the adequacy of financial report disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report
To the members of CountPlus Limited

Grant Thornton

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 28 to 37 of the Directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of CountPlus Limited, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

S M Thomas
Partner – Audit & Assurance

Sydney, 28 August 2020

ASX Additional Information

The shareholder information set out below was applicable as at 31 July 2020.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Listed Ordinary Shares – Fully Paid	
	Number of Holders	**Number of Shares**
1 – 1,000	435	255,462
1,001 – 5,000	733	1,996,554
5,001 – 10,000	324	2,605,274
10,001 – 100,000	541	15,950,601
100,001 and over	86	93,414,668
Total	2,119	114,222,559

Holding less than a marketable parcel – 149 holders.

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

		Listed Ordinary Shares – Fully Paid	
		Number of Shares	**Percentage**
1	Colonial First State Group Limited	40,945,747	35.85
2	National Nominees Limited	6,424,821	5.62
3	HSBC Custody Nominees (Australia) Limited	6,201,525	5.43
4	J P Morgan Nominees Australia Pty Limited	4,615,988	4.04
5	Mr Barry Martin Lambert	3,300,000	2.89
6	Pacific Custodians Pty Limited (Employee Share Tst A/C)	2,679,657	2.35
7	Citicorp Nominees Pty Limited	2,507,526	2.20
8	Santos L Helper Pty Ltd (SBS Van Paassen A/C)	2,100,000	1.84
9	Rowe Heaney Super Fund Pty Ltd (Rowe Heaney Super Fund A/C)	1,485,000	1.30
10	Mrs Joy Wilma Lillian Lambert	1,333,333	1.17
11	Mirrabooka Investments Limited	1,261,897	1.10
12	Avanteos Investments Limited (7749080 Jonathan A/C)	1,162,528	1.02
13	Harvey Investment Company Pty Ltd (Seastar Investment A/C)	835,561	0.73
14	Mr Michael Allan Beddoes (Beddoes Practice A/C)	800,000	0.70
15	Mr Joseph Zanca & Mrs Szerenke Zanca (Zanacorp Super Fund A/C)	777,750	0.68
16	Mr Barry Martin Lambert	764,729	0.67
17	RK Sydney Pty Ltd (RK Family A/C)	757,000	0.66
18	Zanacorp Financial Group Pty Ltd	562,500	0.49
19	Supergeneration Pty Ltd (Supergeneration A/C)	533,600	0.47
20	UBS Nominees Pty Ltd	454,974	0.40
Totals: Top 20 holders of issued capital (total)		79,504,136	69.61

Substantial holders

As at the date of this report, the substantial shareholder is:

	Listed Ordinary Shares – Fully Paid	
	Number	**Percentage**
Ordinary shareholder		
Colonial First State Group Limited	40,945,747	35.85

Investors' Information

Share Trading

CountPlus Limited's fully paid ordinary shares are listed on the Australian Stock Exchange (ASX) and are traded under the code CUP.

Voting rights

At a General Meeting, every member present in person or by proxy or attorney, or in the case of a corporation by a representative duly authorised under the seal of that corporation, has one vote on a show of hands and in the event of a poll, one vote for each fully paid ordinary share held by the member. Options carry no voting rights.

Shareholders' Enquiries

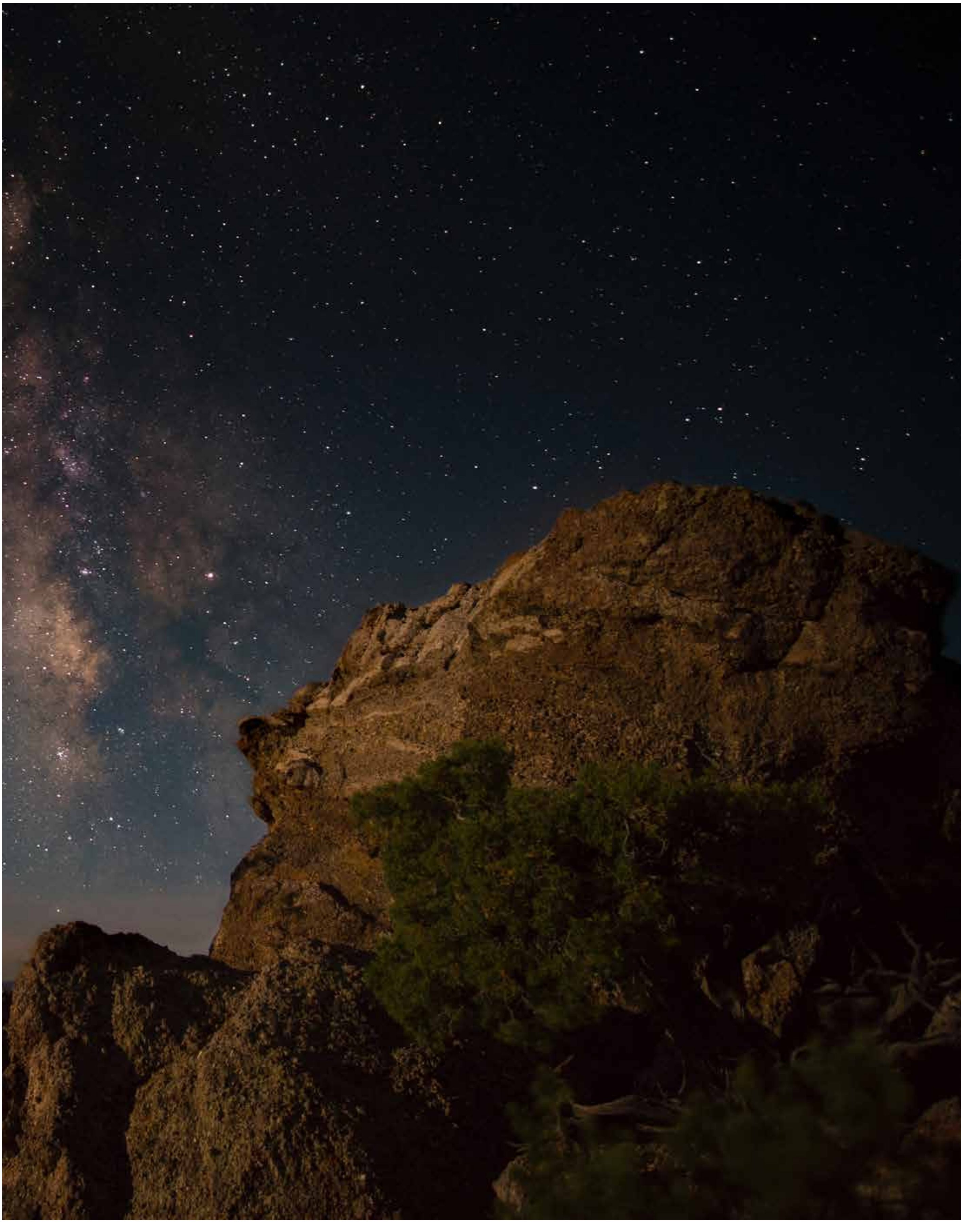
Investors seeking information regarding their shareholding or wishing to change their address, should contact our share registry:

Computershare Investor Services Pty Ltd

Address	Level 3, 60 Carrington Street Sydney NSW 2000
Telephone	1300 850 505 +61 2 8234 5000
Fax	+61 2 8235 8150

Any other enquiries relating to CountPlus Limited can be directed to CountPlus at:

Postal Address	GPO Box 1453 Sydney NSW 2001
Telephone	+61 2 8218 8778
Email	info@countplus.com.au



CountPlus

Quality Partnerships, Leading Advice

2020

Annual Report