ANNUAL
REPORT
2014

countplus

About Countplus

Countplus is a professional services aggregation network of 20 businesses and their subsidiaries across Australia; 17 accounting/business advisory firms, one financial planning specialist, a property services group and a financial planning dealer group. We operate out of 41 offices in 23 towns and cities across Australia, with over 600 employees.

Countplus' strategic objectives are to:

- Promote organic growth by developing a best practice accounting and wealth advice network through the sharing of ideas, practices and systems across the Group;
- Pursue growth through further acquisitions of minority stakes in stand-alone businesses and full acquisitions of businesses by existing subsidiaries;
- Join with new partners that share our goal of delivering outstanding quality services and advices to clients; and
- Capitalise on access to both the resources and network of Count Financial, a franchise group of nearly 300 accounting firms and a subsidiary of Commonwealth Bank of Australia, which will facilitate ongoing growth opportunities.

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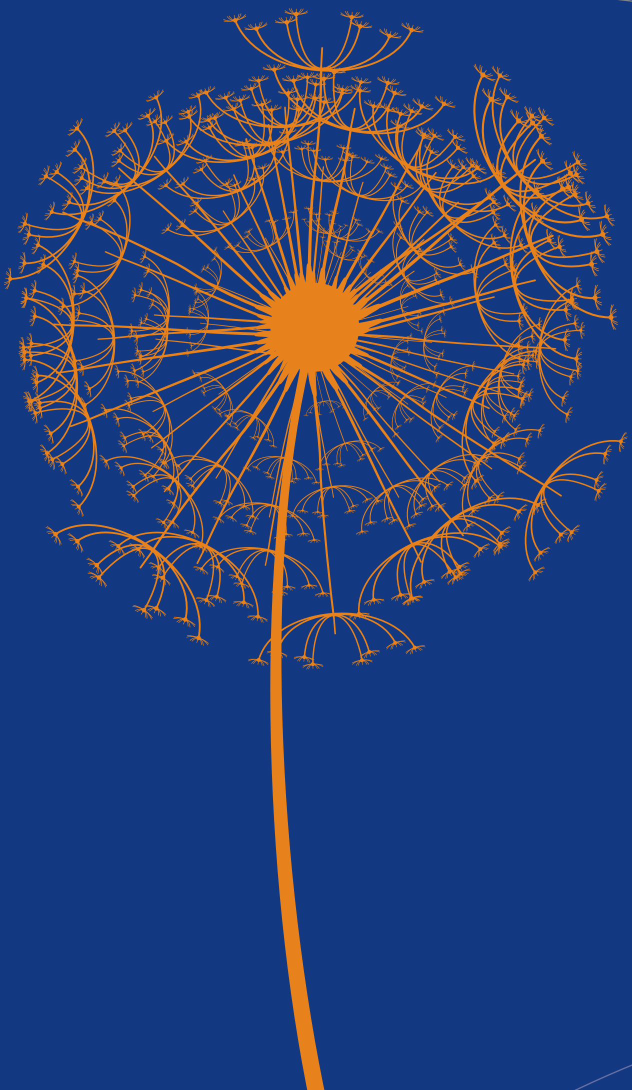
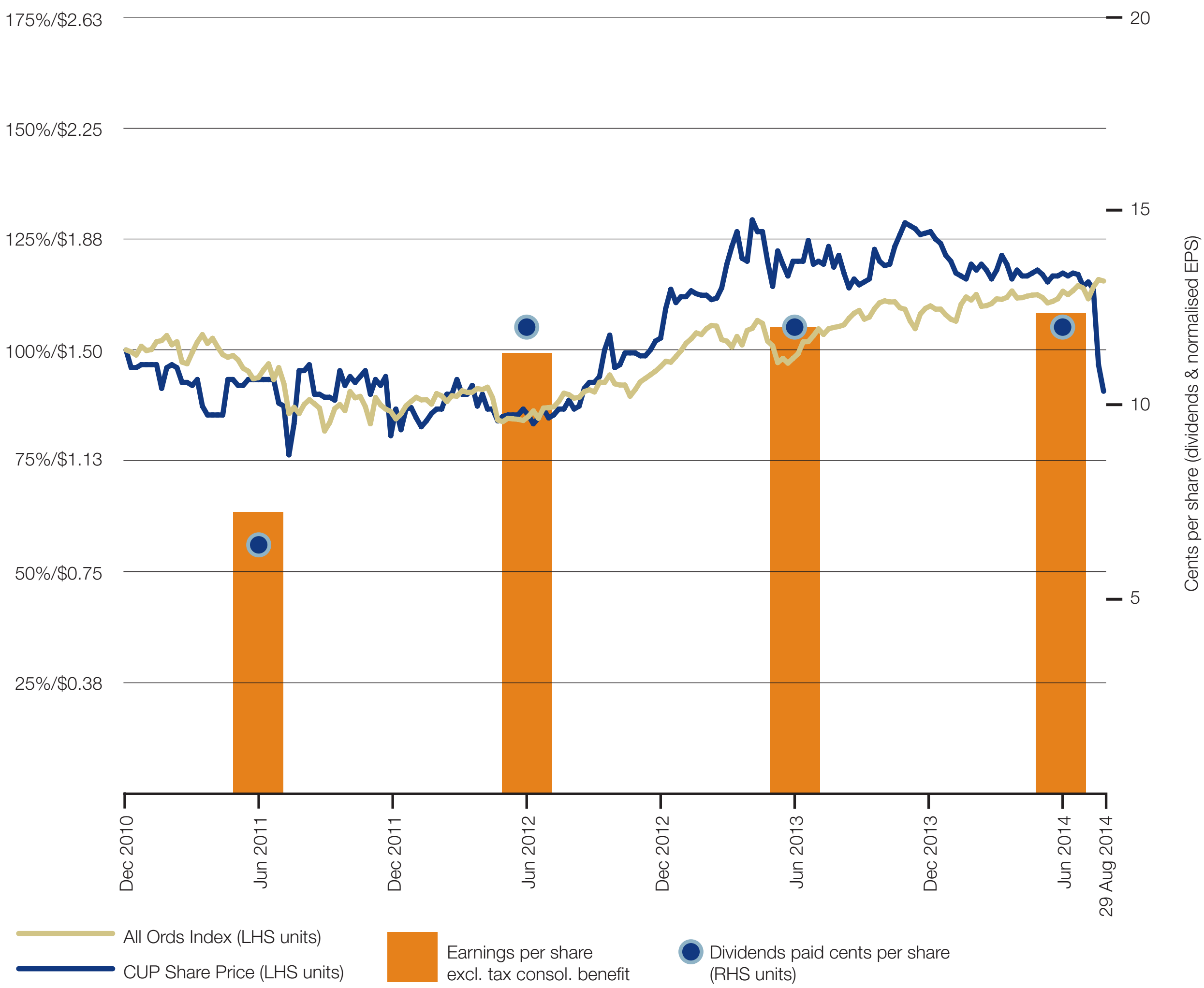


Financial Highlights

	2014	
Operating Profit (EBITA)*	$19.12m	Down 0.6%
Consolidated Net Profit before Tax	$15.38m	Up 2.7%
Consolidated Net Profit after Tax (NPAT)	$11.31m	Up 2.1%
Diluted Earnings Per Share	10.13 cents	Up 1.6%
Dividend Per Share	12c declared and paid for full year ended June 2014	No Change
Member Contribution Margin (Total Net Member Income / Net Member Revenue)	20%	No Change

*Excludes non-cash fair value adjustments and share based payments but includes income from associates

Countplus (ASX: CUP) Earnings Per Share (EPS) & Dividends v Share Price



- All Ords and CUP prices are weekly closing prices
- EPS excludes amortisation expense and non-cash fair value adjustments
- 2011 EPS excludes non-recurring tax consolidation benefit of $1.187m

Financial Summary

	2012 $'000	2013 $'000	2014 $'000	2013/2014 Change %
Total Net Revenue [1]	**91,591**	**94,802**	**95,830**	**1.1%**
Total Expenses [2]	**(72,402)**	**(76,053)**	**(77,054)**	**1.3%**
Net Income [3]	**19,189**	**18,749**	**18,776**	**0.1%**
Share of Profits from Associates [4]	–	486	346	(28.8%)
EBITA [7]	**19,189**	**19,235**	**19,122**	**(0.6%)**
Non-Operating Income	165	397	266	(33.0%)
Non-Cash Expense (share based payment)	(301)	(351)	(214)	(39.0%)
Interest Income	164	138	128	(7.2%)
Fair Value Adjustments (net tax)	101	139	(217)	
Interest Expense [5]	(779)	(1,040)	(1,224)	17.7%
Amortisation Expense [6]	(3,556)	(3,343)	(3,157)	(5.6%)
Non-Cash Expense (impairment loss)	–	(204)	–	
Gain on Disposal of Subsidiary	–	–	676	
Profit before Tax	**14,983**	**14,971**	**15,380**	**2.7%**
Tax	(3,673)	(3,888)	(4,067)	4.6%
Consolidated Net Profit after Tax [8]	**11,310**	**11,083**	**11,313**	**2.1%**
Profit Attributable to Owners of Countplus	11,155	10,920	11,131	1.9%
Profit Attributable to Non-Controlling Interest	155	163	182	11.7%
Basic Earnings Per Share (cents)	10.23	9.98	10.14	1.6%
Diluted Earnings Per Share (cents)	10.23	9.98	10.13	1.6%
Current Assets	30,244	35,172	34,334	(2.4%)
Current Liabilities	22,429	22,127	21,013	(5.0%)
Current Ratio	1.35	1.59	1.63	
Non-Current Assets	63,883	66,454	65,427	(1.5%)
Non-Current Liabilities	18,095	27,514	27,584	0.3%
Net Assets	53,603	51,985	51,164	(1.6%)
Net Debt [9]	2,360	9,255	12,692	37.1%

Notes to Financial Summary

1. Net Revenue

Revenues are primarily from accounting and related services, but also include financial planning related revenue, revenue from loans & equipment financing, insurance commissions, property sales commissions and property services.

Accounting related revenue was down by 4.0% for the year, reflecting the sale of one subsidiary and challenging business conditions. Financial planning revenue was up 13.9% over the year, and makes up 24.9% (2013: 22.1%) of total net group revenue. This included a benefit from loyalty payments made by the Commonwealth Bank to Count Financial franchisees (also paid in the prior year), as a result of the takeover of Count Financial in 2011. 16 Member Firms are franchisees of Count Financial.

Property and related services revenues contributed 4.7% of total net revenue for the year (2013: 4.1%), generated chiefly by the property services group, Pacific East Coast (PEC).

Excluding the impact of the sale of one subsidiary and the abovementioned loyalty payments, net operating revenue increased by 7%.

2. Expenses

Total expenses increased by 1.3%. Employment related costs are the Group's largest expense (75.6% of total member operating expenses), with over 600 employees across the Group. These were impacted by acquisitions and also by additional resourcing for some Member Firms, particularly in financial planning in anticipation of improved investor sentiment and appetite for advice.

Non-employment related operating expenses increased due to higher provisioning expensed for doubtful debts under the Group's conservative policy as well as additional professional fees associated with the Group's proposed shared equity plan.

3. Net Income (Contribution Margin)

Net income was $18.8m (up 0.1%) for the year. This equates to a margin of 19.6% of income (2013: 19.8%).

4. Share of Profits from Associates

This item is primarily made up of the Group's share of profits for the year from its 23% interest in South Australian professional services firm, One Hood Sweeney Pty Ltd, acquired in October 2012.

5. Interest Expense

Interest expense for the year rose primarily from a loan facility with the Commonwealth Bank of Australia. These funds were drawn down to fund new acquisitions during the year and pay for deferred consideration on acquisitions made in prior years.

6. Amortisation Expense

Amortisation expense of $3.2m (2013: $3.3m) relates primarily to an accounting requirement to write down the value of intangible assets, acquired client relationships and adviser networks (non-cash), over their expected lifetime. A conservative diminishing value method is used to amortise these assets, ensuring that the proportional impact of this line item would reduce over time.

7. Operating Profit

Operating profit was flat for the period. Excluding the impact of the sale of subsidiary, operating profit increased 7%.

8. Net Profit Result

Net profit after tax was up by 2.1% primarily due to higher income from financial planning, property and related services.

9. Net Debt

Net debt has increased due to a number of acquisitions/investments made during the year and also the settlement of some deferred consideration payments on previous year acquisitions.

Chairman's Report

Barry Lambert
CHAIRMAN

This year the Group delivered a Net Profit after Tax result of $11.31 million. While this represented a small improvement over the prior year, it included a final loyalty payment from the Commonwealth Bank of Australia to Countplus firms who are financial planning franchisees of Count Financial (the loyalty payment was up $1.7m after tax on the prior year).

Our result reflects a continued challenging economic environment for small businesses, which remain the core client base for our accounting based Member Firms. Other specific factors that had a negative impact included increased provisioning against accounting debtors under the Group's conservative provisioning policy and restructuring associated with two businesses that had not performed to expectations over the last few years. These were a Western Australian subsidiary which was sold in January 2014, the other a Canberra based subsidiary that merged with another accounting business from outside the Group.

The highlights of the year were the performance of our 2 largest profit contributors, the financial planning dealer group, Total Financial Solutions (TFS) and property services group, Pacific East Coast.

Model Fine Tuned

The Group previously announced that going forward it will adopt a part ownership model – C2 for major new acquisitions. This new model will prove appealing, and the Board have decided that we should first offer the key employees of our existing firms, the opportunity to buy into their businesses over the next 3 years commencing from the 2014/15 financial year. We are confident that this will be in Company's long term best interest by providing stronger alignment between individual firm performance and return on investment for participating Directors and employees.

The above "buy-in" restructuring over the next 3 years is likely to have an initial negative stand-alone impact on the Group's results. The scale of this, whilst limited in year 1 and 2 will depend on the rate of take-up by employees. The buy-in proceeds will be used to fund new acquisitions and investments for the Group to replace the earnings that have been sold. However, there might be a timing lag in order to ensure new partners meet our quality filters. In the medium term this direct equity plan should prove beneficial to all shareholders as it will build a strong and more enduring model.

Outlook and Dividends

I remain confident that these important changes will be good for the long term benefit of shareholders and our new C2 model will attract continuing interest. In view of the high dividend payout rate previously adopted, the investment opportunities likely to arise in the future and the uncertainty regarding the timing benefits of the above fine tuning, the Directors decided to reduce the dividend from 3c to 2c per quarter commencing with the November 2014 quarterly dividend.

The Good News

Many of our Member Firms are reporting an improved outlook for 2014/15 and in some cases they expect to more than recover the expired Count Financial "loyalty" payments. In particular TFS, One Hood Sweeney and Class Super are experiencing a strong start to the year and this is expected to continue.

All our businesses remain profitable and with good growth prospects. Our accounting based firms retain very strong relationships with their SME clients and therefore well-positioned to take advantage of improving business confidence, as it transpires. At our Annual General Meeting on 26 November 2014, I will give you a more meaningful profit guidance.

Thank you for being a Countplus shareholder.

Barry Lambert
Executive Chairman
Countplus Limited

Chief Executive Officer's Report

Michael James Spurr
MANAGING DIRECTOR, CEO AND CFO

I am pleased to present my report for 2014. Our results reflect some mixed performances from our Member Firms and service lines. Financial planning and property related services, which collectively make up 30% of Group revenue had a strong year, while the core accounting services (65% of total revenue) found conditions more challenging.

The Group

Countplus and its subsidiaries (the "Group") is essentially a portfolio of independently run businesses with a presence in every mainland capital city and some larger regional centres. There are 20 Member Firms: 17 Members offer traditional tax and accounting services to individuals and small to medium sized businesses (SMEs); 16 offer financial planning services as franchise members of the Count Wealth Accountants group; Total Financial Solutions, a financial planning dealer group consisting of 95 advisers; and Pacific East Coast, a property services group. A 23% interest is also held in South Australian professional services group, One Hood Sweeney and a 30% interest in a specialised bookkeeping services business, My Accounts which operates in Australia's eastern states. Our Brisbane based wholly owned subsidiary Change GPS is a subscription based business with over 200 business subscribers that provides "best practice" tools and templates to assist accounting firms nationwide.

2014 Results

The Group announced an operating profit result of $19.2m, down 0.6% and a net profit after tax of $11.31m (up 2.1%), representing diluted earnings per share of 10.13 cents (up 1.5%).

Our result was assisted by the final loyalty payments from the Commonwealth Bank of Australia ("CBA") to the 16 Members of our Group who are financial planning franchisees of Count Financial.

The best performing firms in the Group this year and the largest profit contributors were our financial planning dealer group, Total Financial Solutions (see profile on page 11) and the property based group, Pacific East Coast. Of our accounting based businesses, Cooper Reeves and Specialised Business Solutions based in Brisbane and The MBA Partnership (see profile on page 12) in the Gold Coast were our strongest performers. Melbourne based business, Kidmans Partners and regional NSW business, 360 Financial Advantage also delivered good results.

Negatively impacting our operating results were the sale of one of our Perth subsidiaries, a relatively flat accounting revenue growth as well as some restructuring costs which will be discussed below.

Adjusting for the impact of the sale of the subsidiary, operating profit (EBITA) increased by 7%.

Accounting

Excluding the contributions from the sale of a subsidiary, accounting revenue increased by 4.6% mainly driven by new acquisitions (see below). This reflects continued challenging conditions faced by most of our accounting based Member Firms and the industry in general. Compliance based revenue remains stable but higher value advice based work remains patchy. Some expected improvement stemming from the Federal Election last October, in small business sentiment, the core client base of our Members, did not materialise, however there are early signs of improvement for 2015 supported by the prolonged period of low interest rates. Some additional provisioning was also booked against accounting debtors under the Group's conservative provisioning policy, which is based on the age of each outstanding debt. We expect these to be at least partly reversed in 2015.

Financial Planning

Financial planning revenue is derived by the financial planning businesses within our Member Firms including Total Financial Solutions who hold an AFSL licence. Financial planning based revenue, adjusted for the sale of the subsidiary and the CBA loyalty payments noted above, increased by 11.4% and makes up 22% of total net operating revenue. This result was supported by increasing confidence amongst retail investors, which has remained relatively weak since the global financial crisis. Total Financial Solutions has also been successful in recruiting new advisers to its network.

MBA Directors *(from left): Michael Beddoes, Geoff Missen & Nathan Moss*

Chief Executive Officer's Report continued

Property

Property and related revenue is generated from Pacific East Coast. Property and related services revenue increased by 20% during the year. Pacific East Coast's continued access to high quality developments and its tested research process developed over 30 years, supported by continued strong demand in the residential property market have contributed to a record property sales result for the Group of $183 million in 2014.

Changes in the Group and Member Firms

In the 2014 financial year, some difficult decisions had to be made to position the Group for future growth in relation to some of our Member Firms that did not perform to expectations.

In December 2013, Countplus sold one of its Perth subsidiaries, Lawrence Business Management to a group of its new senior management team. The performance of this business had suffered in recent times, particularly that of its legal subsidiaries. After considering a range of options, the Board determined that the sale of this business was the best course of action.

We have made strategic executive management changes at one of our Sydney firms. There have also been losses of Principals at one of our Canberra firms that was under-performing for some time and which we have merged with another business. While these changes have caused some level of disruption and in some cases have been quite time consuming to implement, I am strongly of the view that they have been the right decisions, and will assist in generating better performance for the Group in the future.

New Partners

We continue to consider and take advantage of opportunities to grow our network, either through partial investment or full acquisition.

This year, the Group made 10 successful acquisitions and investments, ranging from relatively small parcels of accounting fees, accounting and wealth advice practices and technology businesses. These acquisitions and investments included:

Our Northern NSW based Member Firm, 360 Financial Advantage (formerly 360 Financial Vision) completed a merger with the Advantage Accountants group in Port Macquarie, NSW, an accounting and financial planning business.

Our Melbourne based Member Firm, Kidmans Partners acquired a 2 partner accounting and audit business, Taylor Partners.

Sydney based Member Firm, Countplus One completed the acquisition of Peak Financial, a financial planning business based on Sydney's northern beaches.

In December 2013, One Hood Sweeney, a South Australian professional services firm in which Countplus has a minority interest, merged with an Adelaide based accounting and wealth advice firm, Shearer + Elliss. The combined business now has a revenue base of over $25m annually, putting it in the top 35 accounting practices nationally. Countplus increased its interest in One Hood Sweeney following a further purchase of shares in April 2014.

In October 2013 we made a $2.15m investment in Super-IP, the parent entity of Class Super, a self-managed superannuation administration platform now used by all our accounting based Member Firms. Class Super has grown its contracted SMSFs from 45,000 funds (at the date of my 2013 report) to over 60,000 funds. We increased our investment in May 2014 to a current shareholding of 3.9%. Super-IP intends to list the business on the ASX in the next few years.

During the year, Total Financial Solutions developed a plan to selectively invest in some of their affiliated planning practices. In July 2014, a 40% investment was made in Financial Momentum, a Victorian based business that has been part of the Total Financial Solutions group since 2001 (see page 11). Further investments are expected by Total Financial Solutions in 2015.

Rewards and Incentives

Employees of firms that attain performance targets each year have the opportunity to be rewarded with equity in Countplus. During the year, we made our second annual issue of loan funded shares to 72 employees under the Group's equity reward loan funded share plan. We also issued up to $1,000 worth of shares to 78 employees under the Group's employee loyalty (tax-exempt) plan.

We have recently announced what we believe is an exciting development that will assist in securing our most talented team members and align incentives between employees and the Group – a direct equity plan. The direct equity plan will allow key team members and Directors to acquire from Countplus an equity interest directly in the subsidiary business they work in (Countplus currently fully owns most of its Member Firms). This interest can be built up over time, allowing Directors and senior managers to share directly in the success of their own business, over which they have the most influence. While all Member Firm employees are eligible to participate (subject to approval of the relevant firm's board and Countplus), this plan is targeting key employees, particularly the next generation of leaders in each practice.

Key employees will also continue to be rewarded with equity in Countplus via the employee loyalty plan and loan funded share plan.

Capital returned from the direct equity plan will be applied to fund further acquisitions and investments without requiring the Group to substantially increase debt levels or issue new capital.

We expect that this plan will drive stronger performance by our Member Firms as a result of the direct alignment for participating employees between firm performance and return on their investment, whilst allowing the Group (and Member Firms) to continue to take advantage of investment and acquisition opportunities that arise.

This plan provides an important component to our model, enhancing the attraction for employees of staying with or joining a Countplus Member Firm. We expect the first transactions to occur under the plan later this year.

Technology

I have commented in previous reports on the impact of the rapid advancement of technology in accounting services. Relatively new players, such as Xero in the small business accounting space and Class Super, noted above, in SMSF administration, without the baggage of outdated legacy systems, have been able to make significant inroads into the market share of long established and previously dominant providers. These systems are enabling compliance work to be carried out much more efficiently, providing more opportunities for accountants and advisers who offer higher value services. Many of our accounting based firms have been early adopters of these systems and are therefore well positioned for the future: in attracting talented people who want to work with the latest technology, in attracting clients requiring higher value services and to acquire other businesses unwilling or unable to adapt to the latest technology.

Future Opportunities

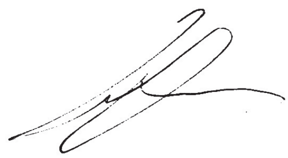
We are now approaching the completion of our 4th full year as a listed company. Our model is to allow our individual Member Firms to retain responsibility for the development and implementation of the strategic direction of their businesses. We have more recently taken steps to be more actively involved with those Member Firms who have found it more difficult to generate consistent growth. This will usually take the form of the facilitation of some external consultative assistance from inside or outside the Group. Our high performing Member Firms also volunteer their services to assist others in the Group. The sharing of ideas and experiences is a key benefit of being part of Countplus.

Further consolidation of some activities such as certain human resource activities, recruitment assistance and acquisition due diligence will continue to be rolled out this year. Extensive centralisation of technology and other systems and processes however, are not being considered. Our view is that each firm's management should retain responsibility for determining what will work best within their business.

Our first guidance for 2015 will be provided at our Annual General Meeting in November 2014. The Group will benefit from realised synergies from the merger completed by associate firm, One Hood Sweeney and a full year's contribution from new advisers who have joined Total Financial Solutions. Further acquisitions and investments that will be accretive to Group operating performance are also expected to be completed during the year.

While conditions have been challenging for SMEs, which represent the core client base of our accounting based firms, the close relationship between accountants and their SME clients remains resilient and envied by other professions. As the SME sector improves, our Member Firms will be beneficiaries as their client's trusted adviser. In addition, the growth in self-managed superannuation fund (SMSF) sector provides further opportunities. Assets in the sector now exceed $557 billion (June 2014 quarter) of which $157 billion 28% sits in cash[1], signalling significant opportunities for tailored financial advice. Our accounting based firms look after in excess of 3,000 SMSFs and many Member Firms now have specialist SMSF divisions.

I would like to acknowledge the teams at all our Member Firms across the country for providing outstanding service to their clients. I would like to thank my small but very hard working head office team as well as the Chairman and Board of Directors for their continued support. To all our shareholders, thank you for being investors in Countplus.



Michael James Spurr
Managing Director and Chief Executive Officer
Countplus Limited

1. Source: Australian Taxation Office

Partnerships, Acquisitions and Investments

Countplus remains committed to seeking to partner with more quality professional services practices around Australia as well as invest in complimentary businesses to our core accounting and wealth advice service offerings.

There are 4 different levels:

1. Partnership in Building a High Performance Firm

We have an online subscription service, ChangeGPS that provides over 200 accounting firms with "best practice" tools, templates and showcases technology solutions. It aims to help practitioners build a high performing business. There are no future commitments or lock-ins. Firms that utilise more innovative and efficient solutions to streamline their business processes are likely to be more attractive to Countplus for investment or acquisition purposes as they become more successful in the future.

2. "Tuck-in" Acquisitions

This is where one of our existing Member Firms acquires another business directly. There is no minimum size requirement, the only criteria is compatibility with one of our existing Member Firms. During the last financial year, Countplus Member Firms and associates completed 7 "tuck-ins". This included the creation of the 360 Financial Advantage group, representing the merger of our Northern NSW Member Firm, 360 Financial Vision with the Advantage group based in Port Macquarie, NSW. In December 2013, South Australian Member Firm One Hood Sweeney (in which Countplus holds a 23% interest) merged with Shearer + Elliss, an accounting and wealth advice firm based in Adelaide. This merger is expected to place the combined business in the top 35 accounting firms nationally in revenue terms.

360 Financial Advantage.
ACCOUNTANTS AND FINANCIAL ADVISERS

HOODSWEENEY
join the journey

3. Progressive Investment

Countplus, either directly or through its Member Firms, may also take a minority investment in high performing businesses with the opportunity to increase shareholding over time. In August 2014, following the development of a new equity strategy throughout the year, Total Financial Solutions, our financial planning dealer group, took a 40% interest in Financial Momentum, a financial planning business in regional Victoria. Total Financial Solutions is expected to make further minority investments in 2015 (see page 11).

In May 2013, Countplus announced an expansion of a progressive investment model, currently called "C2". Should sufficient scale of investments in high quality large accounting based businesses be reached, Countplus intends to aggregate these investments in a new ASX listed entity. This new aggregation business would be made up of part interests (51%-60%) in these successful firms. Principals of these firms will retain direct ownership of 40-49% of their business after listing, retain management control and importantly, have an initial holding in the proposed new listed entity. Countplus will remain "C2"'s largest minority shareholder.

4. Investments in Complimentary Businesses

The Group also seeks to invest in businesses that complement our core accounting and wealth advice service offerings. The Group now holds a 3.9% investment in Super-IP, a developer of a self-managed Superannuation system, Class Super which administers over 60,000 SMSFs nationally and is seeking to list their business on the ASX in the next few years. Our property services group, Pacific East Coast, acquired in 2012, has a national alliance network of accounting and financial planners and was one of the Group's top profit contributors in 2014. Change Accountants, one of our Brisbane based Member Firms has a 30% interest in My Accounts, a professional bookkeeping business operating in Sydney, Melbourne and Brisbane.

The key criteria for investments and acquisitions is quality. We seek to partner with businesses that are already profitable and successful in their own right.

myaccounts
complete accounting support

PacificEastcoast

Member Profile: Total Financial Solutions

Total Financial Solutions (TFS) is a national financial services network of 54 independently owned firms and 95 advisers. Founded by a group of advisers in 1999, most of whom are still associated with the group, the business was acquired by Countplus in 2010. TFS has an Australian Financial Services Licence authorising their affiliated advisers to provide financial planning advice, including insurance, investment and strategy advice, mainly to “Mum and Dad” and small business clients. TFS provide extensive operational support, business development and marketing tools, research and training as well as compliance support to its advisers.

While most TFS advisers provide a full suite of financial planning services, the group includes a number of personal insurance specialists. Indeed personal insurance advice is very much a core strength of the group with 57% of new advice business written being insurance related. The fact that most Australians remain under-insured should ensure that this remains a key growth driver for the group.

The TFS network is growing. Over the last 2 years, 19 established financial advisers have joined the group from other networks with more expected in 2015, attracted by the quality of service provided by TFS and the close collegiate relationship between its advisers. Says CEO, Phil Aris, “The fact that most of our advisers have been in the group for so long, it very much feels like a family. Their businesses have grown up together and they want to help each other continue to be successful.”

Indeed, in an industry which has experienced significant consolidation, TFS has established itself as an attractive home for professional advisers looking for a strong independent licensee partner, backed by an ASX listed company.

Coming out of a number of years dominated by regulatory change affecting the industry, TFS has grown to be

The Financial Momentum team

Total Financial Solutions
committed to your success

The TFS annual conference 2014

Countplus’ largest profit contributor, assisted by new advisers joining the group and the organic growth of its existing network.

TFS recently made its first investment under its new direct equity strategy – a 40% investment in Financial Momentum, a TFS affiliated financial planning business based in Wangaratta, Victoria. Financial Momentum is one of the group’s most successful practices, being awarded TFS Practice of the year in 2014. “Investing in our most successful practices enables us to further align our interests with our adviser group,” says Phil Aris, “We can assist these businesses with succession and liquidity as well as fund future growth”.

Michael Holmes, Managing Director of Financial Momentum, is excited to have TFS as a shareholder, “I’ve been associated with TFS for 12 years and they have been an excellent licensee partner for my business.” Michael explains, “Now having TFS as a shareholder will help support my practice and take my business into its next growth phase.” Further investments by TFS in adviser practices are expected over the next few years.

While the financial planning industry has had its share of bad press in recent times, TFS is expected to continue to thrive, supported by ongoing growth in adviser numbers, new investments in some of their successful planning practices and the continued organic growth from its core advice business. Phil said, “What doesn’t get reported enough is the good stories of Australians getting the quality advice they need. Our advisers are focused on ensuring great outcomes for their clients and this is happening every day.”

Member Profile: The MBA Partnership

The MBA Partnership (MBA) is a professional services practice based in Southport on the Gold Coast of Queensland. Formed in 2001, the firm has grown from a team of 8 in its first year to 40 today. The firm's founders, Michael Beddoes and Geoff Missen remain Principals of the business and in 2011, Nathan Moss, was appointed as Wealth Management Principal.

The business is split into Assurance/Compliance and Advisory Services. Assurance includes taxation, accounting, audit and assurance. Advisory includes Wealth Management and Self-Managed Superannuation Funds, digital solutions (including bookkeeping), marketing, family business, outsourced Chief Financial Officer support, performance management, tax strategy and structuring and forensics and litigation. Specialist industries include agribusiness, franchising, mining and energy, professional services, medical and health care, real estate property and construction, technology and marine.

The continued success of the firm stems from its strong leadership. From the outside, Michael and Geoff look like the odd couple - Michael, measured and considered while Geoff; is direct, confident and inquisitive. Add to this Nathan's enthusiasm and positive attitude and it is clear that the progressive organisational culture begins at the top. It is emphasised to all team members that they will be given career opportunities if they work and study hard and continuously develop as professionals. This is illustrated by the fact that all team leaders in the business are long-term employees, providing positive role models for younger team members.

The MBA Team

***MBA Team Leaders** (from left)**:** James Brown, Trevor Bruger, Nicole Pericic and Stuart Rogers*

The MBA Partnership
Chartered Accountants

Wealth Management is an important part of the business, and of the accounting based practices within the Countplus Group, MBA has one of the highest rates of wealth management penetration amongst their client base. This has come from a very strong professional relationship between the accounting and wealth management teams, says Nathan, "It's ingrained into our culture – we see it as our obligation to our clients to do everything we can to ensure they are financially secure and protected. It is everyone's responsibility." This is manifested in a robust internal referral system which includes individual recognition of successes and regular training of the accounting team to identify opportunities to help clients.

A focus of the business in recent times has been to move away from a reliance on compliance based tax services towards higher value advisory work. The ongoing up-skilling of team members ensures the high quality of service expected by clients is maintained. The Principals are heavily involved in the training, development and mentoring of all team members.

The firm's strong performance in 2014 has been in part due to a concerted effort to increase efficiencies by adopting and implementing cloud accounting for clients. The firm believes strongly that implementing and accessing the efficiencies offered by new technology is necessary for both MBA and their client's businesses to grow and prosper. A Digital Solutions Team and a new Bookkeeping Services team helps their clients with the delivery, implementation and ongoing utilisation of new technological platforms, "Utilising technology gives both us and our clients 'a ticket to the game' when it comes to managing a business efficiently and profitably." Michael further explains, "Accurate and real time data is the foundation upon which high quality advisory work is built."

For the future, the Principals of MBA are excited by further opportunities to use technology to generate more efficiency in their existing service delivery and to further expand their offerings of advisory services. Professional services however, remain primarily about people, "our future success will continue to depend however, on the quality of our team," says Geoff, "so continued investment in their training and development and creating the right environment for them is paramount to our future success."

CUP in the Community

Our Countplus Member Firms are active participants in their local communities and support their team members who are involved in charitable and community work. Over the last year, our Member Firms and their staff have raised funds for numerous worthwhile causes. A small selection is included here:

In February, Richard Felice from Countplus One and his brothers organised the "Nina's Quest for a Cure" fundraiser dinner at Doltone House in Sydney in their mother's memory to raise funds and awareness for the GI Cancer Institute. Supported by Countplus One and many business partners including Count Financial, the Commonwealth Bank and BT Financial Group, the event was attended by 365 people with over $65,000 raised to fund future gastro-intestinal cancer research and clinical trials.

Above: "Nina's Quest for a Cure" Dinner at Doltone House in Sydney.

Last October, The MBA Partnership team held their annual Charity Golf Day to support The Hear and Say Centre, The Gold Coast Hospital Foundation and Guide Dogs Queensland. In the last 5 years MBA has raised over $235,000 at their annual Charity Golf Day event.

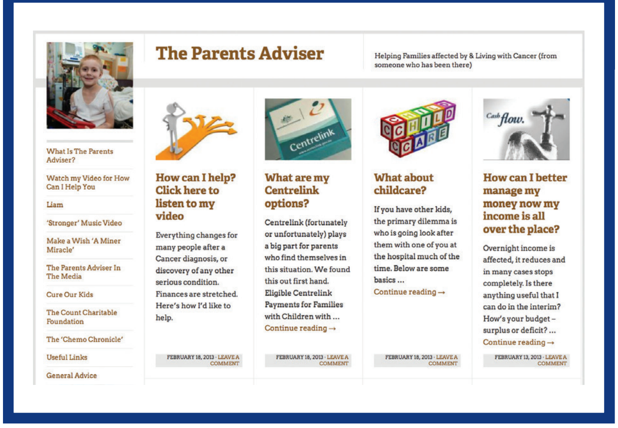
Below: Some of the 2014 MBA Golf Day participants and a couple of "golf ball finders".

South Australian Member Firm, Hood Sweeney encourages their team to participate in their community and have donated over $75,000 in the last 12 months to charity and community initiatives. In addition, each Director pledges a minimum of 60 hours of their personal time to the community each year, acting as board members for schools, sporting clubs, charity and community organisations, which equates to over $400,000 of pro-bono support.

Above: Hood Sweeney had two teams that braved the rainy conditions for this year's Youth Opportunities Association (SA) Golf Day assisting in raising a record $77,000 to provide new students the opportunity to participate in their Personal Leadership Program.

Gavin Latz, a financial planner with Countplus One in Sydney, started working with families of children with cancer while supporting his son Liam through treatment of Non-Hodgkins Lymphoma, which he was diagnosed with in 2012. Last year he formed the "Parents Adviser" service to provide advice to families on financial matters so parents could focus their energies and attention on what really mattered, supporting their kids. Through the charity, Cure Our Kids, Gavin and Countplus One offers a range of financial services to parents with children treated at the Oncology Ward at the Children's Hospital at Westmead in Sydney.

Below: The Parents Adviser website.



Countplus Board Profiles

Barry Martin Lambert

FCPA, SF Fin, Affiliate ICAA
Executive Chairman of Countplus Board
Member of Acquisitions Committee
Member of Risk & Compliance Committee

Barry Lambert established Count Financial Limited, a financial services group, in 1980 which was sold to the Commonwealth Bank of Australia (CBA) in 2011.

Barry remained the Chairman of the CBA owned Count Financial Limited until 20 January 2014.

Barry is a Director of many Countplus Member Firms, as well as a Director of the Count Charitable Foundation.

Outside of the Count Charitable Foundation and Countplus group, Barry is also Chairman of the Class Super group of companies, a rapidly growing cloud based IT software solutions business specialising in Self-Managed Superannuation Funds administration. Barry was appointed to that position in November 2008.

Michael James Spurr

B.Com, FCPA, F Fin, Affiliate ICAA
Managing Director, Chief Executive Officer & Chief Financial Officer
Member of Countplus Board
Member of Acquisitions Committee
Member of Remuneration & Nominations Committee
Member of Risk & Compliance Committee

Michael Spurr joined Count Financial, a financial services group, in February 1996 and has held senior managerial positions within Count's compliance, business development, research, member services and paraplanning teams. Michael was also a member of Count's research committee from 1999 to 2010.

Michael was the Chief Financial Officer of Count from 2005 to 2010 (at which time Count was an ASX listed entity) and has been a Director of Countplus since 2007.

Michael ran the project team for the Countplus IPO and was appointed Countplus Chief Executive Officer and Managing Director on 8 November 2010.

Michael is also either a Director or alternate Director to all the Countplus subsidiaries.

Philip Stephen Rix

B.Bus, FCA, F Fin
Executive Director
Member of Countplus Board
Member of Acquisitions Committee
Member of Risk & Compliance Committee

Philip Rix established the accounting firm Bentleys in Western Australia in1999. It has now grown to be one of Countplus' largest Member Firms.

Phil's professional expertise spans more than 30 years of managing accounting firms which has included an extensive auditing career, the establishment of a growing business advisory services division as well as initiating the formation of a highly respected financial planning practice now rated as one of the top 10 in WA with the Dealer Group, Count Financial Limited.

In 2008 Phil was appointed to the Bentleys Australia National Management Board. The Bentleys Network represents 10 offices across Australia with combined turnover in excess of $75m and employing more than 400 staff.

Phil has also been actively involved in Finsia (previously known as the Securities Institute of Australia) where he was the lead lecturer in their core unit "Investment Analysis and Valuation" and has sat on The State Education Committee for the Institute of Chartered Accountants in Western Australia. He has also worked as an advisor appointed by AusIndustry to provide business planning and business assessment advice to SME's.

Phil was appointed a Director of Countplus in April 2012.

Graeme Hilton George Fowler

B.Bus, CPA, MAICD
Independent Non-Executive Director
Member of Countplus Board
Chair of Board Audit Committee
Member of Acquisitions Committee
Member of Remuneration & Nominations Committee
Member of Risk & Compliance Committee

Graeme Fowler is currently Managing Director and Chief Executive of listed professional services firm, ILH Group Limited.

He was previously Group Chief Executive of listed Accounting & Financial Services aggregator WHK Group Limited (now Crowe Horwath) from 2003 to 2007.

Prior to this, Graeme spent over 15 years in senior management roles with the BT Financial Group including Group Chief Financial Officer, Chief Executive BT Funds Management NZ and Chief Executive BT Portfolio Services.

Graeme was appointed a Director of Countplus in August 2010.

Donald Kenneth Sharp

CPA, FAICD
Independent Non-Executive Director
Member of Countplus Board
Member of Board Audit Committee
Chair of Acquisitions Committee
Member of Remuneration & Nominations Committee
Member of Risk & Compliance Committee

Don Sharp is a Certified Practising Accountant and worked for public practice firms before commencing, in partnership, in his own practice which was successfully merged with a larger practice.

Don co-founded Bridges Financial Services whose business covered financial planning, stockbroking, corporate advice and established one of the first platforms in Australia. Don was also the Chairman of Investors Mutual, Global Value Managers, Premium Investors and a Director of Treasury Group.

Don is currently CEO and Director of Payment Adviser Group, an innovative payment and reconciliation solution.

Don is also Executive Chairman of listed public company Managed Accounts Holdings Limited.

Don was appointed a Director of Countplus in September 2010.

David Maxwell Smith

B.Bus, FICAA, FCPA, FAICD, CISA
Non-Executive Director
Member of Countplus Board
Member of Board Audit Committee
Member of Acquisitions Committee
Member of Remuneration & Nominations Committee
Chair of Risk & Compliance Committee

David Smith is a founding Director of Smithink 2020 Pty Limited, an accounting firm best practice group which focuses on professional firm management, strategy and process innovation.

David is also a regular speaker on topics relating to the future of the accounting profession, practice strategy, process improvement and innovation.

In 2003, David was the National President of the Institute of Chartered Accountants in Australia and for over 16 years was a partner at leading mid-tier accounting firm PKF Sydney (now BDO Sydney) where he created a significant software business which was sold to MYOB.

David is currently an external adviser to numerous accounting businesses.

David was appointed a Director of Countplus in August 2010.

Arlette Jubian

M.Com, CPA, SA Fin
Company Secretary

Arlette Jubian is the Group Financial Controller for Countplus.

Arlette has over 16 years of experience in the commercial accounting field, having worked in professional services (legal), construction (architecture), technology and financial industries. For over 10 years, Arlette held senior accounting positions working with senior management running local and global listed and unlisted organisations.

Arlette was appointed Company Secretary of Countplus in June 2012.

Corporate Governance Statement

The Board is responsible for the overall corporate governance of Countplus, including adopting the appropriate policies and procedures and seeking to ensure Countplus Directors, management and employees fulfil their functions effectively and responsibly.

The Board has adopted corporate governance policies and practices by reference to the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations with 2010 Amendments" (ASX Recommendations). Where Countplus' practices depart from the ASX Recommendations, Countplus intends to work towards compliance but does not consider that all practices are appropriate for the size and scale of Countplus' operations.

Countplus' main policies and practices (by reference to the ASX Recommendations) are summarised below.

PRINCIPLE 1

Lay Solid Foundations for Management and Oversight

The Board has ultimate responsibility for setting policies regarding the business and affairs of Countplus for the benefit of Shareholders and other stakeholders. The Board delegates management of Countplus' resources to senior management, under the leadership of the Chief Executive Officer (CEO), to deliver the strategic direction and objectives determined by the Board.

The Board and management have agreed on their respective roles and responsibilities and the Board has adopted a Board Charter that details the Board's functions and responsibilities and the areas of authority delegated to senior management.

The Board has established a Remuneration & Nominations Committee which, amongst other functions, will evaluate the performance of the CEO/Chief Financial Officer (CFO).

Responsibilities

The responsibilities of the Board include:

- Reviewing and approving the strategic plan for the Company with involvement in planning and goal setting for the Company and its intended growth;
- Monitoring the performance of the Company and its management team;
- Selecting and appointing the Managing Director and/or CEO, planning for the succession of senior management and setting appropriate remuneration packages;
- Setting clearly defined lines of authority from the Board to the Managing Director and/or CEO;
- Agreeing on performance indicators with management;
- Taking appropriate steps to protect the Company's financial position and its ability to meet its debts and other obligations as they fall due;
- Establishing and monitoring policies directed at ensuring that the Company complies with the Law and conforms to the highest standards of financial and ethical behaviour;
- Ensuring that the Company is adhering to reporting systems and appropriate internal controls (operational and financial) together with appropriate monitoring of compliance activities; and
- Ensuring that the Company accounts are true and fair in conformity with Australian Accounting Standards and the *Corporations Regulations Act 2001* (Cth).

Countplus' management is required to supply the Board with information in a timeframe, form and quality that will enable it to effectively discharge its duties and to request additional information, if required, to make informed decisions. This is facilitated by the Company Secretary, who is responsible for completion and dispatch of Board agendas and briefing materials, and is accountable to the Board through the Chair on all governance matters.

PRINCIPLE 2

Structure of the Board to Add Value

Recommendation 2.1 of the ASX Recommendations states that a Board should comprise of a majority of independent Directors. The Board assesses each of the Directors against specific criteria to decide whether they are in a position to exercise independent judgement. Directors are considered to be independent if they are not a member of management and if they are free of any business or other relationship that could materially interfere with the independent exercise of their judgement. The Board will consider the materiality of any given relationship on a case by case basis and will adopt materiality guidelines to assist it in this regard. The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time.

The Countplus Board is currently made up of six Directors, three of whom are Non-Executive Directors.

An entity controlled by David Smith, Smithink Pty Limited (ACN 079 245 239) was engaged as an adviser to Countplus during the period from January 2007 to May 2010 to assist with due diligence on the Member Firms when Countplus first acquired an interest in the Member Firms. Smithink Pty Limited has also been engaged to provide consulting services to a number of Countplus Member Firms and runs conferences where there are often Countplus Member Firms in attendance. Having regard to the nature and extent of the work performed by Mr Smith, the Board has determined that Mr Smith is not an independent Director.

Graeme Fowler and Donald Sharp have not been employed by Countplus and are not associated with any of Countplus' substantial shareholders. Accordingly, Mr Fowler and Mr Sharp are each considered to be independent Directors.

The Board believes that the current Non-Executive Directors bring the appropriate perspective to the Board's consideration of strategic, risk and performance matters and are well placed to exercise appropriate judgement and review and constructively challenge the performance of management. The Board further considers that the existing Board structure is appropriate for Countplus' current operations and stage of development, despite the fact that it does not have a majority of independent Non-Executive Directors.

The Chair, Barry Lambert, is not an independent Chair. Notwithstanding Recommendation 2.2 of the ASX Recommendations which provides that the Chair of the Board should be independent, the Board believes that this departure is appropriate given Mr Lambert's role in the Company's formation and the extensive experience he brings to the Board.

The Remuneration & Nominations Committee has the responsibility for planning succession in Board appointments, subject to Board and Shareholder approval. The Remuneration and Nominations Committee consists of three Non-Executive Directors, as well as the CEO.

Countplus will, from time to time, engage the services of external parties to carry out evaluations on individual Directors, the Board Committees and the Board as a whole. Such evaluations will involve self-assessments and third party assessments.

PRINCIPLE 3

Promote Ethical and Responsible Decision Making

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal Code of Ethics and Conduct ("Code") to be followed by all employees and officers of the Company. The key aspects of this Code are to:

- act honestly, with integrity, fairness and equity;
- observe the rule and spirit of all laws and regulations which govern the operation of Countplus, its business environment and its employment practices;
- act in the best interest of Countplus, except where to do so contravenes any other ethical standards;
- avoid any real or perceived conflict of interest; and
- use company resources and property properly.

Countplus also has in place a Share Trading Policy which applies to all staff, Directors and contractors of the Company. The Policy prohibits these individuals from dealing in the Company's securities (e.g. shares) when they are in possession of price-sensitive information, as defined by the *Corporations Act 2001* (Cth). The Share Trading Policy also restricts Directors and employees in possession of price sensitive information, from trading in Countplus securities outside of the "share trading window". The "share trading window" is the period between 24 hours and 30 working days after the release of Countplus' half-year and full-year results announcement to the ASX. The Share Trading Policy is circulated twice a year to Directors, key management personnel and anyone who is in possession of price sensitive information, along with an email reminding them of their obligations to abide by the Trading Policy.

A copy of the Code and the Share Trading Policy are available on the Company's website (www.countplus.com.au).

Diversity Policy and Gender Diversity

The Company values diversity and recognises the benefits diversity can contribute to achieve the Company's goals. Accordingly, the Company has developed a Diversity Policy ("Policy"), which outlines the Company's diversity objectives in relation to gender, age, cultural background, and ethnicity, amongst the other areas specified in the Policy, a copy of which can be found on the Company's website (www.countplus.com.au). This Policy includes the Company's requirement to establish measurable objectives for achieving diversity, as well as the requirement to assess and report annually the Company's progress in achieving these objectives to the Board.

The Company promotes its diversity Policy through regular communication of the Policy (at least bi-annually) to all staff, including Directors and Member Firm staff. This dissemination of the policy greatly assists in applying and developing a shared and inclusive understanding of the Policy across the Company. The Company also addresses discrimination and harassment through prevention and awareness of the Company's Policy. The Company believes that it should hire, develop, promote and retain people strictly on the basis of their talents, experience, commitment and performance.

Corporate Governance Statement continued

The Company also has a number of initiatives in place which assist in achieving, fostering and supporting the Policy, including:

- Retention of key employees: creating an environment of growth, advancement and retention for all staff, regardless of gender, age, cultural background, and/or ethnicity;
- Communication plan: circulating the Policy bi-annually to highlight expectations around behaviour consistent with encouraging diversity;
- Feedback mechanism: encouraging feedback and tracking performance of diversity through employee surveys;
- Flexible work practices: flexible working hours are accepted and encouraged within the Company to assist with improving diversity within the Company;
- Hiring: employees and Directors are selected from a diverse candidate pool;
- Development and career progression: as part of the Company's succession planning process, well-performing staff are identified for career progression. A management leadership program (Emerging Leaders) is in place to assist staff in reaching senior management roles and is open to all staff;
- Review: the Company reviews objectives and the progress made against these objectives on an annual basis. In particular, reporting on participation and placement of women in leadership positions is evaluated;
- Other internal Group policies: these are supportive and complementary to the Policy, including the "Grievance Policy", "Code of Ethics and Conduct Policy" and "Whistle Blowers Policy".

The Company's Diversity Policy outlines gender diversity and its commitment to creating a fair, equitable and respectful workplace, where women are supported in an inclusive environment, are given recognition based on individual merit and are considered for opportunities to advance and succeed, regardless of their gender. As part of its commitment to improving gender balance in the workplace, the Company has adopted the ASX Corporate Governance Council's recommendations, including a target for female participation within the company as follows:

	Target % by 2016	Actual % 2014	Actual % 2013
Number of women employees in the whole organisation	40% – 60%	55%	56%
Number of women in senior executive positions	40% – 60%	42%	38%

	Target % by 2019	Actual % 2014	Actual % 2013
Number of women on Member Firms' Boards	30%	10%	11%
Number of women on the Board	30%	0%	0%

The Company reassessed the target for both the number of women on the Board and the number of women on the Member Firm Boards and it was recognised that new targets need to be set to take into consideration the mainly male dominated industry that we operate in, especially for leadership positions. Countplus has been working on initiatives such as the management leadership program (noted above) to assist employees in the Member Firms, including women, to move into leadership roles to facilitate the move into Director positions. This strategy has worked to assist to increase the number of women in senior executive positions as displayed in the table above.

PRINCIPLE 4

Safeguard Integrity in Financial Reporting

The Board requires the CEO/CFO to provide letters of assurance to the Board that Countplus' financial reports present a true and fair view, in all material respects, of Countplus' financial position and operational results and that the reports are prepared in accordance with the relevant accounting standards.

Audit Committee

The Board has established an Audit Committee. This Committee must have at least three members, a majority of whom must be independent Directors and all of whom must be Non-Executive Directors. Currently, all the Non-Executive Directors are members of this Committee. Graeme Fowler acts as the Chair of the Committee.

As set out in Countplus' Audit Committee Charter, the Committee's primary functions include:

- overseeing the process of financial reporting, internal control, risk management and compliance and external audit;
- monitoring Countplus' compliance with laws and regulations and Countplus' own Code of Conduct and Ethics;
- facilitating effective relationships with and communication between the Board, management and Countplus' external auditor; and
- evaluating the adequacy of internal processes and controls established to identify and manage areas of potential risk and to seek to safeguard Countplus' assets.

It is the policy of Countplus that its external auditing firm be independent. The Committee reviews and assesses the independence of the external auditor on an annual basis.

PRINCIPLE 5
Make Timely and Balanced Disclosures

Continuous Disclosure and Shareholder Communication

Countplus is committed to observing its disclosure obligations under the ASX Listing Rules. Countplus has adopted a Continuous Disclosure Policy which establishes procedures aimed at ensuring that Directors and management are aware of and fulfil their obligations in relation to, the timely disclosure of material price-sensitive information.

The Continuous Disclosure Policy is disclosed on Countplus' website (www.countplus.com.au).

PRINCIPLE 6
Respect the Rights of Shareholders

Countplus is committed to keeping Shareholders informed of all major developments affecting Countplus' state of affairs relevant to Shareholders, in accordance with all applicable laws. Information will be communicated to Shareholders through the lodgement of announcements with the ASX and the publishing of information on Countplus' website (www.countplus.com.au).

In particular, Countplus' website will contain information about Countplus, including media releases, key policies and the Charters of Countplus' Board Committees. All relevant announcements made to the market and any other relevant information will be posted on Countplus' website as soon as this information has been released to the ASX.

PRINCIPLE 7
Recognise and Manage Risk

The identification and proper management of Countplus' risk is an important priority of the Board. Countplus has therefore adopted a Risk Management Policy, which is disclosed on Countplus' website (www.countplus.com.au). This Policy highlights the risks relevant to Countplus' operations, and Countplus' commitment to designing and implementing systems and methods appropriate to minimise and control its risk. This Policy ensures:

- regular reporting to the Board by the CEO on Countplus' key risks and the management of those risks; and
- assurances are provided from the CEO/CFO about the soundness and effectiveness of Countplus' risk management and internal compliance and control system.

The Risk and Compliance Committee and the Audit Committee are responsible for monitoring risk management and establishing procedures which seek to provide assurance that major business risks are identified, consistently assessed and appropriately addressed.

Risk & Compliance Committee

This Committee must have at least three members, who may be Executive or Non-Executive Directors. Currently, all members of the Board are members of this Committee. David Smith, who is a Non-Executive Director, acts as the Chair of the Committee.

As set out in Countplus' Risk & Compliance Committee Charter, the Committee's primary functions include:

- reviewing and monitoring the effectiveness of Countplus' internal control processes; and
- monitoring Countplus' compliance with the Law, the contracts it has entered into and best practices.

Acquisitions Committee

This Committee must have at least three members, who may be Executive or Non-Executive Directors. Currently, all members of the Board are members of this Committee. Donald Sharp, who is a Non-Executive Director, acts as the Chair of the Committee.

As set out in Countplus' Acquisitions Committee Charter, the purpose of the Committee is to review and approve certain investment, acquisition, and divestiture transactions proposed by Countplus' management.

PRINCIPLE 8
Remunerate Fairly and Responsibly

The remuneration structure for Non-Executive Directors is clearly distinguished from that of the Executive Directors. The Board has therefore established a Remuneration & Nominations Committee.

Remuneration & Nominations Committee

This Committee must have at least three members, who may be Executive or Non-Executive Directors. Currently, all the Non-Executive Directors are members of this Committee. The Chair to this Committee is an independent Non-Executive Director appointed by rotation.

As set out in Countplus' Remuneration & Nominations Committee Charter, the primary functions of the Committee are to make recommendations to the Board on:

- remuneration and incentive policies for Executive Directors and senior management;
- Countplus' recruitment, retention and termination policies for senior Executives; and
- remuneration and incentive policies for Non-Executive Directors.

Directors' Report 2014

Your Directors present their report on the consolidated entity consisting of Countplus Limited and the entities it controls, for the financial year ended 30 June 2014.

Board of Directors and Company Secretary

The following persons were Directors of Countplus Limited during the financial year and up to the date of this report:

Name	Position	Date of Appointment
Barry Martin Lambert	Executive Chairman	10 August 2007
Michael James Spurr	Director Chief Executive Officer/Chief Financial Officer/Managing Director	10 August 2007 8 November 2010
Philip Stephen Rix	Executive Director	1 April 2012
Graeme Hilton George Fowler	Independent Non-Executive Director	26 August 2010
Donald Kenneth Sharp	Independent Non-Executive Director	6 September 2010
David Maxwell Smith	Non-Executive Director	26 August 2010
Arlette Jubian	Company Secretary	20 June 2012

Information on Directors including their experience, expertise and other current directorships (including former directorships in the last 4 years) of publicly listed companies, is contained in the Board Profile Report on pages 14-15.

Meetings of Directors

The Board of Directors has an Audit Committee, a Risk & Compliance Committee, an Acquisitions Committee and a Remuneration & Nominations Committee. The Members acting on the Committees of the Board, the number of meetings held during the year ended 30 June 2014, and the number of meetings attended by each Director were:

	Directors' Meetings		Audit Committee		Risk & Compliance Committee		Acquisitions Committee		Remuneration & Nominations Committee	
Name	Position	Meetings Attended	Position	Meetings Attended	Position	Meetings Attended	Position	Meetings Attended	Position	Meetings Attended
Barry Martin Lambert	Executive Chairman	4 / 4		5 / 5 [1]	Member	3 / 3	Member	2 / 2		0 / 0
Michael James Spurr	CEO/CFO/ Managing Director	4 / 4		5 / 5 [1]	Member	3 / 3	Member	2 / 2	Member	0 / 0
Philip Stephen Rix	Executive Director	4 / 4		5 / 5 [1]	Member	3 / 3	Member	2 / 2		0 / 0
Graeme Hilton George Fowler	Non-Executive Director	4 / 4	Chair	5 / 5	Member	2 / 3	Member	2 / 2	Member [2]	0 / 0
Donald Kenneth Sharp	Non-Executive Director	4 / 4	Member	5 / 5	Member	3 / 3	Chair	2 / 2	Member [2]	0 / 0
David Maxwell Smith	Non-Executive Director	4 / 4	Member	5 / 5	Chair	3 / 3	Member	2 / 2	Member	0 / 0

1 Non Members in attendance.
2 Chair is appointed by rotation (Independent Non-Executive Directors).

Directors' Interests

At the date of this report, the relevant interests of the Directors in the shares of Countplus Limited, as notified to the Australian Stock Exchange in accordance with the *Corporations Act 2001 (Cth)*, are:

Name	Number of Ordinary Shares
Barry Martin Lambert	5,398,062
Michael James Spurr	35,000
Philip Stephen Rix	1,044,252

Name	Number of Ordinary Shares
Graeme Hilton George Fowler	18,595
Donald Kenneth Sharp	50,000
David Maxwell Smith*	50,000

* David Smith acquired 35,000 shares on 25 August 2014.

Indemnification and Insurance of Directors and Officers

During the financial year, the Company paid premiums in respect of a contract insuring all the Directors and Officers of the Company against any claims and wrongful acts arising out of their conduct while acting in their capacity as Director or Officer of the Company.

All Directors' and Officers' liability policies contain a Confidentiality Condition, which restricts the insured from disclosing certain information in regard to this insurance.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Principal Activities

The principal activities of the Company and its controlled entities (the Group) in the course of the financial year were:

- accounting, tax and audit services;
- financial advice in relation to personal insurance, investment and superannuation;
- broking services for home and investment loans, business loans and leasing/hire purchases; and
- property broking services for new residential and commercial property.

Declared Dividends

Dividends declared to Shareholders during the financial year were as follows:

Financial Year Ended	Franking	Status	Cents Per Share	Payment Date
2014	Fully Franked	Paid	3.0 (per fully paid share)	15 November 2013
2014	Fully Franked	Paid	3.0 (per fully paid share)	14 February 2014
2014	Fully Franked	Paid	3.0 (per fully paid share)	15 May 2014
2014	Fully Franked	Paid	3.0 (per fully paid share)	15 August 2014

Financial Position & Review of Operations

For 2013/2014 the Company reported a consolidated net profit after tax result of $11.31 million (up by 2.1% on the corresponding year). Total profit attributable to shareholders was $11.13 million (up 1.9% compared to prior year). Diluted EPS rose by 1.5% to 10.13 cents per share. The results were impacted by the business conditions faced by the small business sector (the target client base of our Member Firms) across the country and the sale of a major poor performing business.

Accounting related revenue was down 4% reflecting the sale of the subsidiary and challenging business conditions noted above. Excluding the impact of the sale, accounting revenue was up 5%, assisted by new acquisitions and full year contributions of prior year acquisitions. Member Firm financial planning revenue was up 14% this year and made up 25% of total net revenue (2013: 22%). This included a benefit from loyalty payments made by the Commonwealth Bank to Count Financial franchisees (also paid in the prior year), as a result of the takeover of Count Financial. 16 Member Firms are franchisees of Count Financial. Excluding the impact of the sale of the subsidiary and the above mentioned loyalty payments, net financial planning revenue increased by 11%.

Net property commission revenue, derived from the Pacific East Coast group was up 21% with continued strong demand in the residential property sector.

Excluding the impact of the sale of the subsidiary and the loyalty payments described above, net operating revenue increased by 7% over the prior year.

Employment expenses increased by 0.7% over the prior year and made up the largest component of expenses for the year. Excluding the impact of the subsidiary sale, employment expenses increased by 9%, driven partly by new acquisitions. Operating expenses (excluding premises, depreciation and amortisation) increased by 8% due primarily to increased provisioning for doubtful debts under the group's conservative debtor provisioning policy as well as additional professional fees associated with the group's proposed direct equity plan (described below) and sale of subsidiary.

The financial position of the group remains strong with a current ratio (current assets/current liabilities) of 1.6x at the end of the period. Net debt increased to $12.7m (2013: $9.3m) due to acquisitions/investments made during the year and deferred consideration payments relating to previous period acquisitions, which was partly offset by cash received from the sale of the subsidiary, Lawrence Business Management (LBM).

Acquisition opportunities continue to present themselves both at the Member Firm level ("tuck-ins") and at the group level. 6 tuck-in acquisitions were completed during the year, which are disclosed in the section below. A further investment was made in an associate business, One Hood Sweeney, and a new investment was made in a technology business, Super-IP Pty Ltd that services the growing self-managed superannuation sector.

Dividends

In order to continue to take advantage of acquisition and investment opportunities as they arise, and also as a result of the Group's high dividend payout ratio, which exceeded 90% of cash earnings in 2013/14, the Board have determined to reduce the quarterly dividend to 2 cents, beginning with the interim dividend payable in November 2014. This strategic decision should enable future growth to be funded without substantially increasing debt levels or issues of new capital.

Further information is contained in the Chairman's Report and Chief Executive Officer's Report on pages 6-9.

Significant Changes in the State of Affairs

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

- During the financial year, Countplus subsidiaries completed 6 business acquisitions: 2 accounting based businesses in Port Macquarie, NSW; a sole practitioner accounting practice in Coffs Harbour, NSW; a 2 partner accounting firm in Melbourne, VIC; a sole practitioner accounting practice in Adelaide, SA; and a financial planning business in Northern Sydney, NSW.
- In December 2013, associate business, One Hood Sweeney Pty Ltd acquired the business assets of Adelaide based professional services firm, Shearer + Elliss.
- In October 2013, the Company acquired 1,000,000 shares in Super-IP Pty Ltd, a technology business that owns Class Super, a self-managed superannuation platform that administers over 60,000 self-managed superannuation funds. In May 2014, a further 82,500 shares were acquired. The Company's current total equity interest is 3.9%;
- In April 2014, the Company acquired a further 511,051 shares in associate business, One Hood Sweeney Pty Ltd (formerly Hood Sweeney Pty Ltd). The Company's total equity interest following this purchase and the Shearer + Elliss acquisition noted above, is 23%.
- In January 2014, the Company completed the transaction to sell a Perth based Member Firm, LBM and its subsidiaries for a total consideration of $7.3 million. The Countplus Board formed the view that the business would not meet the group's long-term growth plans and initiated sale discussions with that firm's new management team which were finalised in December 2013.

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

Matters Subsequent to the End of the Financial Year

- In July 2014, Countplus subsidiary TFS Operations Pty Limited (TFS) acquired a 40% share in Victorian based firm, Financial Momentum Vic Pty Ltd. Consideration for the purchase is the sum of the first instalment payment of $840,000, plus potential additional payment based on future financial performance in accordance with the share sale and purchase agreement.
- On 19 August 2014, a business sale and purchase agreement has been executed for Countplus subsidiary, Beames & Associates to acquire the business assets of Canberra based professional services firm, JDAA Accounting. Consideration is estimated to be $1.1 million and settlement is expected in September 2014.
- On 20 August 2014, Countplus announced it will launch a direct equity plan in 2014/15 to allow employees to purchase equity directly in the subsidiary company with which they are employed. This will allow employees to share directly in the performance of their businesses. Sale proceeds will be reinvested in new acquisitions and investments.
- On 20 August 2014, Countplus Limited declared an interim dividend for 2014/15 of 2 cents per share payable on 17 November 2014 (record date: 29 October 2014).
- On 25 August 2014, Director David Smith acquired an additional 35,000 fully paid ordinary shares in Countplus Limited, bringing the number of Countplus shares held by him to a total of 50,000 shares.

Other than the above, no matter or circumstance has arisen since 30 June 2014 that has significantly affected, or may significantly affect:

(a) the consolidated entity's operations in future financial year;
(b) the results of those operations in future financial year; or
(c) the consolidated entity's state of affairs in future financial year.

Objectives & Prospects for Future Financial Years

The Group's growth strategy remains to support its Member Firms in growing organically via an accumulation of new clients and the adoption of new services. Due to the diverse nature of the Group, firm specific strategy is determined by each Member Firm's board which includes at least one Countplus executive. Carefully considered acquisitions are expected to supplement the organic growth of Member Firms. These would include both "tuck-ins" at the firm level, but also minority interests in larger firms. Finally, more synergies across the Group are expected to derive benefits, as Member Firms learn from one another and develop best practice. The addition of a direct equity plan to allow employees to purchase equity interests directly in the businesses in which they are employed is expected to have a positive impact on future performance of the group. This strategy should assist in the retention of employees who have ownership ambitions as well as assist in motivating and incentivising employees, knowing they can share directly in the performance of the business they work in and in which they can have influence.

The first profit guidance for 2014/15 is expected to be provided at the Annual General Meeting in November 2014. The Group benefits from its geographic diversity, with operations in every mainland capital city and a number of regional centres in Australia.

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 Risk & Compliance Committee. Risks are addressed in an appropriate manner and are reflected through changes in Group policies as required.

Operational Risk

The main operational risk for our Member Firms relates to potential loss of clients which may be triggered by either senior employee departures or declining service levels. Member Firms have quarterly board meetings in which the performance of the firm and forecasts are analysed. Any operational issues are also addressed at those meetings. Most Member Firms also hold more regular management meetings. In terms of incentives, Member Firm Principals remain the largest shareholder group and therefore have an interest in continuing to ensure their firm performs to a high standard. Member Firm employees may also qualify for further equity under the Company's loan funded share plan or the employee loyalty share plan, subject to their individual firm's performance, measured by earnings per share growth. Member Firm Principals are subject to restraint clauses as part of their employment contracts. The direct equity plan discussed previously, is expected to assist retention of key employees and provide additional incentives.

A further operational risk relates to inappropriate or inadequate client advice. All firms are required to have appropriate professional indemnity insurance either directly or as part of the Group policy. Member Firms who are part of the Count Financial dealer group (a subsidiary of the Commonwealth Bank of Australia) are covered under Count's professional indemnity insurance arrangements for their financial planning services. Employees of accounting based firms are also subject to the professional standards imposed by their relevant accounting body, usually CPA Australia, the Institute of Chartered Accountants or the Institute of Public Accountants.

For the Total Financial Solutions group (comprised of subsidiaries, Total Financial Solutions Australia Limited, TFS Operations and TFS Advice), which includes a financial planning dealer group, a significant risk relates to potential loss of advisers to competitors. The Directors of TFS Operations regularly review their offering to advisers to ensure that they are market competitive. The Total Financial Solutions group is also seeking to take equity interest in their best adviser practices. The first investment was made subsequent to year end, where a 40% interest was taken in Financial Momentum, a financial planning practice based in regional Victoria.

Legislative Risk

In terms of legislative risk, any substantive changes that impact the provision of accounting/tax services or financial planning services in particular, 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 Risk & Compliance Committee.

Further information is contained in the Chairman's Report and Chief Executive Officer's Report on pages 6-9.

Equity Plans

The Company operates 2 equity plans for employees. An employee loyalty plan and a loan funded share plan.

Under the employee loyalty plan, full-time employees (excluding firm Principals) with a service period of 12 months or more, are issued $1,000 worth of ordinary shares (part-time employees receive a proportional entitlement). A total of 39,583 shares were issued to 78 employees in the 2014 allocation. The Board has committed to making this allocation to all employees annually subject to individual Member Firm profit growth performance.

The Company allocated 825,032 loan funded shares to 72 employees on 15 January 2014 under a loan funded share plan at a price of $1.87 per share. Entitlements are allocated to Member Firms who have grown their profits, as measured by earnings per share growth, by 10% or more, over their previous highest year since CUP acquisition. Allocations to employees are determined by the relevant Member Firm's Board. The shares are funded by an interest-free, non-recourse loan and are restricted for 3-5 years. The shares are held by an employee share trust until they are vested and the loan repaid. The shares are entitled to dividends which are used to repay the loan and meet recipient's tax obligations. The first vesting date will be on 15 January 2017, subject to continuing employment conditions, and in the case of Member Firm Principals, profitability hurdles for their relevant firm.

These shares are presented in the Statement of Changes in Equity as Treasury Shares. As of the date of this report, there were 1,311,921 unissued ordinary shares under the loan funded share plan.

No shares issued under the plan were vested during the year.

More information is included in the Remuneration Report below.

Environmental Regulation

The consolidated entity is not regulated by any significant environmental regulations under the Laws of the Commonwealth, State or Territory.

Non-Audit Services

The auditors, Ernst & Young (including any other person or firm on the auditor's behalf) did not provide any non-audit services during the year.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 (Cth) is on page 30.

Rounding of Amounts

The consolidated entity is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Remuneration Report (audited)

This report outlines the remuneration arrangements in place for the Company's Directors and Executives in accordance with requirements of the Corporations Act 2001 (the Act) and its regulations. This section of the Directors' Report has been audited by the Company's external auditors, Ernst & Young as required by section 308(3C) of the Act.

Remuneration & Nominations Committee

The Remuneration & Nominations Committee of the Board of Directors of Countplus Limited is responsible for determining and reviewing remuneration arrangements for the Directors and group executives.

The Committee's purpose is to:
- Make recommendations to the Board of Directors in relation to the remuneration of Executive and Non-Executive Directors;
- Review and approve Executive Directors and Senior Management remuneration policy for the parent entity; and
- Evaluate potential candidates for Executive positions and oversee the development of Executive succession plans.

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

Remuneration Policy

Remuneration arrangements are based on an assessment of the appropriateness of the nature and amount of emoluments of the Directors and other Key Management Personnel, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

The objective of the consolidated entity's Executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The Board ensures that Executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders; and
- performance linkage/alignment of executive compensation.

The consolidated entity has structured an Executive remuneration framework that is market competitive and complimentary to the reward strategy of the organisation.

To assist in achieving these objectives, the Remuneration Committee links the nature and amount of Executive Directors' and Officers' remuneration to the Company's financial and operational performance.

Remuneration Structure

The Board has established a Remuneration & Nominations Committee which provides advice on remuneration and incentive policies and practices and specific recommendations on remuneration packages and other terms of employment for Executive Directors, other senior executives and Non-Executive Directors.

Non-Executive Directors

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Non-Executive Directors of a high calibre, whilst incurring a cost which is acceptable to shareholders.

The ASX Listing Rules specify that any increase in the total aggregate remuneration of Non-Executive Directors shall be determined by a general meeting. The increase in aggregate remuneration will be put to shareholders for approval.

Group Executives

The main principle underlying the Company's employee remuneration policy is to ensure rewards are commensurate with the Company's objectives and the results delivered. Specifically, this is achieved by ensuring:
- Remuneration reflects each employee's position and responsibilities within the Company;
- The interests of all employees are aligned with those of shareholders;
- Rewards are linked with the strategic goals and performance of the Company; and
- Total remuneration is competitive by market standards.

Remuneration Report (audited) continued

Member Firm Principals

Remuneration packages of Member Firm Principals are determined by each Firm's Board of Directors in consultation with the Company. In determining remuneration levels consideration is given to the Member Firm's contribution to Group performance and comparative information to other Member Firms and the industry. The key performance benchmark for entitlements to future fixed component increases (above inflationary adjustments) and equity entitlements will change from 2014/15 onwards from a 1 year earnings per share growth target to a 3 year rolling average earnings per share growth target (annualised).

Member Firm Principals may qualify for equity entitlements under the Group's loan funded share plan (see below).

Member Firm Employees

Remuneration of employees of Member Firms is determined by the Executive Management of each Firm. As a minimum, each employee receives an annual performance review which includes a review of remuneration. Remuneration for employees is set with regard to their individual performance and contribution to the Firm, cost of living increases and market benchmarks for the relevant geographical area.

All employees are generally remunerated with a base salary and superannuation at the statutory rate. Annual cash bonuses may also be paid based on individual performance. Employees may qualify for equity entitlements under the Group's loyalty equity plan and loan funded share plan (see below).

Equity Plans

1. Employee Loyalty Equity Plan

On 28 April 2014, employees (excluding firm Principals) with a service period of 12 months or more, of qualifying Member Firms (those that achieved earnings per share growth of 10% over their previous highest year), received an automatic allocation of $1,000 worth of Countplus shares for full-time employees (part-time employees received a proportional entitlement). A total of 39,583 shares at a price of $1.79 per share were issued to 78 employees in the 2014 allocation. From 2014/15 onwards, the performance benchmark for entitlement to the plan will change to a 3 year rolling average earnings per share growth (annualised) target.

2. Key Staff Loan Funded Share Plan

Directors/Principals and senior Managers of Member Firms who achieve 10% annual underlying growth (as measured by the firm's earnings per share) over their previous highest year, may qualify for an allocation under the Group's loan funded share plan. Under the plan, employees may be allocated loan funded shares in Countplus, issued at the market price, which are held on their behalf by an employee share trust until the vesting conditions are met and the loan is repaid. The second allocation under the plan was made on 15 January 2014, with a total of 825,032 shares issued to 72 employees at a price of $1.87 per share. From 2014/15 onwards, the performance benchmark for entitlement to the plan will change to a 3 year rolling average earnings per share growth (annualised) target.

As of the date of this report, there was a total of 1,311,921 loan funded shares outstanding allocated to 122 employees. Refer to Note 38.

Contractual Arrangements

Non-Executive and Executive Directors

Non-Executive Directors do not have fixed term contracts with the Company. On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation. These terms include that each year, one third of Countplus' Directors (excluding the Managing Director) and any Director who has held office for three or more years since their last election, must retire by rotation and is eligible for re-election at the annual general meeting.

Remuneration and other terms of employment for Group Executives are also formalised in service agreements. Each of these agreements provide for the provision of performance related cash bonuses and other benefits (which may include sickness and accident insurance, car allowances, car parking and participation in any equity scheme). Other major provisions of the agreements relating to remuneration are set out below.

The Executive Chairman, Barry Lambert does not have a fixed term contract with the Company.

The CEO, CFO and Managing Director, Michael Spurr is employed under a 4 year agreement which commenced on 8 November 2010. Mr Spurr was paid a sign-on bonus on the commencement of his contract. He is entitled to a short-term incentive (STI) and a long-term incentive (LTI) bonus arrangement.

The STI is an annual cash award determined by the Board as part of an annual performance and remuneration review process. The entitlement is based on Countplus' earnings per share growth.

The LTI is a cash award with entitlement based on Countplus' average earnings per share growth over the preceding 3 financial years.

At the discretion of the Board and subject to any necessary approvals (including shareholder approvals), Mr Spurr is entitled to participate in the Company's loan funded share plan described above. Eligibility to participate will be by reference to Countplus' earnings per share growth for the relevant financial year.

Mr Spurr's contract may be terminated early with three months' notice, subject to termination payments.

The Executive Director, Philip Rix is also a Member Firm Principal (Bentleys WA) and as such is employed and remunerated by Bentleys (WA) in accordance with the below.

Member Firm Principals

Member Firm Principals do not have fixed term contracts with the Company but can be terminated without cause with 12 months written notice.

In the event of retrenchment, the Executives listed above and Member Firm Principals are entitled to the written notice or payment in lieu of notice as provided in their service agreement.

The contracts of Executives and Member Firm Principals include a restraint clause post-employment of up to 12 months, to ensure that valuable knowledge and experience is not accessed by competitors.

Company Performance and the Link to Remuneration

The Company's remuneration policy aims to achieve a link between the remuneration received by Key Management Personnel and the creation of shareholder wealth. This is attained via the inclusion of an Earnings per Share (EPS) growth target criteria for the following performance linked initiatives: the entitlement to loan funded shares, future entitlements under the Company's share loyalty plan and cash bonuses for Group Executives.

As noted above, all full-time employees (excluding Principals) of Member Firms that meet annual earnings per share growth targets, are granted up to $1,000 worth of ordinary shares. Issues of shares under the Company's loan funded share plan are also only made to Member Firm Principals and senior employees if their firm reaches their earnings per share growth target.

Highlights of Company performance during the year are as follows:

- Net profit before tax for 2013/2014 of $15.38 million was up 3% from the previous financial year and, excluding fair value adjustments is up 8% from the 2010/2011 net profit before tax result, our first year as a listed company.
- Total comprehensive income attributable to shareholders for 2014 rose by 6% to $11.55 million compared to prior year, and is 30% higher than in 2010/2011.
- Diluted earnings per share for 2013/2014 rose by 2% from 9.98 cents per share to 10.13 cents per share. The Company's diluted earnings per share for 2010/2011 of 12.78 cents is not a meaningful comparison to the current period as the final acquisitions of subsidiaries and new share issues were only completed during that year.
- The Company declared and paid dividends of 12 cents per share for 2013/2014. The Company's share price has fallen over the financial year from $1.80 at 30 June 2013 to $1.76 at 30 June 2014. The initial public offering price was $1.50 per share (December 2010).

Remuneration Report (audited) continued

Remuneration of Key Management Personnel

Details of the remuneration of the Directors & other Key Management Personnel of the Group (as defined in AASB 124 Related Party Disclosures) are set out below.

2014	Short Term Employee Benefits			Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Share Based Payment	
	Salary and Fees $	Bonus $	Other $	Superannuation $	Long Service Leave $	Termination Benefits $	Employee Loyalty Share Plan [7] $	TOTAL $
Non-Executive Directors								
Graeme Hilton George Fowler[1]	65,000	0	0	6,012	0	0	0	71,012
Donald Kenneth Sharp[2]	65,000	0	0	6,012	0	0	0	71,012
David Maxwell Smith[3]	65,000	0	0	6,012	0	0	0	71,012
Executive Directors								
Barry Martin Lambert[4] (Chairman)	150,000	0	1,667	13,875	0	0	0	165,542
Philip Stephen Rix (Executive Director)[5]	262,982	0	600	24,326	11,160*	0	0	299,068
Michael James Spurr[6] (Managing Director/CEO/CFO)	239,342	0	16,247	22,139	4,600*	0	0	282,328
TOTAL	**847,324**	**0**	**18,514**	**78,376**	**15,760**	**0**	**0**	**959,974**

* This amount reflects the expense recognised in the financial statements in accordance with the Corporations Regulation and not the amount that is owing to these directors.

2013	Short Term Employee Benefits			Post Employment Benefits	Other Long Term Benefits	Termination Benefits	Share Based Payment	
	Salary and Fees $	Bonus $	Other $	Superannuation $	Long Service Leave $	Termination Benefits $	Employee Loyalty Share Plan [7] $	TOTAL $
Non-Executive Directors								
Graeme Hilton George Fowler[1]	65,000	0	0	5,850	0	0	0	70,850
Donald Kenneth Sharp[2]	65,000	0	0	5,850	0	0	0	70,850
David Maxwell Smith[3]	65,000	0	0	5,850	0	0	0	70,850
Executive Directors								
Barry Martin Lambert[4] (Chairman)	150,000	0	0	13,500	0	0	0	163,500
Philip Stephen Rix (Executive Director)[5]	260,636	0	600	23,458	4,173*	0	0	288,867
Michael James Spurr[6] (Managing Director/CEO/CFO)	239,342	0	15,621	21,541	12,436*	0	0	288,940
TOTAL	**844,978**	**0**	**16,221**	**76,049**	**16,609**	**0**	**0**	**953,857**

* This amount reflects the expense recognised in the financial statements in accordance with the Corporations Regulation and not the amount that is owing to these directors.

1 Graeme Fowler was appointed as a Director on 26 August 2010.
2 Donald Sharp was appointed as a Director on 6 September 2010.
3 David Smith was appointed as a Director on 26 August 2010.
4 Barry Lambert was appointed as a Director on 10 August 2007.
5 Philip Rix was appointed as a Director on 1 April 2012 and as Bentleys WA Principal on 10 January 2008.
6 Michael Spurr was appointed as a Director on 10 August 2007 and as the CEO & CFO on 8 November 2010.
7 Key Management personnel were not part of the Employee Loyalty Share Plan.

The elements of remuneration have been determined on the basis of the cost to the Company and the consolidated entity.

Disclosures Relating to Shares

Directors	Balance at the start of the year	Granted during the year	Purchased in FY14 until issuance of this report	Balance until issuance of this report
Barry Martin Lambert	5,398,062	0	0	5,398,062
Michael James Spurr	35,000	0	0	35,000
Phillip Stephen Rix	1,044,252	0	0	1,044,252
Graeme Hilton George Fowler*	12,945	0	5,650	18,595
Donald Kenneth Sharp	50,000	0	0	50,000
David Maxwell Smith**	15,000	0	35,000	50,000

* Graeme Fowler acquired the additional 5,650 shares on 26 August 2013.
** David Smith acquired the additional 35,000 shares on 25 August 2014.

Transactions with Key Management Personnel

David Smith who is a non-executive director of Countplus Limited is a Director of Smithink Pty Ltd. Smithink Pty Ltd was paid fees amounting to $25,500 (2013:$49,000) for professional consulting services by Countplus and its subsidiaries.

In October 2013, Countplus Limited made an investment of $2.15m (3.7%) in Super IP Pty Ltd, a technology business that owns Class Super. The Chairman of Countplus Limited, Barry Lambert is also the Chairman of Super IP Pty Ltd, appointed in November 2008. Mr Lambert and his related parties hold 37,000 ordinary shares in Super IP (0.1%).

This report is made in accordance with a resolution of Directors.

Barry M. Lambert
Director
Sydney
10 September 2014

Auditor's Independence Declaration

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Building a better working world

Auditor's Independence Declaration to the Directors of Countplus Limited

In relation to our audit of the financial report of Countplus Limited for the financial year ended 30 June 2014, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Mark Raumer
Partner
10 September 2014

Financial Contents

Consolidated Statement of Comprehensive Income

For the year ended 30 June 2014

	Note	2014 $'000	2013 $'000
Revenue from operating activities	6	122,519	115,142
Fees, commissions and related costs	6	(26,689)	(20,340)
Total revenue		95,830	94,802
Other income			
Gain/(loss) on deferred consideration adjustment	20	(217)	139
Gain on disposal of subsidiary		676	–
Interest income		128	138
Other non-operating income		266	397
Total other income		853	674
Salaries and employee benefits expense	7	(58,238)	(57,830)
Amortisation expense	7	(3,157)	(3,343)
Depreciation expense	7	(1,125)	(1,253)
Premises expenses		(5,730)	(6,000)
Acquisition related expenses		(236)	(157)
Loss on disposals		–	(204)
Share based payment expense		(214)	(351)
Other operating expenses from ordinary activities	7	(11,725)	(10,813)
Finance costs	7	(1,224)	(1,040)
Total expenses		(81,649)	(80,991)
Share of net profit of associates accounted for using equity method	34	346	486
Profit from operations before income tax		15,380	14,971
Income tax expense	8	(4,067)	(3,888)
Net profit from operations after income tax		11,313	11,083
Other comprehensive income, net of income tax			
Items that will be reclassified to profit or loss when specific conditions are met			
Fair value movements for available-for-sale financial assets		600	–
Deferred tax on above		(180)	–
Other comprehensive income for the year, net of tax		420	–
Total comprehensive income for the year, net of tax		11,733	11,083
Net profit is attributable to:			
Owners of Countplus Limited		11,131	10,920
Non-controlling interests		182	163
		11,313	11,083
Total comprehensive income for the year is attributable to:			
Owners of Countplus Limited		11,551	10,920
Non-controlling interests		182	163
		11,733	11,083
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary owners of the parent entity:			
Basic earnings per share	37	10.14	9.98
Diluted earnings per share	37	10.13	9.98

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2014

	Note	2014 $'000	2013 $'000
ASSETS			
Current assets			
Cash and cash equivalents	9	**8,174**	8,660
Trade and other receivables	10	**20,427**	21,312
Loans and advances	11	**183**	37
Work in progress	12	**5,550**	5,163
TOTAL CURRENT ASSETS		**34,334**	35,172
Non-current assets			
Loans and other receivables	10	**1,865**	1,009
Investments in associates	34	**5,662**	5,223
Other investments	13	**2,977**	–
Property, plant and equipment	15	**4,443**	5,725
Investment property	16	**1,250**	1,250
Intangible assets	17	**49,230**	53,247
TOTAL NON-CURRENT ASSETS		**65,427**	66,454
TOTAL ASSETS		**99,761**	101,626
LIABILITIES			
Current liabilities			
Trade and other payables	18	**9,942**	10,008
Interest bearing loans and borrowings	19	**17**	256
Current tax liabilities	14	**752**	1,399
Provisions	21	**3,698**	3,802
Other current liabilities	20	**6,604**	6,662
TOTAL CURRENT LIABILITIES		**21,013**	22,127
Non-current liabilities			
Other payables	18	**1,003**	457
Interest bearing loans and borrowings	19	**20,849**	17,659
Deferred tax liabilities	14	**3,023**	5,574
Provisions	21	**1,821**	1,660
Other non-current liabilities	20	**888**	2,164
TOTAL NON-CURRENT LIABILITIES		**27,584**	27,514
TOTAL LIABILITIES		**48,597**	49,641
NET ASSETS		**51,164**	51,985
EQUITY			
Contributed equity	22	**121,111**	120,456
Reserves	23	**(67,413)**	(68,057)
Retained earnings / (accumulated losses)	24	**(2,824)**	(637)
Capital and reserves attributable to owners of Countplus Limited		**50,874**	51,762
Non-controlling interests	25	**290**	223
TOTAL EQUITY		**51,164**	51,985

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 2014

		Attributable to owners of Countplus Limited								
		Contributed equity		Retained earnings /	Share based	Available for sale			Non-controlling	
	Note	Issued capital $'000	Treasury shares* $'000	(accumulated losses) $'000	payment reserve $'000	(AFS) reserve $'000	Acquisition reserves $'000	Total $'000	interests (NCI) $'000	Total equity $'000
Balance at 1 July 2013		121,186	(730)	(637)	70	–	(68,127)	51,762	223	51,985
Profits for the year		–	–	11,131	–	–	–	11,131	182	11,313
Other comprehensive income		–	–	–	–	420	–	420	–	420
Total comprehensive income for the year		–	–	11,131	–	420	–	11,551	182	11,733
Transactions with owners in their capacity as owners										
Issue of shares***	22	2,198	(1,543)	–	–	–	–	655	–	655
Share based payments for loan funded share plan	22	–	–	–	142	–	–	142	–	142
Application of dividends to loan funded share plan		–	–	–	82	–	–	82	–	82
Dividends provided for or paid**	26	–	–	(13,318)	–	–	–	(13,318)	(115)	(13,433)
Balance at 30 June 2014		123,384	(2,273)	(2,824)	294	420	(68,127)	50,874	290	51,164
Balance at 1 July 2012		119,901	–	1,627	–	–	(68,127)	53,401	202	53,603
Profits for the year		–	–	10,920	–	–	–	10,920	163	11,083
Other comprehensive income		–	–	–	–	–	–	–	–	–
Total comprehensive income for the year		–	–	10,920	–	–	–	10,920	163	11,083
Transactions with owners in their capacity as owners										
Issue of shares***	22	1,320	(730)	–	–	–	–	590	–	590
Loan funded share plan establishment costs		(35)	–	–	–	–	–	(35)	–	(35)
Share based payments for loan funded share plan	22	–	–	–	47	–	–	47	–	47
Application of dividends to loan funded share plan		–	–	–	23	–	–	23	–	23
Dividends provided for or paid**	26	–	–	(13,184)	–	–	–	(13,184)	(142)	(13,326)
Balance at 30 June 2013		121,186	(730)	(637)	70	–	(68,127)	51,762	223	51,985

*The Company has formed a trust to administer a Loan Funded Share Plan. Shares held by the trust are disclosed as Treasury Shares and deducted from contributed equity.
**This amount includes the dividends applied to the Loan Funded Share Plan.
***Issue of shares includes shares issued to employees of $71,000 (2013: $304,000).

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 30 June 2014

	Note	2014 $'000	2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of goods and service tax)		131,302	125,605
Payments to suppliers and employees (inclusive of goods and service tax)		(112,889)	(105,218)
		18,413	20,387
Interest received		128	138
Interest paid		(1,224)	(1,040)
Income taxes paid		(6,419)	(4,444)
Net cash inflow from operating activities	36	10,898	15,041
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		6	26
Proceeds from sale of business / investments		–	681
Proceeds from disposal of subsidiary		7,289	–
Purchase of equipment and other non-current assets		(1,970)	(1,669)
Purchase of other non-current assets		(2,377)	–
Payments for acquisition of subsidiaries / business assets		(2,273)	(1,117)
Payments for investment in associated entities	34	(492)	(4,060)
Dividends/distributions received from associated entities		400	261
Payment for deferred consideration on acquisition of controlled entities and associates		(1,637)	(2,716)
Net cash outflow from investing activities		(1,054)	(8,594)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown on loans and advances		11,528	16,930
Repayment of loans and advances		(8,236)	(7,520)
Repayment of borrowings / hire purchase and lease liabilities		(307)	(267)
Loan funded share plan establishment costs		–	(35)
Proceeds from repayment of loan in respect of dividends received on loan funded shares		82	23
Payment of dividends to equity holders	26	(13,282)	(13,158)
Payment of dividends by controlled subsidiaries to non-controlling interests		(115)	(142)
Net cash outflow from financing activities		(10,330)	(4,169)
Net increase (decrease) in cash and cash equivalents held		(486)	2,278
Cash and cash equivalents at beginning of year		8,660	6,382
Cash and cash equivalents at end of financial year	9	8,174	8,660

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 2014

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these Consolidated 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.

(a) Basis of preparation

These 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*.

Both the functional and presentation currency of Countplus Limited and its subsidiaries is Australian dollars (A$) and the financial report is presented in Australian dollars (A$). All values are rounded to the nearest thousand dollars ($000) unless otherwise stated, as permitted under ASIC Class Order 98/100.

(i) Compliance with IFRS

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

(ii) 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. The following table summarises those future requirements, and their impact on the Consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards – *Offsetting Financial Assets and Financial Liabilities* – AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The standard is applicable from financial periods commencing on or after 1 January 2014. This amendment to the standards is not expected to have a material impact on the Consolidated entity's financial statements.

AASB 9 *Financial instruments* and amending standards AASB 2010-7 / AASB 2012-6 – AASB 9 includes requirements for the classification and measurement of financial assets. It was further amended by AASB 2010-7 to reflect amendments to the accounting for financial liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10. The AASB issued a revised version of AASB 9 (AASB 2013-9) during December 2013. AASB 2014-1 subsequently amended AASB 9 and the amendments will be applied to the annual reporting period commencing 1 July 2014. This amendment to the standards is not expected to have a material impact on the Consolidated entity's financial statements.

AASB 2013-5 Amendments to Australian Accounting Standards – *Investment Entities* [AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139] – These amendments define an investment entity and require that, with limited exceptions, an investment entity does not consolidate its subsidiaries or apply AASB 3 *Business Combinations* when it obtains control of another entity. These amendments require an investment entity to measure unconsolidated subsidiaries at fair value through profit or loss in its consolidated and separate financial statements. These amendments also introduce new disclosure requirements for investment entities to AASB 12 and AASB 127. The standard is applicable from financial periods commencing on or after 1 January 2014. This amendment to the standards is not expected to have a material impact on the Consolidated entity's financial statements as the Consolidated entity does not have any unconsolidated subsidiaries at the reporting date.

(iii) New and amended standards adopted by the Group

During the current year, the following standards became mandatory and have been adopted retrospectively by the Consolidated entity.

The accounting policies have been updated to reflect changes in the recognition and measurement of assets, liabilities, income and expenses and the impact of adoption of these standards is discussed below:

AASB 10 *Consolidated Financial Statements* – this standard requires a parent to present consolidated financial statements as those of a single economic entity. It identifies the principles of control, determines how to identify whether an investor controls an investee and therefore must consolidate the investee and sets out the principles for the preparation of consolidated financial statements. The Consolidated entity has reviewed its investments in other entities to assess whether the conclusion to consolidate is different under AASB 10 *Consolidated Financial Statements* than under AASB 127 *Separate Financial Statements*. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of adopting AASB 10 *Consolidated Financial Statements*.

AASB 11 *Joint Arrangements* – this requires a party to a joint arrangement to determine the type of joint arrangement in which it is involved by assessing its rights and obligations and then account for those rights and obligations in accordance with that type of joint arrangement. This standard does not have any material impact on the Consolidated entity's financial statements.

AASB 12 *Disclosure of Interests in Other Entities* – this standard requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of and risks associated with interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. Amendments to AASB 12 *Disclosure of Interests in Other Entities* does not have any material impact on the Consolidated entity's financial statements.

AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards* arising from AASB 13 – this standard establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. AASB 13 *Fair Value Measurement* does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. AASB 13 *Fair Value Measurement* also expands the disclosure requirements for all assets and liabilities carried at fair value. This includes information about assumptions made and the qualitative impact of those assumptions on the fair value determined. These changes does not have any material impact on the Consolidated entity's financial statements.

AASB 119 *Employee Benefits* (September 2011) and AASB 2011-10 *Amendments to Australian Accounting Standards* arising from AASB 119 (September 2011) – Amendments to AASB 119 *Employee Benefits* have revised the definitions of short-term and long-term employee benefits by placing the emphasis on when the benefit is expected to be settled rather than when it is due to be settled. As the Consolidated entity does not expect all annual leave to be taken within 12 months of the respective service being provided, the annual leave obligations are now measured on a discounted basis. There is no material impact on the Consolidated entity's financial statements as a result of adopting this standard.

AASB 127 *Separate Financial Statements* (2011) – this amended standard only deals with the requirements for separate financial statements. It requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with AASB 9 *Financial Instruments*. This amendment to the standard does not have any material impact on the Consolidated entity's financial statements.

AASB 128 *Investments in Associates and Joint Ventures* – this standard prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. It defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. This amendment to the standard does not have any material impact on the Consolidated entity's financial statements.

AASB 2011-4 *Amendments to Australian Accounting Standards to remove individual key management personnel (KMP) disclosure requirements* (AASB 124). This standard removes the individual key management personnel disclosure requirements in AASB 124 – '*Related Party Disclosures*'. As a result the Group only discloses the key management personnel compensation in total and for each of the categories required in AASB 124. In the current year the individual key management personnel disclosure previously required by AASB 124 is now disclosed in the remuneration report due to an amendment to *Corporations Regulations 2001*.

AASB 2012-2 *Disclosures – Offsetting Financial Assets and Financial liabilities*. There are more extensive disclosures with focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements, irrespective of whether they are offset. The Group does not offset financial assets with financial liabilities, nor has it entered into a master netting arrangement or similar agreement. Consequently, this amendment to the standard does not have any material impact on the Consolidated entity's financial statements.

AASB 2013-3 *Amendments to AASB 136 – Recoverable Amount Disclosures for Non Financial Assets* – AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal. The standard is applicable from financial periods commencing on or after 1 January 2014. The Consolidated entity early adopted these amendments and these did not affect the Consolidated entity's financial statements since the recoverable amounts of the Consolidated entity's cash generating units (CGUs) are based on value in use method under AASB 136.

(iv) 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 2.

(v) Historical cost convention

The 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.

(vi) 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 does not have any impact on the profit for the current year or prior year.

(b) Principles of consolidation

(i) Subsidiaries

The Consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Countplus Limited ("Company" or "parent entity") as at 30 June 2014 and the results of all subsidiaries for the year then ended. Countplus Limited and its subsidiaries together are referred to in this financial report as the Group or the Consolidated entity.

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 deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group (refer to note 1(g)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated in full. 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.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated income statement and Consolidated statement of financial position respectively.

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

(ii) 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 investment in associates includes goodwill and other intangible assets identified on acquisition. Those other intangible assets have been amortised in the determination of profit (refer to note 34).

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 receivable from associates are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals 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.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) 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 deducted from contributed equity.

(c) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's operations are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The financial statements are presented in Australian dollars which is the Group's functional and presentation currency.

(ii) Transaction and balances

Foreign currency transactions are translated into the functional currency 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 year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

(d) Revenue recognition

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

Accounting revenue from the provision of accounting services is recognised on an accrual basis in the period in which the service is provided. 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.

Financial planning revenue from the provision of financial planning services, loans commission and leasing commission is recognised on an accrual basis in the period in which the service is provided.

Commission earned on property sales is recognised in the accounting period in which the services are rendered. Revenue is recognised after an estimation of the percentage of work completed, based on actual service provided as a proportion of the total services to be provided.

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.

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries and associates where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Tax consolidation legislation

Countplus Limited ('the Head 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 Head 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 stand-alone taxpayer in its own right.

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 Head 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.

(f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to entities in Group, are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset or over the term of the lease. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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.

(g) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Business combinations are initially accounted for on a provisional basis until either the earlier of (i) 12 months from the date of acquisition or (ii) the finalisation of fair value. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value at the acquisition date through profit or loss.

The excess of the consideration transferred and the amount of any non-controlling interests in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

The Company has measured the non-controlling interest at the acquirees' share of the identifiable net assets. Accordingly, goodwill arising on consolidation represents only Countplus' proportionate share of goodwill at the date of acquisition. Key factors contributing to goodwill are synergies existing within the acquired businesses, superior management and superior service offerings. None of the goodwill recognised is expected to be deductible for tax purposes.

Contingent consideration is classified as financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(h) 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, the Group assesses whether there is any indication that an asset may be impaired, or more frequently if events or changes in circumstances indicate that they might be impaired. Where an indicator exists, the Group makes a formal estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered to be impaired and is written down to its 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.

(i) Cash and cash equivalents

Cash and cash equivalents comprises 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.

(j) Trade receivables

Trade receivables are recognised initially at fair value less provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Countplus Limited implemented a Group policy for provision for impairment of trade receivables, based on ageing, in December 2011. The purpose of the Group policy is to ensure that assessment of collectability of trade receivables by subsidiaries across the Group are guided by a consistent policy and are accounted for in the same manner.

Collectability of trade receivables is reviewed on an ongoing basis. Debtors which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments may be considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other income in profit or loss.

(k) Work in progress

Work in progress represents costs incurred and profit recognised on client assignments and services that are in progress and have not yet been invoiced at reporting date. Work in progress is valued at net realisable value after providing for any foreseeable losses. Work in progress is recognised in the statement of financial position and the movement recognised in the statement of comprehensive income. Financial planning work in progress not representing fees for services, is not recognised in the statement of financial position and statement of comprehensive income until invoiced.

Countplus Limited implemented a Group policy for provision for write-off of Work in Progress in December 2011. The purpose of the Group policy is to ensure that measurement of net realisable value by subsidiaries across the Group are guided by a consistent policy and are accounted for in the same manner.

(l) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments; (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and advances

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using effective interest method.

(iii) Financial liabilities

The Group's financial liabilities include trade and other payables, loans and borrowings, provision for cash bonus and other liabilities which include deferred cash consideration and deferred equity consideration for acquisition of subsidiaries & associates.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

Non-derivative financial liabilities (excluding financial guarantees and deferred consideration liabilities) are subsequently measured at amortised cost.

(iv) Available-or-sale financial assets

Available-for-sale (AFS) financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income. Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired. In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, if this occurs, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

Financial guarantees

Where material, financial guarantees issued, which requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due, are recognised as a financial liability at fair value on initial recognition. The guarantee is subsequently measured at the higher of the best estimate of the obligation and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118 Revenue. Where the entity gives guarantees in exchange for a fee, revenue is recognised under AASB 118.

The fair value of financial guarantee contracts has been assessed using a probability weighted discounted cash flow approach. The probability has been based on:

- the likelihood of the guaranteed party defaulting in a year period;
- proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
- the maximum loss exposed if the guaranteed party were to default.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(m) Fair value measurement

The Group measures financial assets and financial liabilities at fair value at each balance sheet date. Reconciliation of the fair value of financial assets and financial liabilities are disclosed in note 4.

Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

At each reporting date, management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(n) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any impairment loss. 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 or revalued amounts, 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:

Leasehold improvements	2.5% – 20%
Office equipment	4% – 67%
Furniture, Fixtures and Fittings	8% – 37%
Make good	Over the estimated life of the lease
Motor Vehicle	9%

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 with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(o) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(p) Intangible assets

(i) 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 Group'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 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.

Further details on the methodology and assumptions used are outlined in note 17.

(ii) 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 3 to 5 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 income statement for the amount by which the asset's carrying amount exceeds its recoverable amount.

(iii) 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 is considered to be 10 years and they are amortised and expensed using a declining balance 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 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 considered to be 15 years and are amortised and expensed using a declining balance 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.

(iv) Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only where project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(v) Brands

Brands are recognised at cost of acquisition. Brands are considered to have indefinite useful lives and are not amortised on annual basis. They are tested for impairment at least annually and whenever there is an indication that the carrying value of the Brands may be impaired.

(vi) 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 income statement 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.

(q) Trade and other payables

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(r) Borrowings

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 of 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 of 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.

(s) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

All other borrowing costs are expensed in the period in which they are incurred.

(t) 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.

(u) Employee benefits

(i) 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.

(ii) Other long-term employee benefit 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 on national government bonds with terms to maturity and currency 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 balance sheet 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.

(iii) Share-based payments

The entity provides benefits to employees in the form of share-based payment transactions, whereby employees are rewarded with an entitlement to shares ("equity-settled transactions"). For further details, refer to note 38.

The plan to provide these benefits is known as the Employee tax-exempt "loyalty" share plan (Employee loyalty equity plan).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the instruments at the date at which they were granted.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, on the date of grant.

(iv) Loan funded share plan

Subject to performance conditions, employees of subsidiaries including the authorised representatives of the Total Financial Solutions (TFS) adviser group may qualify for an entitlement under the Countplus' Loan Funded Share Plan (LFSP). These shares are issued at the market price at time of grant, fully funded by a limited recourse, interest free loan, over a maximum of five years, provided by Countplus. LFSP shares are held by a trust until the vesting conditions are satisfied and the loan is repaid. The shares will normally vest with the employee when the participant remains in continuous employment with the subsidiary or as an Authorised Representative of TFS, for a period of three years commencing on the grant date. Additional performance based vesting conditions apply to Directors of subsidiaries. Unvested shares held by the trust are owned by the Consolidated entity and recorded at cost in the consolidated statement of financial position within equity as shares held by the LFSP. Dividends paid by the Company on shares in the LFSP are eliminated in full on consolidation. A transfer is made from retained earnings to a separate reserve on consolidation for the amount of the dividends applied to repay the loan balance. For further details, refer to note 38.

(v) Contributed equity

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 purchase consideration.

(w) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- 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 (note 37).

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- 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.

(x) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or payables in the consolidated 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 taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(y) 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.

As part of the acquisition of the Pacific East Coast group in February 2012, the Company acquired a property asset which was classified as 'Other property, plant and equipment' in the consolidated financial statements. Management have determined that this asset should instead be classified as an investment property in accordance with AASB 140 Investment property. Therefore, the comparative period has been restated to reflect the reclassification. The impact is summarised below:

For the consolidated statement of financial position as at 30 June 2013 (comparative period), as a result of this reclassification, property, plant and equipment has decreased by $1,250,000, and a new category of 'Investment property' has been shown on the face of the balance sheet at $1,250,000. There is no effect on the profit or loss for the period due to this reclassification.

(z) Parent entity financial information

The financial information for the parent entity, Countplus Limited, disclosed in note 39 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) 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.

(ii) Tax consolidation legislation

Countplus Limited ('the Head 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 Head 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 in its own right.

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 Head 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.

(iii) Financial guarantees

Where the parent entity have provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

During the 2013 financial year, Countplus entered into a variable rate, 3 year interest only, bill facility with a total facility limit of $20m. The bill rate is variable and is based on the indicative BBSY (Bid) Rate with the actual bill rate determined on the day preceding drawdown date. During 2014 financial year, this limit was extended to $25m. This facility is with the Commonwealth Bank of Australia.

A guarantee and charge as security for the facility is provided by the 100% owned subsidiaries of Countplus. The charge is over all present and future assets of those subsidiaries.

(iv) Share based payments

The grant by the Company 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.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The result may be different from the estimated amounts. The estimates and assumptions that have a significant risk of causing a material misstatement which would result in an adjustment to the carrying amounts in the Statement of Financial Position are as follows:

(a) 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.

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 either the value in use or the fair value less cost to sell of each individual CGU. In assessing fair value, a multiple of earnings before interest, tax and amortisation (EBITA) is used, assessed as comparable to the market trading multiples of similar businesses.

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.

(b) Provision for impairment 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 uncollectible are written off when identified. Historical experience and information of the Group's client base are considered when determining the provision for impairment loss.

(c) Provision for write-off of work in progress

The recoverability of work in progress is 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 provision for impairment loss.

(d) Provision for make good

A provision has been made for the present value of anticipated costs of future restoration of various leased office premises. The provision includes future cost estimates associated with refurbishment to restore the leased premises to their original conditions. Provision 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 provision.

(e) 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 of time 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.

(f) Loan funded share plan

Loan funded shares are assessed as substantively similar to options for the purposes of valuation as the loan is non-recourse and the shares are subject to vesting conditions. The fair value is calculated using a binomial model at grant date and require the use of assumptions which have been disclosed in note 38.

(g) 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.

3 Financial risk management

The Group's principal financial assets and liabilities, which arise directly from its operations, comprise of cash and cash equivalents, trade and other receivables, work in progress, investment in associates, interest bearing loans, borrowings, trade and other payables. The Group also holds other investments (available-for-sale investments). The main purpose of the financial assets is to generate a short or long term return on surplus cash and capital of the Group. The main purpose of the financial liabilities is to finance the Group's operations and to provide guarantees to support its operations.

The main risks arising from the Group's financial instruments (financial assets and liabilities) are interest rate risk, market risk, liquidity risk and credit risk. The Group has not entered into any derivative contracts as means to hedge against these risks. The Group does not undertake trading in any of its financial assets or liabilities. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(a) Market risk

(i) Price risk

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet as 'Other investments'. The Other investments are valued at observable market price. The Group's Other investments are susceptible to market price risk arising from uncertainties about future values of investment securities. The Group manages the risk through monitoring the price of the investments. Reports on equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At reporting date, the exposure to Other investments at fair value was $2,977,000. A decrease of 10% in observable market price would reduce the AFS reserve by $208,000. An increase of 10% in the observable market price would increase the AFS reserve by $208,000.

(ii) Interest rate risk

The Group's risk exposure to changes in market interest rates relates primarily to long term borrowings under a variable rate arrangement. In November 2012, Countplus entered into a variable rate, 3 year interest only, bill facility with a facility limit of $20m. In November 2013, this limit was increased to $25m. The bill rate is variable and is based on the indicative BBSY (Bid) Rate with the actual bill rate determined on the day preceding drawdown date. As at reporting date, $4.2m of the facility remains undrawn. This facility is with the Commonwealth Bank of Australia. The Group has not entered into any contracts to mitigate this risk.

Lease liabilities and hire purchase liabilities are guaranteed or indemnified by the relevant Directors, the subsidiary or Countplus Limited.

The Group's borrowings are backed by various forms of securities. The bank loan is secured by the subsidiaries and Countplus Limited.

At 30 June 2014, the effect on profit as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2014 $'000	2013 $'000
Change in profit		
+2% (200 basis points)	**(200)**	(153)
-1% (100 basis points)	**100**	77

A combination of 200 and 100 basis point movement is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

The movements in profit are due to higher/lower interest income from cash balances and higher/lower interest expense incurred on loans with variable rate of interest.

(b) Credit risk

The Group is exposed to credit risk from its operating activities (primarily trade and other receivables) and from its investing and financing activities (primarily, investment in associates, other investments and guarantees held by financial institutions, as described in note 29).

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 a number of 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 take into account 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 strictly observes its provision policy.

Investments in associates and other investments are undertaken only with approved counterparties after the due diligence process. The investment decisions are reviewed at a high level by Group's acquisition committee. The Group's maximum exposure to credit risk is the carrying amount of these investments, as indicated in the consolidated statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its debt obligations, or other cash outflows, as they fall due because of lack of liquid assets or access to adequate funding on acceptable terms. The Group monitors its liquidity position on a regular basis to ensure that there is adequacy to meeting obligations.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of each reporting period:

	2014 $'000	2013 $'000
Floating rate		
Expiring within one year	**–**	–
Expiring beyond one year	**4,151**	2,443
Total	**4,151**	2,443

Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Less than 6 months		1 year or less		Between 1 and 5 years		More than 5 years		Total	
	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000	2014 $'000	2013 $'000
Financial Liabilities										
Trade and other payables	**(9,733)**	(8,970)	**(209)**	(1,038)	**(1,003)**	(457)	**–**	–	**(10,945)**	(10,465)
Borrowings	**(12)**	(204)	**(5)**	(52)	**(20,849)**	(17,659)	**–**	–	**(20,866)**	(17,915)
Provision for cash bonus	**(192)**	(212)	**–**	–	**–**	–	**–**	–	**(192)**	(212)
Other liabilities										
Provision for dividend	**(3,340)**	(3,304)	**–**	–	**–**	–	**–**	–	**(3,340)**	(3,304)
Deferred cash consideration	**(1,927)**	(1,839)	**(113)**	(90)	**(387)**	(973)	**–**	–	**(2,427)**	(2,902)
Deferred equity consideration	**(336)**	(385)	**–**	(200)	**–**	(435)	**–**	–	**(336)**	(1,020)
Other current liabilities	**(888)**	(844)	**–**	–	**–**	–	**–**	–	**(888)**	(844)
Total Financial Liabilities	**(16,428)**	(15,758)	**(327)**	(1,380)	**(22,239)**	(19,524)	**–**	–	**(38,994)**	(36,662)

4 Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and 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. The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments held by the Group are summarised in the table below.

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2014				
Financial assets				
Other investments	–	2,977	–	2,977
	–	2,977	–	2,977
Financial liabilities				
Deferred cash consideration	–	–	(2,427)	(2,427)
Deferred equity consideration	–	–	(336)	(336)
	–	–	(2,763)	(2,763)
Total	**–**	**2,977**	**(2,763)**	**214**

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2013				
Financial assets				
Financial assets	–	–	–	–
	–	–	–	–
Financial liabilities				
Deferred cash consideration	–	–	(2,902)	(2,902)
Deferred equity consideration	–	–	(1,020)	(1,020)
	–	–	(3,922)	(3,922)
Total	**–**	**–**	**(3,922)**	**(3,922)**

The fair value of the financial assets and liabilities is measured at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Fair value of available-for-sale assets is determined based on observable market transactions. Observable market transactions considered are those transactions which occurred over the past 7 months, 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 deferred 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.

Sensitivity to changes in assumptions

The fair value of deferred consideration may change as a result of changes in the projected future financial performance of the acquired assets and entities. Reasonable possible changes in assumptions will not change fair value significantly, with the exception of:

- If the 2015 annual fees for Harrison & Siepen declines by 20% compared to the current forecast, a reduction of $51,000 in deferred consideration would result.
- If the 2015 annual total commission income for the book of fees acquired from Active & Ethical (purchased in May 2014) decreases by 10% compared to the current forecast, a reduction of $46,000 in deferred consideration would result.
- If the 2015 annual total commission income for the book of fees acquired from Active & Ethical decreases by 20% compared to the current forecast, a reduction of $91,000 in deferred consideration would result.

Other than the above scenarios, management believes no reasonable change in any other key assumptions would have a material impact on the fair value of other investments and deferred consideration.

The maximum potential payment for deferred consideration is $2,763,000 (2013: $4,178,000).

Level 3 measurements

A reconciliation of the movements in recurring fair value measurements allocated to Level 3 of the hierarchy is provided below:

	2014 $'000
Balance at beginning of year	(3,922)
Total gains or losses for the year	
Gain/(loss) on deferred consideration recognised in profit or loss	(217)
Other movements	
Additions to deferred cash & equity consideration for acquisitions of assets, subsidiaries & associates during the year	(845)
Shares issued for settling deferred equity consideration	584
Cash paid for settlement of deferred cash consideration	1,637
Balance at end of year	(2,763)

5 Segment information

The Group treats their operations as the one business segment and reports accordingly. Management and the Board of Directors view and assess the Group as one business segment. All assets are held and the revenues are sourced in Australia.

6 Revenue

(a) Revenue from operating activities

	2014 $'000	2013 $'000
Accounting services revenue	62,737	65,320
Financial services revenue	45,124	36,841
Legal services revenue	241	808
Commission earned on property sale	9,147	7,514
Other property related income	817	780
Other operating revenue	4,453	3,879
	122,519	115,142
Fees, commissions and related costs		
Fees and related costs	(21,265)	(15,902)
Commission paid on property sale	(5,424)	(4,438)
	(26,689)	(20,340)
Total revenue from ordinary activities	95,830	94,802

(b) Fees, commissions and related costs

Fees, commissions and related costs are made primarily up of two components: those payable by subsidiary, Total Financial Solutions Australia Ltd to financial advisers in accordance with their Authorised Representative Agreements and referral fees payable by the Pacific East Coast Group ("PEC Group") to its affiliated members.

7 Expenses

	2014 $'000	2013 $'000
Depreciation		
Office equipment	**622**	694
Leasehold improvements	**46**	91
Furniture & fixtures	**281**	297
Motor vehicles	**24**	24
Other	**104**	117
Make good	**48**	30
Total depreciation	**1,125**	1,253
Amortisation		
Acquired client relationships / adviser networks	**2,860**	3,099
Software	**243**	197
Other	**54**	47
Total amortisation	**3,157**	3,343
Total Depreciation and Amortisation	**4,282**	4,596
Finance costs		
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	**1,224**	1,040
Other Expenses		
Professional, service and consulting fees		
Audit fees	**463**	337
Legal fees	**602**	503
Service fees – Count Financial	**200**	263
Accounting and other professional fees	**570**	249
Total professional, service and consulting fees	**1,835**	1,352
Other expenses		
Bad and doubtful debts – trade receivables	**1,039**	520
Sales and marketing expenses	**1,101**	814
Administration expenses	**3,688**	3,507
Insurance expense	**928**	967
Technology expense	**2,692**	2,541
Net loss on disposal of property, plant and equipment	**42**	342
Other	**400**	770
Total other expenses	**9,890**	9,461
Total other operating expenses from ordinary activities	**11,725**	10,813
Salaries and employee benefit expense		
Wages, salaries and other on-costs	**52,008**	51,518
Other employee benefit expenses	**6,230**	6,312
Total salaries and employee benefit expenses	**58,238**	57,830

8 Income tax expense

(a) Income tax expense

	2014 $'000	2013 $'000
Current tax (benefit) / expense	**5,391**	5,291
Under/(over) provision – prior year	**(433)**	(719)
Deferred tax expense / (benefit)	**(891)**	(684)
	4,067	3,888
Deferred income tax / (revenue) expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets (note 14)	**39**	(40)
(Decrease)/increase in deferred tax liabilities (note 14)	**(930)**	(644)
Total	**(891)**	(684)

(b) Reconciliation of income tax expense to prima facie tax payable

	2014 $'000	2013 $'000
Profit from continuing operations before income tax expense	**15,380**	14,971
Australian tax rate	**30%**	30%
Tax amount at the Australian tax rate	**4,614**	4,491
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other non-deductible depreciation and amortisation	**–**	18
Loss on disposals	**–**	133
Non-deductible expenses	**149**	128
Non-taxable dividends	**(97)**	(63)
Gain/(loss) on deferred consideration adjustment	**65**	(41)
Benefit on trail commission	**(44)**	(44)
Other	**3**	(15)
(Profit)/loss on disposal of subsidiary	**(190)**	–
	4,500	4,607
Under/(over) provision in prior years	**(433)**	(719)
Total income tax expense	**4,067**	3,888

The parent entity, Countplus Limited and its subsidiaries in the Group continue to account for their own current and deferred tax amounts. The current and deferred tax amounts are measured in a systematic manner that is consistent with the principles in AASB 112 Income Taxes.

(c) Tax consolidation group

Countplus Limited ('the Head 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 Head 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 in its own right.

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 Head 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.

9 Cash and cash equivalents

	2014 $'000	2013 $'000
Cash at bank and in hand	**8,174**	8,660

(a) Reconciliation of cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the consolidated statement of cash flows.

(b) Risk exposure

The Group's exposure to interest rate risk is discussed in note 3. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of cash and cash equivalents mentioned above.

10 Trade and other receivables

(a) Current assets – Trade and other receivables

	2014 $'000	2013 $'000
Trade receivables	**16,512**	16,917
Provision for impairment of trade receivables (note 10(c))	**(1,877)**	(1,465)
	14,635	15,452
Prepayments	**933**	1,027
GST receivable	**101**	–
Other receivables*	**4,758**	4,833
	20,427	21,312

*Other receivables include $1,231,000 (2013: $2,475,000) on account of property commissions receivable by KPEC. It also includes $602,000 (2013: $477,000) on account of commissions and margins on funds under management by TFS.

(b) Ageing analysis of trade receivables

As at 30 June, the ageing analysis of receivables is as follows:

	2014 $'000	2013 $'000
0 to 1 month	11,022	10,450
0 to 1 month CI^	14	9
1 to 3 months PDNI*	2,210	3,101
1 to 3 months CI^	27	20
3 to 6 months PDNI*	803	1,109
3 to 6 months CI^	224	241
Over 6 months PDNI*	600	792
Over 6 months CI^	1,612	1,195
	16,512	16,917

*Past due but not impaired (*PDNI)
^Considered impaired (^CI)

Trade receivables are non-interest bearing and are generally on 30 day terms. A provision for impairment is recognised when there is objective evidence that a trade receivable is impaired. Bad and doubtful debts expense of $1,039,000 (2013: $521,000) has been recognised by the Group in the current year. These amounts have been included in other operating expenses.

(c) Movements in provision for impairment

Movements in the provision for impairment of trade receivables are as follows:

	2014 $'000	2013 $'000
At 1 July	(1,465)	(1,595)
Bad and doubtful debts recognised during the year	(1,039)	(521)
Receivables written off during the year as uncollectible	627	651
At 30 June	(1,877)	(1,465)

The creation and release of the provision for impaired receivables has been included in 'other operating expenses' in the statement of comprehensive income. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

(d) Fair value and credit risk

The maximum exposure to credit risk at reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 3 for more information on the risk management policy of the Group.

(e) Non-current assets – Receivables

	2014 $'000	2013 $'000
Other receivables*	1,618	741
Interest bearing loans**	247	268
	1,865	1,009

*Other receivables relate to commissions on sale of properties expected to be received when settlement of the properties occur.
**Loans bear interest @8.5% p.a. and have a term of 10 years.

11 Current assets – Loans and advances

	2014 $'000	2013 $'000
Loans and advances	183	37

12 Current assets – Work in progress

	2014 $'000	2013 $'000
Work in progress – at cost	6,044	5,505
Provision for write-off of work in progress	(494)	(342)
	5,550	5,163

(a) Ageing analysis of work in progress

As at 30 June, the ageing analysis of work in progress is as follows:

	2014 $'000	2013 $'000
0 to 1 month	2,078	1,926
0 to 1 month PWO*	155	17
1 to 3 months CR^	1,445	1,439
1 to 3 months PWO*	96	10
Over 3 months CR^	2,027	1,798
Over 3 months PWO*	243	315
	6,044	5,505

*Provided for write off ('PWO')
^Considered recoverable ('CR')

A provision for write-off is recognised when an amount in excess of net recoverable value of work in progress is identified. A provision of $494,000 (2013: $342,000) has been recognised by the Group in the current year. Any provision for write-off recognised during the year is debited to operating revenue in the income statement.

(b) Movements in provision for write-off

Movements in provision for write-off of work in progress are as follows:

	2014 $'000	2013 $'000
At 1 July	342	295
Provision for write-off recognised during the year	152	47
At 30 June	494	342

Details of the significant accounting policies and methods adopted for accounting for work in progress can be found in note 1(k).

13 Other investments

Available-for-sale financial assets comprise:

	2014 $'000	2013 $'000
Unlisted investments, at fair value		
Other investments	2,977	–
	2,977	–

Available-for-sale financial assets comprise of investments in the ordinary issued capital of Super-IP. There are no fixed returns or fixed maturity dates attached to these investments. No intention to dispose of any unlisted available-for-sale financial assets existed at 30 June 2014.

14 Tax liabilities

(a) Current tax liabilities

	2014 $'000	2013 $'000
Provision for income tax	752	1,399

(b) Deferred tax assets

	2014 $'000	2013 $'000
The balance comprises temporary differences attributable to:		
Provisions		
Bonus	**57**	68
Employee liabilities (annual leave and long service leave)	**1,598**	1,568
Bad and doubtful debts	**563**	441
Make good	**61**	9
Rent free period	**65**	–
Accruals	**91**	156
Deferred revenue	**–**	10
Depreciation	**87**	150
Loan establishment costs	**9**	23
ASX listing / equity raising costs	**51**	174
Total deferred tax assets	**2,582**	2,599
Set-off of deferred tax liabilities pursuant to set-off provisions	**(2,582)**	(2,599)
Net deferred tax assets	**–**	–

(c) Movements in deferred tax assets

	Equity raising cost $'000	Other $'000	Total $'000
At 1 July 2012	248	3,299	3,547
(Charged)/credited to income tax expense	–	40	40
(Charged) directly to equity	(74)	–	(74)
Deferred tax balance on acquisition of subsidiaries	–	5	5
Transfer to current tax liabilities	–	(919)	(919)
At 30 June 2013	174	2,425	2,599
At 1 July 2013	**174**	**2,425**	**2,599**
(Charged)/credited to income tax expense	**(123)**	**84**	**(39)**
Deferred tax balance on acquisition of subsidiaries	**–**	**22**	**22**
At 30 June 2014	**51**	**2,531**	**2,582**

(d) Deferred tax liabilities

	2014 $'000	2013 $'000
The balance comprises temporary differences attributable to:		
Work in progress	**1,665**	1,916
Prepaid expenses	**11**	138
Adjustment to carrying value of investment in subsidiaries	**129**	1,498
Fair value intangible assets	**3,306**	4,307
Adjustment to carrying value of investment in associates	**49**	131
Adjustment to tax cost base on depreciation of asset due to tax consolidation	**30**	67
Other	**235**	116
Revaluation of other investments	**180**	–
Total deferred tax liabilities	**5,605**	8,173
Set-off of deferred tax assets pursuant to set-off provisions (refer note 14(b) above)	**(2,582)**	(2,599)
Net deferred tax liabilities	**3,023**	5,574

(e) Movements in deferred tax liabilities

	Share of profit of associates $'000	Fair valued intangible assets $'000	Fair valued consolidation uplift $'000	Revaluation reserve $'000	Other $'000	Total $'000
At 1 July 2012	–	5,100	1,498	–	2,091	8,689
Deferred tax balance on acquisition of subsidiaries*	–	128	–	–	–	128
Charged/(credited) to the income tax expense	131	(921)	–	–	146	(644)
At 30 June 2013	131	4,307	1,498	–	2,237	8,173
At 1 July 2013	**131**	**4,307**	**1,498**	**–**	**2,237**	**8,173**
Net deferred tax balance on acquisition of subsidiaries*	**–**	**209**	**–**	**–**	**–**	**209**
Deconsolidation of LBM	**–**	**(310)**	**(463)**	**–**	**(60)**	**(833)**
Unwinding DTL/Overprovision	**–**	**–**	**(906)**	**–**	**(237)**	**(1,143)**
Charged/(credited) to the income tax expense	**(82)**	**(849)**	**–**	**–**	**1**	**(930)**
Charged directly to equity (revaluation reserve)	**–**	**–**	**–**	**180**	**–**	**180**
Other adjustments	**–**	**(51)**	**–**	**–**	**–**	**(51)**
At 30 June 2014	**49**	**3,306**	**129**	**180**	**1,941**	**5,605**

*Includes business assets acquired by member firms

15 Property, plant and equipment

	Office equipment $'000	Furniture, fixtures and fittings $'000	Make good $'000	Leasehold improvements $'000	Other property, plant and equipment* $'000	Motor vehicle $'000	Total $'000
At 30 June 2012							
Cost	4,172	2,170	756	1,413	473	176	9,160
Accumulated depreciation	(1,362)	(593)	(260)	(408)	(143)	(32)	(2,798)
Net book amount	2,810	1,577	496	1,005	330	144	6,362
Year 30 June 2013							
Opening net book amount	2,810	1,577	496	1,005	330	144	6,362
Additions	470	309	–	57	148	1	985
Disposals – written down value	(12)	(1)	–	(16)	(18)	–	(47)
Depreciation expense	(689)	(297)	(30)	(91)	(122)	(24)	(1,253)
Write offs	(247)	(2)	–	(30)	(43)	–	(322)
Closing net book amount	2,332	1,586	466	925	295	121	5,725
At 30 June 2013							
Cost	3,742	2,572	756	1,204	762	177	9,213
Accumulated depreciation	(1,410)	(986)	(290)	(279)	(467)	(56)	(3,488)
Net book amount	2,332	1,586	466	925	295	121	5,725
Year 30 June 2014							
Opening net book amount	**2,332**	**1,586**	**466**	**925**	**295**	**121**	**5,725**
Additions	**389**	**182**	**82**	**159**	**72**	**32**	**916**
Additions through acquisition of entity	**41**	**12**	**–**	**–**	**–**	**–**	**53**
Disposals – written down value	**(10)**	**(20)**	**–**	**(2)**	**(13)**	**–**	**(45)**
Transfers to intangible assets	**10**	**(55)**	**–**	**–**	**35**	**–**	**(10)**
Depreciation expense	**(622)**	**(281)**	**(48)**	**(46)**	**(104)**	**(24)**	**(1,125)**
Revaluation decrease recognised in income	**–**	**–**	**(132)**	**–**	**–**	**–**	**(132)**
De-consolidation of LBM	**(553)**	**–**	**(72)**	**(218)**	**(94)**	**–**	**(937)**
Write offs	**(2)**	**–**	**–**	**–**	**–**	**–**	**(2)**
Closing net book amount	**1,585**	**1,424**	**296**	**818**	**191**	**129**	**4,443**
At 30 June 2014							
Cost	**3,207**	**2,525**	**501**	**1,101**	**743**	**209**	**8,286**
Accumulated depreciation	**(1,622)**	**(1,101)**	**(205)**	**(283)**	**(552)**	**(80)**	**(3,843)**
Net book amount	**1,585**	**1,424**	**296**	**818**	**191**	**129**	**4,443**

* Refer to note 1(y) for further details.

16 Investment property

	Consolidated 2014 $'000	Consolidated 2013 $'000
Balance at the beginning of the year	**1,250**	1,250
Additions through Business combinations	**–**	–
Depreciation	**–**	–
Balance at end of the year	**1,250**	1,250

As part of the acquisition of the Pacific East Coast group in February 2012, the Company acquired a property asset ('Sign') which was classified initially under 'Other property, plant and equipment' in the consolidated financial statements. The asset acquired is a wall space of a building which is leased for advertising purposes. The 'Sign' is shown at fair value in the consolidated financial statements.

Management has determined that this asset should be classified as an investment property and measured at fair value in accordance with AASB 140. Refer to note 1(y) for further details and note 1(o) for accounting policy relating to Investment property.

17 Intangible assets

	Goodwill $'000	Acquired client relationships / Adviser networks $'000	Brands $'000	IT software $'000	Other intangible assets $'000	Total $'000
At 30 June 2012						
Cost	36,670	23,284	1,055	691	203	61,903
Accumulated amortisation and impairment	–	(6,296)	–	(280)	–	(6,576)
Net book amount	36,670	16,988	1,055	411	203	55,327
Year 30 June 2013						
Opening net book amount	36,670	16,988	1,055	411	203	55,327
Additions	–	290	–	297	97	684
Additions through acquisition of subsidiaries / business assets	1,039	425	–	–	–	1,464
Disposals*	(885)	–	–	–	–	(885)
Amortisation	–	(3,099)	–	(197)	(47)	(3,343)
Closing net book amount	36,824	14,604	1,055	511	253	53,247
At 30 June 2013						
Cost	36,824	23,998	1,055	1,007	300	63,184
Accumulated amortisation and impairment	–	(9,394)	–	(496)	(47)	(9,937)
Net book amount	36,824	14,604	1,055	511	253	53,247
Year 30 June 2014						
Opening net book amount	**36,824**	**14,604**	**1,055**	**511**	**253**	**53,247**
Additions	**–**	**111**	**–**	**348**	**686**	**1,145**
Additions through business combinations	**2,579**	**690**	**–**	**4**	**–**	**3,273**
Disposals	**–**	**–**	**–**	**(1)**	**(1)**	**(2)**
De-consolidation of LBM**	**(4,202)**	**(1,033)**	**–**	**–**	**–**	**(5,235)**
Adjustment for PPA including deferred taxes	**119**	**(170)**	**–**	**–**	**–**	**(51)**
Transfers from PPE	**–**	**–**	**–**	**10**	**–**	**10**
Amortisation	**–**	**(2,860)**	**–**	**(243)**	**(54)**	**(3,157)**
Closing net book amount	**35,320**	**11,342**	**1,055**	**629**	**884**	**49,230**
At 30 June 2014						
Cost	**35,320**	**22,457**	**1,055**	**1,360**	**985**	**61,177**
Accumulated amortisation and impairment	**–**	**(11,115)**	**–**	**(731)**	**(101)**	**(11,947)**
Net book amount	**35,320**	**11,342**	**1,055**	**629**	**884**	**49,230**

*In 2013, disposals relate to sales of business assets by Lawrence Business Management Pty Ltd and its subsidiary, Capital Legal Pty Ltd (currently Supergeneration Pty Ltd).
**Refer to note 32(e) for further details.

(a) Impairment tests for goodwill

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

From the member firms listed in note 32, nineteen member firms (twenty member firms until the sale of Lawrence Business Management Pty Limited) are considered as separate CGUs, operating largely independently from other businesses in the Group. These member firms are separately identified in note 32. The carrying amount of goodwill and other intangibles allocated to CGUs is disclosed in the table below. Three of the nineteen CGUs are considered individually significant (2013: 4 CGUs) in comparison to the Group's total carrying amount. For the remaining sixteen CGUs (2013: 16 CGUs) where the carrying amount of goodwill is not individually significant compared with the Group's total, they have been aggregated in the column "Other". The aggregate carrying amount of goodwill and other intangibles allocated to those other CGUs is significant in comparison with the entity's total carrying amount of goodwill and other intangibles.

Carrying amount of intangible assets allocated to each of the cash generating units:

	TFS Group		Wearne & Co		Lawrence Business Management		Kidmans PEC		Other		Total	
	2014 $'000	2013 $'000	**2014 $'000**	2013 $'000	**2014 $'000**	2013 $'000	**2014 $'000**	2013 $'000	**2014 $'000**	2013 $'000	**2014 $'000**	2013 $'000
Goodwill	**7,260**	7,260	**5,346**	5,346	**–**	4,202	**2,026**	2,026	**20,688**	17,990	**35,320**	36,824
Acquired client relationships	**6,736**	6,646	**1,806**	1,806	**–**	2,172	**324**	324	**13,591**	13,050	**22,457**	23,998
IT software	**73**	73	**–**	–	**–**	–	**–**	–	**1,287**	934	**1,360**	1,007
Brand	**–**	–	**–**	–	**–**	–	**1,055**	1,055	**–**	–	**1,055**	1,055
Other intangibles	**590**	94	**–**	–	**–**	–	**393**	203	**2**	3	**985**	300
Amortisation	**(2,594)**	(1,916)	**(1,038)**	(809)	**–**	(1,000)	**(208)**	(100)	**(8,107)**	(6,112)	**(11,947)**	(9,937)
Total	**12,065**	12,157	**6,114**	6,343	**–**	5,374	**3,590**	3,508	**27,461**	25,865	**49,230**	53,247

Entities within TFS Group, Lawrence Business Management (deconsolidated on 31 December 2013) and Kidmans PEC are shown in note 32.

Two methods were utilised to assess the recoverable amount of the CGUs; 1. a value in use calculation using cash flow projections from financial budgets approved by senior management covering a 5 year period; and 2. a fair value less costs to sell calculation.

For the value in use calculation, a pre-tax discount rate has been applied to cash flow projections and cash flows beyond the 5 year period have been extrapolated using a 3% growth rate. This method is used to assess impairment for the individually significant CGUs.

The fair value less cost to sell method is based on the best information available to reflect the amount that an entity could obtain, at the end of the reporting period, from the disposal of the businesses in an arm's length transaction between knowledgeable, willing parties, after deducting the cost of disposal. A multiple of earnings before interest, tax and amortisation (EBITA) is used, assessed as comparable to the market trading multiples of similar businesses. This method is used to assess impairment for the CGUs that are not individually significant.

(b) 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
– Discount rates

Revenue growth is based on averages achieved by the CGUs in previous periods and management assessment over the forecast period. Average annual revenue growth assumed to be maintained between 3.5% p.a. and 4% p.a. over the 5 year period for all CGUs.

Employment expense ratios are based on averages achieved by the CGUs in previous periods and management assessment over the forecast period. These are calculated as employment costs as a percentage of net revenue. For the TFS Group, this is assumed to be maintained between 35.5% and 37% over the forecast period. For the other CGUs, this is assumed to be maintained between 49% and 59% over the forecast period.

Discount rates represent the current market assessment of the risks specific to each CGU, taking into account 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 calculation is based on the specific circumstances of each CGU derived from its weighted average cost of capital (WACC). The WACC takes into account 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. A pre-tax discount rate of 14.9% p.a. was applied to all CGUs.

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 3% p.a. The sensitivity analysis concluded that changing this rate to reflect possible lower growth projections would not materially impact the valuations.

(c) Sensitivity to changes in assumptions

For the TFS Group (acquired 30 September 2010):

The recoverable amount as determined by the value in use calculation exceeds the carrying value by $3,984,000.

Reasonably possible changes in assumptions will not result in impairment except the following:
– If the Company's revenue declined by an average of 3.2% p.a. over the five year forecast period, it would result in recoverable value equating to the carrying value.
– If the Company's revenue declined by an average of 4.2% p.a. over the forecast period, an impairment of $542,000 would result.
– If the pre-tax discount rate applied to cash flows was increased to 19.35% p.a., it would result in recoverable value equating to fair value.
– If the pre-tax discount rate applied to cash flows was increased to 20.35% p.a., an impairment of $615,000 would result.

For Wearne & Co (acquired 16 August 2010):

The recoverable amount as determined by the value in use calculation exceeds the carrying value by $4,426,000.

Reasonable possible changes in assumptions will not result in impairment except the following:
– If the Company's revenue declined by an average of 8.9% p.a. over the forecast period, it would result in recoverable value equating to the carrying value
– If the Company's revenue declined by an average of 9.9% p.a. over the forecast period, an impairment of $286,000 would result.

For Kidmans PEC (KPEC) and the other CGUs:

Management believes that no reasonable change in any of the key assumptions would cause the carrying value to materially exceed its recoverable amount.

(d) Amortisation period of intangible assets other than goodwill

The remaining amortisation period for the intangible assets are as follows:

Acquired client relationships	6 – 10 years
Adviser networks	11 – 14 years
Software	1 – 4 years
Brand	Indefinite life

18 Trade and other payables

(a) Current payables

	2014 $'000	2013 $'000
Trade payables	**2,265**	2,542
GST payable	**2,159**	2,198
Sundry payables and accrued expenses	**4,266**	3,031
Other payables	**1,252**	2,237
	9,942	10,008

(b) Non-current payables

	2014 $'000	2013 $'000
Other payables*	**1,003**	457
	1,003	457

*Other payables relate to referral fees payable by the PEC Group subsidiaries to its affiliated members and employees.

19 Interest bearing loans and borrowings

(a) Current interest bearing loans and borrowings

	2014 $'000	2013 $'000
Unsecured		
Loans from related parties	**9**	43
Total unsecured current loans and borrowings	**9**	43
Secured		
Hire purchase liabilities (note 30)	**8**	213
Total secured current loans and borrowings	**8**	213
Total current loans and borrowings	**17**	256

There are no restrictions placed upon the borrower by entering into the transactions above.

Risk exposures

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in note 3.

(b) Non-current interest bearing loans and borrowings

	2014 $'000	2013 $'000
Secured		
Bank loans	20,849	17,557
Hire purchase liabilities (note 30)	–	100
Other interest bearing loans	–	2
Total secured non-current loans and borrowings	**20,849**	17,659

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	2014 $'000	2013 $'000
Bilateral funding facility	25,000	20,000
	25,000	20,000
Total facilities	25,000	20,000
Used at balance date	(20,849)	(17,557)
Unused at balance date	4,151	2,443

The non-current interest bearing loans and borrowings balance is made up of $20.8 million borrowings from the Commonwealth Bank of Australia ("the Commonwealth Bank"). Countplus entered into a variable rate, 3 year interest only, bill facility with the facility limit of $25 million. The bill rate is variable and is based on the indicative BBSY (Bid) Rate with the actual bill rate determined on the day preceding drawdown date. As at reporting date, $4.2 million remains undrawn.

20 Other liabilities

(a) Other current liabilities

	2014 $'000	2013 $'000
Provision for dividend	3,340	3,304
Deferred cash consideration for acquisition of subsidiaries*	1,348	1,460
Deferred equity consideration for acquisition of subsidiaries*	336	585
Deferred cash consideration for acquisition of associates	692	469
Other current liabilities	888	844
	6,604	6,662

*Deferred cash and equity consideration for acquisition relates to the acquisitions made by the subsidiaries. Please refer to note 33 for further information in relation to Business combinations.

Deferred equity consideration is an additional entitlement in Countplus Limited shares, issued to vendors of Countplus' subsidiaries and 'tuck-in' subsidiaries who nominated to receive Countplus equity as part of acquisition consideration. These entitlements are based on future financial performance in accordance with the business sales and purchase agreement of the respective businesses.

Movements in other current liabilities

Movements in each significant category of other current liabilities during the financial year, other than the 'other current liabilities' (which pertains to client deposits and unearned revenue), are set out below:

	Dividend $'000	Deferred cash consideration for acquisition of subsidiaries* $'000	Deferred equity consideration for acquisition of subsidiaries* $'000	Deferred cash consideration for acquisition of associates $'000	Total $'000
Consolidated 2014					
Current					
At 1 July 2013	3,304	1,460	585	469	5,818
Acquisition of subsidiaries	–	412	–	–	412
Transferred to deferred cash consideration	–	40	(40)	–	–
(Gain)/loss on deferred consideration	–	142	(45)	–	97
Transferred from non-current liabilities	–	593	294	469	1,356
Transferred from deferred equity consideration	–	45	–	–	45
Transfer from deferred cash consideration	–	(126)	126	–	–
Arising during the year	13,318	91	–	–	13,409
Payment made/shares issued during the year	(13,282)	(1,309)	(584)	(246)	(15,421)
At 30 June 2014	**3,340**	**1,348**	**336**	**692**	**5,716**
Consolidated 2014					
Current 2014	3,340	1,348	336	692	5,716
Non-current 2014 (refer note 20(b))	–	387	–	–	387
	3,340	1,735	336	692	6,103
Consolidated 2013					
Current 2013	3,304	1,460	585	469	5,818
Non-current 2013 (refer note 20(b))	–	504	435	469	1,408
	3,304	1,964	1,020	938	7,226

*Includes business assets acquired by member firms.

(b) Other non-current liabilities

	2014 $'000	2013 $'000
Deferred cash consideration for acquisition of subsidiaries	**387**	504
Deferred equity consideration for acquisition of subsidiaries	**–**	435
Deferred cash consideration for acquisition of associates	**–**	469
Lease make good provision	**501**	756
	888	2,164

Movements in other non-current liabilities

Movements in each category of other non-current liabilities during the financial year, are set out below:

	Deferred cash consideration for acquisition of subsidiaries* $'000	Deferred equity consideration for acquisition of subsidiaries* $'000	Deferred cash consideration for acquisition of associates $'000	Lease make good provision $'000	Total $'000
Consolidated – 2014					
Non-current					
At 1 July 2013	504	435	469	756	2,164
Acquisition of subsidiary	342	–	–	–	342
Transferred to deferred cash consideration – non-current	45	(45)	–	–	–
Payment / adjustment during the year	(82)	–	–	(95)	(177)
De-consolidation of subsidiary (LBM)	–	–	–	(160)	(160)
(Gain)/loss on deferred consideration adjustment	171	(51)	–	–	120
Transferred to deferred cash consideration – current liabilities	(593)	(45)	–	–	(638)
Transferred to current liabilities	–	(294)	(469)	–	(763)
At 30 June 2014	**387**	**–**	**–**	**501**	**888**

*Includes business assets acquired by member firms.

21 Provisions

(a) Current provisions

	2014 $'000	2013 $'000
Provision for cash bonus	**192**	212
Employee benefits – annual leave	**1,742**	2,152
Employee benefits – long service leave	**1,764**	1,438
	3,698	3,802

(b) Non-current provisions

	2014 $'000	2013 $'000
Employee benefits – long service leave	**1,821**	1,660

22 Contributed equity

(a) Share capital

	2014 Shares	2013 Shares	2014 $'000	2013 $'000
Fully paid – ordinary shares (b)	**111,323,461**	110,125,869	**122,050**	119,852
Capital contribution	**–**	–	**1,955**	1,955
ASX listing cost	**–**	–	**(586)**	(586)
Issued capital held by loan funded share plan (LFSP) (d)	**–**	–	**(2,273)**	(730)
Loan funded share plan establishment costs	**–**	–	**(35)**	(35)
	111,323,461	110,125,869	**121,111**	120,456

(b) Fully paid ordinary shares on issue

Date	Details	Number of shares	Issue price	$'000
1 July 2012	Opening balance	109,263,997		118,532
31 October 2012	Shares issued for part of consideration for acquisition of PEC Group	197,208	$1.45	286
15 January 2013	Shares issued for loan funded share plan	486,889	$1.50	730
15 April 2013	Shares issued for employee loyalty share plan	177,775	$1.71	304
30 June 2013	Closing balance	110,125,869		119,852
1 July 2013	Opening balance	110,125,869		119,852
31 October 2013	Shares issued for part of consideration for acquisition of PEC Group	213,930	$1.79	384
15 January 2014	Shares issued for loan funded share plan	825,032	$1.87	1,543
10 April 2014	Shares issued for part of consideration for acquisition of Mark Kenmir	119,047	$1.68	200
28 April 2014	Shares issued for employee loyalty share plan	39,583	$1.79	71
30 June 2014	Closing balance	111,323,461		122,050

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Employee share scheme

The Company has an equity scheme, under which an entitlement to loan funded shares are granted to certain employees (refer note 38).

(e) Capital risk management

When managing capital, management's objective is to ensure the entity 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 Company is positioned to take advantage of favourable costs of capital or higher expected returns on assets. Return on equity is the primary measure used to monitor capital, for which a 15% target is used. The Company currently has a facility of $25m, with the Commonwealth Bank of Australia, of which $20.8m was drawn as at 30 June 2014 to fund tuck-ins and the investment in Super-IP. Future acquisitions are expected to be funded from existing and future cash flows and by issuing new capital. In the long term, the Company expects to maintain a dividend payout ratio of between 50% and 70%. Management will consider varying the amount of dividends paid having regard to economic and industry conditions as well as acquisition requirements. Dividends are paid quarterly. Dividends paid and declared during 2014 are disclosed in note 26.

The Board of Directors have committed to issuing $1,000 of shares to full time employees with 12 months service of subsidiaries that meet performance targets each financial year (part time employees in proportion).

The Company is not subject to any externally imposed capital requirements.

23 Reserves

(a) Reserves

	2014 $'000	2013 $'000
Acquisition reserves	(68,127)	(68,127)
Share based payment reserve	294	70
AFS reserve	420	–
	(67,413)	(68,057)

(b) Movements in reserves

	2014 $'000	2013 $'000
Acquisition reserves		
At 1 July	(68,127)	(68,127)
Acquisition of non-controlling interests	–	–
At 30 June	(68,127)	(68,127)
Share based payment reserve		
At 1 July	70	–
Share based payment for loan funded share plan	142	47
Application of dividends to loan funded share plan	82	23
At 30 June	294	70
AFS reserve		
At 1 July	–	–
Fair value gain on revaluation of AFS asset	600	–
Deferred tax on above	(180)	–
At 30 June	420	–
Total reserves	(67,413)	(68,057)

(c) Nature and purpose of reserves

(i) Acquisition reserves

The acquisition reserve arises on the acquisition of the non-controlling interests of subsidiaries. On 1 July 2010, the Company'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 Reserves.

(ii) 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.

(iii) AFS reserve

Changes in the fair value arising on revaluation of investments that are classified as available-for-sale financial assets (eg equities), are recognised in other comprehensive income and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired, see accounting policy note 1(l)(iv) for details.

24 Retained earnings/(accumulated losses)

	2014 $'000	2013 $'000
At 1 July	(637)	1,627
Net profit for the year	11,131	10,920
Dividends paid and / or proposed	(13,318)	(13,184)
At 30 June	(2,824)	(637)

25 Non-controlling interest

	2014 $'000	2013 $'000
Reconciliation of non-controlling interest in controlled entities		
At 1 July	223	202
Share of operating profit	182	163
Dividends paid by subsidiaries to non-controlling interests	(115)	(142)
At 30 June	290	223

26 Dividends

(a) Dividends paid or proposed during the year on ordinary shares declared in current period

	2014 $'000	2013 $'000
Dividends paid during the year		
Interim dividend fully franked based on tax paid @ 30%, ordinary dividend paid for the year ended 30 June 2014 of 9.0 cents (2013 – 9.0 cents) per share	9,978	9,880
Dividends proposed and recognised as liability		
Final dividend fully franked based on tax paid @ 30%, ordinary dividend for the year ended 30 June 2014 of 3.0 cents (2013 – 3.0 cents) per share	3,340	3,304
Total dividends paid or provided for during the year	13,318	13,184

(b) Dividends proposed but not recognised at the end of the year

Interim franked dividend based on tax paid @ 30%, for the year ending 30 June 2015 of 2.0 cents (2014 – 3.0 cents) per share to be paid on 17 November 2014	2,226	3,304
	2,226	3,304

(c) Franking account balance

	2014 $'000	2013 $'000
Franking credits available for subsequent financial years at a tax rate of 30%	2,392	2,310

The above available balance is based on the dividend franking account as at end of reporting period, adjusted for:
(a) franking credits that will arise from the payment of the amount of the provision for income tax;
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date; and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the end of each reporting period.

27 Key Management personnel disclosures

(a) Directors

The following persons were Directors of Countplus Limited during the period:

(i) Chairman – Executive
Barry Martin Lambert

(ii) Executive Directors
Michael James Spurr (Managing Director, CEO and CFO)
Philip Stephen Rix

(iii) Non-Executive Directors
Graeme Hilton George Fowler
Donald Kenneth Sharp
David Maxwell Smith

(b) Key Management personnel compensation

	2014 $	2013 $
Short-term employee benefits	865,838	861,199
Post-employment benefits	78,376	76,049
Long-term benefits	15,760	16,609
	959,974	953,857

Detailed remuneration disclosures are provided in the Remuneration Report.

(c) Shareholdings

The number of ordinary shares in Countplus Limited held during the financial year by each Director and other key management personnel of Consolidated entity, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

	2014	2013
Directors		
Barry Martin Lambert	**5,398,062**	5,398,062
Michael James Spurr	**35,000**	35,000
Phillip Stephen Rix	**1,044,252**	1,044,252
Graeme Hilton George Fowler	**18,595**	12,945
Donald Kenneth Sharp	**50,000**	50,000
David Maxwell Smith	**15,000**	15,000

(d) Other transactions with key management personnel

(i) A Non-Executive Director of the Company, David Smith, is a Director of Smithink Pty Ltd, which was paid fees amounting to $25,500 (2013: $49,000) for professional consulting services by Countplus and its subsidiaries.

(ii) On 21 October 2013, Countplus Limited made a strategic investment of $2.15m (subscribing for 1 million shares representing 3.7% of total shares on issue) in Super-IP Pty Ltd, a technology business that owns the self-managed superannuation fund software administration platform, Class Super. The Chairman of Countplus Limited, Barry Lambert is also the Chairman of Super-IP Pty Ltd, appointed to that position in November 2008. Mr Lambert and his related parties hold 37,000 ordinary shares in Super-IP (0.1%).

On 9 May 2014, Countplus Limited acquired a further 82,500 shares @ $2.75 per share in Super-IP Pty Ltd. The total investment represents approximately 3.9% of total shares on issue.

Countplus Non-Executive Director, David Smith was appointed Chief Executive Officer of Super-IP Pty Ltd in November 2013 and commenced his role on 6 January 2014. In April 2014, David Smith resigned from his role as Chief Executive Officer of Super-IP Pty Ltd.

No other transactions were involved with key management personnel during the financial year 2014 (2013: $nil).

28 Remuneration of auditors

	2014 $	2013 $
Audit services – Ernst & Young		
*Audit services**		
Audit and review of financial reports	**420,950**	337,000
Total remuneration for audit and other services	**420,950**	337,000
Non audit services		
Total remuneration for taxation services	**–**	–
Total remuneration of Ernst & Young	**420,950**	337,000

*Amount expensed during the year. The figures in this disclosure exclude non-Ernst & Young audit fees.

29 Contingencies

Contingent liabilities

Guarantees

Guarantees given in respect of leases and premises amounted to $648,092 (2013: $435,870) for the Group. No material losses are anticipated in respect of this guarantees.

Purchase of fees

One of the subsidiary, Cooper Reeves Pty Ltd entered into a client transfer agreement with a Queensland based entity before the balance date. The settlement is contingent upon the satisfaction of certain obligations as set out in the agreement. Consideration for the purchase is $45,000. Purchase consideration is to be settled in 3 instalments.

30 Commitments

(a) Capital commitments

Capital expenditure contracted for at reporting date but not recognised as liabilities is as follows:

	2014 $'000	2013 $'000
Property, plant and equipment		
Payable:		
Within one year	31	48
Later than one year but not later than five years	–	31
	31	79
Intangible assets		
Payable:		
Within one year	–	41
	–	41
Total capital commitments	31	120

The Group has a commitment for capital expenditure totalling $31,000 (2013: $120,000) as at 30 June 2014. The commitments relate to the capital expenditure for office equipment and software and are due to be settled within 12 months of the reporting date.

(b) Lease commitments

(i) 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 eight 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.

	2014 $'000	2013 $'000
Minimum lease payments under non-cancellable operating leases:		
Within one year	3,282	4,125
Later than one year but not later than five years	4,704	6,200
Later than five years	402	250
	8,388	10,575

(ii) Finance leases

As at the reporting date, the Group has no finance lease liabilities (2013: $nil).

(c) Hire purchase commitments

The Group leases various office equipment, motor vehicles and leasehold improvements under hire purchase arrangement. The future commitments under these categories are as follows:

	2014 $'000	2013 $'000
Commitments in relation to hire purchase are payable as follows:		
Within one year	8	228
Later than one year but not later than five years	–	107
Minimum payments	8	335
Future finance charges	–	(22)
Total liabilities	8	313
Representing hire purchase liabilities:		
Current (note 19)	8	213
Non-current (note 19)	–	100
	8	313

(d) Remuneration commitments

	2014 $'000	2013 $'000
Commitments for the payment of salaries and other remuneration under long term employment contracts in existence at the reporting date but not recognised as liabilities, payable:		
Within one year	**887**	888
Later than one year and not later than five years	**1,375**	2,335
	2,262	3,223

31 Related party transactions

(a) Parent entities

The parent entity within the Group is Countplus Limited.

During 2011, Countplus Pty Limited converted to a public company (Countplus Limited) and ceased to be a controlled subsidiary of Count Financial. During 2012, Count Financial was fully acquired by the Commonwealth Bank of Australia. Count Financial retains an ownership interest in Countplus Limited of 36.8% as at 30 June 2014 (2013: 37.2%).

(b) Subsidiaries

The Group consists of the Company and its controlled entities (subsidiaries). Details of these subsidiaries are set out in note 32.

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

- the loans advanced by the Company to subsidiaries;
- the payment of dividends to the Company by subsidiaries; and
- the remittance of profits to the Company by subsidiaries.

Interest is payable at 10% p.a. on the loans advanced by the Company to subsidiaries. At year end, all loan balances, payment of dividends and the remittance of profits between the Company and these subsidiaries were eliminated on consolidation.

(c) Key management personnel

Disclosures relating to key management personnel are set out in remuneration report and note 27.

(d) Transactions with related parties

The following transactions occurred with related parties:

	2014 $	2013 $
Sales of goods and services		
Net fees and commissions received from Count Financial	**15,327,864**	15,078,371
Loyalty payments from Count Financial	**4,121,163**	1,691,231
	19,449,027	16,769,602

Sixteen subsidiaries (after disposal of LBM during the year) of the Group were franchisees of Count Financial during the period and operate under their Australian Financial Services Licence. Fees and commissions received from Count Financial for the provision of financial planning services are either paid by Count Financial to these subsidiaries or paid by investment platform operators who are authorised by Count Financial to pay directly to these subsidiaries. Included in the net fees and commission received from Count Financial are income received by Countplus Limited under a 'Relationship Deed' agreement.

Countplus Limited entered into a 'Relationship Deed' agreement with Count Financial Limited on 4 November 2010. Count Financial granted Countplus "Most Favoured Nation Status" (MFN Status). This means that in relation to an existing or new Count Product or Service, except for Platform and Asset Financing Revenue, Count will offer the Countplus Group the best terms for the existing or new Count Product or Service which is available by the Count Group to any other member of the Count Group. Count will pay Countplus 50% of the Platform Revenue received by Count from a Preferred Platform Provider in respect of Countplus FUM with that Platform Provider. Count will pay Countplus 50% of any revenue received from an Asset Financier in relation to Asset Financing for Countplus' clients, customers and associates. Countplus received fees and commissions of $1,735,363 (2013: $1,322,487) from Count Financial in accordance with the terms set out in the Relationship Deed.

The amount of $4,121,163 (2013: $1,691,231) represents the loyalty payments from Count Financial in accordance with the methods defined under the Loyalty Payment Framework which was established as a result of the takeover of Count Financial by the Commonwealth Bank of Australia. Under the framework, Count franchisees are entitled to receive a loyalty payment calculated based on their contribution to Count Financial's income. Sixteen subsidiaries of the Group are franchisees of Count Financial and are therefore recipient of the loyalty payment.

	2014 $	2013 $
Other transactions		
Service fee paid to Count Financial	**200,000**	262,500
Interest expense paid to Count Financial	**–**	259,835
	200,000	522,335
Premises expenses[1]		
Bakery Mews Property Trust[2]	**51,500**	–
Bartonwood Pty Ltd[3]	**151,495**	144,702
Catalyst Finance Pty Ltd[4]	**187,718**	182,738
The Southport Unit Trust[5]	**230,277**	233,027
Rosebead Pty Ltd[6]	**54,721**	52,300
Free Carry Pty Ltd[7]	**–**	55,600
	675,711	668,367

1. Premises expenses with related parties are set and maintained at commercial rates, with reviews carried out per the terms of standard contracts.
2. Bakery Mews Property Trust is an unlisted entity and the trustee for Barniwar Nominees Pty Ltd. Mr Peter Nicholson, the Principal of Peak Financial Services Pty Ltd, a wholly owned subsidiary of the parent entity, is also a beneficiary of Barniwar Nominees Pty Ltd.
3. Bartonwood Pty Ltd is an unlisted entity controlled by Mr A C Dalwood. Mr A C Dalwood was a former principal of Crosby Dalwood Pty Ltd, a wholly owned subsidiary of the parent entity. Mr A C Dalwood still provides consulting services to the entity.
4. Catalyst Finance Pty Ltd is an unlisted entity controlled by Mr D Glover, Mr C Bartlett and Ms J Beverley. Mr D Glover, Mr C Bartlett and Ms J Beverley are also the principals of Evolution Advisers Pty Ltd, a wholly owned subsidiary of the parent entity.
5. Mr M Beddoes and Mr G Missen are directors of MBA Bookkeeping Pty Ltd, the trustee for the Southport Unit Trust. Both Mr M Beddoes and Mr G Missen are principals of The MBA Partnership Pty Ltd, a wholly owned subsidiary of the parent entity.
6. Rosebead Pty Ltd is an unlisted entity and the trustee for the Muttama Superannuation Fund. Mr M Twomey, Mr G Twomey, Ms R Twomey, and Ms M Twomey are joint beneficiaries of the Muttama Superannuation Fund. Mr M Twomey is a principal of Twomeys Pty Ltd, a wholly owned subsidiary of the parent entity. Mr G Twomey and Ms M Twomey are employees of Twomeys Pty Ltd.
7. Free Carry Pty Ltd is an unlisted entity as the trustee for the FIFO Superannuation Fund controlled by Mr P Beames and Mr R Beames. Previously, Mr P Beames and Mr R Beames were principals of Beames & Associates Pty Ltd, a wholly owned subsidiary of the parent entity.

(e) Outstanding balances arising from transactions with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2014 $	2013 $
Current receivables		
Receivable from Count Financial Limited	**3,711,105**	2,002,223
Current payables		
Payable to Count Financial Limited	**200,000**	75,000

Current receivables

The above current receivable from Count Financial Limited includes the loyalty payments totalling $3,355,000 (2013: $1,651,768) and a rebate receivable of $356,105 (2013: $350,455). These are included in 'Trade and other receivables' in the statement of financial position.

Current payables

For 2014, the above current payable is the fee payable by the parent to Count Financial under a service agreement. Countplus entered into a service agreement with Count Financial in November 2010 under which Count provides services to the parent including shared office space, furniture, computer hardware and software, IT services and support. It is included in current 'Trade and other payables'. In 2013, the payable was on account of deferred cash consideration payable to Count Financial for the acquisition of CountGPS (now ChangeGPS) and was included in 'Other current liabilities' in note 20.

32 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with accounting policy described in note 1(b):

Name of entity	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2014	Percentage Owned (%)* 2013
1. The MBA Partnership Pty Ltd*	Australia	**100**	100
• Digital 02 Pty Ltd (formerly 888 Corporate Pty Ltd)	Australia	**100**	100
• MBA FS (Rawsons) Pty Ltd	Australia	**70**	70
2. Lawrence Business Management Pty Ltd*^	Australia	**–**	100
• Supergeneration Pty Ltd (formerly Capital Legal Pty Ltd)	Australia	**–**	100
• Docpro Pty Ltd	Australia	**–**	100
3. Twomeys Pty Ltd (formerly HMA Twomeys Pty Ltd)*	Australia	**100**	100
4. Bentleys (WA) Pty Ltd*	Australia	**100**	100
5. Beames & Associates Accounting and Financial Services Pty Ltd*	Australia	**100**	100
• Beames & Associates Co Ltd (Vietnam office)	Vietnam	**–**	100
• Cooma Accounting and Financial Services Pty Ltd	Australia	**100**	100
6. Specialised Business Solutions Pty Ltd*	Australia	**100**	100
7. Mogg Osborne Pty Ltd*	Australia	**100**	100
8. Crosby Dalwood Pty Ltd*	Australia	**100**	100
9. Cooper Reeves Pty Ltd*	Australia	**100**	100
10. Countplus One Pty Ltd (formerly Countplus MBT Pty Ltd)*	Australia	**100**	100
11. Evolution Advisers Pty Ltd*	Australia	**100**	100
12. Robson Partners Pty Ltd*	Australia	**100**	100
13. Achieve Corporation Pty Ltd*	Australia	**100**	100
14. Kidmans Partners Pty Ltd*	Australia	**100**	100
15. 360 Financial Advantage Pty Ltd (formerly 360 Financial Vision Pty Ltd)	Australia	**100**	100
16. Wearne & Co Pty Ltd*	Australia	**100**	100
17. Cartwright Brown & Company Financial Planning Pty Ltd*	Australia	**75**	75
18. Countplus FS Holdings Pty Ltd (TFS Group)*	Australia	**100**	100
• Total Financial Solutions Australia Ltd	Australia	**100**	100
• TFS Operations Pty Limited	Australia	**100**	100
• TFS Advice Pty Limited	Australia	**100**	–
19. Change Accountants & Advisors Pty Ltd*	Australia	**100**	100
• ChangeGPS Pty Ltd (formerly Count GPS Pty Ltd)	Australia	**100**	100
20. Kidmans PEC Pty Ltd (PEC Group)*	Australia	**100**	100
• Pacific East Coast Pty Ltd	Australia	**100**	100
• Property Investment Management Ltd	Australia	**100**	100
• Pacific East Coast Securities Ltd	Australia	**100**	100
• Pacific East Coast Accounting Pty Ltd	Australia	**100**	100
• Pacific East Coast Real Estate Pty Ltd	Australia	**100**	100
• Pacific East Coast Queensland Pty Ltd	Australia	**100**	100
• Pacific East Coast ACT Real Estate Pty Ltd	Australia	**100**	100
• Pacific East Coast WA Pty Ltd	Australia	**100**	100

* These subsidiaries (member firm Groups) 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 is ordinary shares.
^ LBM and its subsidiaries deconsolidated in December 2013. Refer to note 32(e) for further details.

(a) 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 Group.

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 Group.

(b) Subsidiaries with material non-controlling interests

None of the subsidiaries have a non-controlling interests that are material to the Group.

(c) Consolidated structured entities

The Company or 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.

(d) Disposal of a subsidiary that results in loss of control

On 31 December 2013, the parent entity disposed of its 100% interest in Lawrence Business Management Pty Limited (LBM). The actual control was lost on 18 December 2013 and the transaction was settled on 15 January 2014.

An accounting profit of 676,244 was attributable to members of the parent from the disposal and is recorded in the other income line in the consolidated statement of comprehensive income.

(e) Disposal of a subsidiary – carrying amount of net assets

The carrying amount of the net assets of Lawrence Business Management Pty Limited (LBM) at the date of disposal were:

	Lawrence Business Management $'000
Cash and cash equivalents	981
Receivables	1,419
Work in progress	902
Loans and advances	11
Total current assets	3,313
Property, plant and equipment	936
Intangible assets	5,236
Total non-current assets	6,172
Trade payables	992
Provisions	399
Interest bearing loans and borrowings	57
Current tax liabilities	178
Total current liabilities	1,626
Interest bearing loans and borrowings	63
Provisions	350
Deferred tax liabilities	833
Total non-current liabilities	1,246
Net assets	6,613
Total consideration	
Received in cash	7,289
Net assets	(6,613)
Accounting profit on disposal of subsidiary	676

33 Business combinations

(a) Current period

Summary of acquisitions

In July 2013, Countplus subsidiary 360 Financial Advantage Pty Ltd (formerly 360 Financial Vision Pty Ltd) acquired the business assets of Port Macquarie, NSW accounting firm, Advantage Accountants & Business Consultants Pty Ltd. Consideration for the purchase was $1,042,000. Purchase consideration is to be settled in 2 instalments.

In July 2013, Countplus subsidiary 360 Financial Advantage Pty Ltd (formerly 360 Financial Vision Pty Ltd) acquired the business assets of Port Macquarie, NSW accounting firms, Harrison & Siepen. Consideration for the purchase was $253,000. Purchase consideration is to be settled in 3 instalments.

In July 2013, Countplus subsidiary 360 Financial Advantage Pty Ltd (formerly 360 Financial Vision Pty Ltd) acquired the business assets of Coffs Harbour, NSW accounting sole practitioner, Mark Palmer. Consideration for the purchase was $312,000. Purchase consideration is to be settled in 3 instalments.

In July 2013, Countplus subsidiary Countplus One Pty Ltd (formerly Countplus MBT Pty Ltd) acquired the business assets of Sydney accounting and financial services firm, Peak Financial Services Pty Ltd. Consideration for the purchase was $664,000. Purchase consideration is to be settled in 3 instalments.

In July 2013, Countplus subsidiary Kidmans Partners Pty Ltd acquired Melbourne based accounting business, Taylor Partners. Consideration for the purchase was $667,000. Purchase consideration is to be settled in 4 instalments.

In February 2014, Countplus subsidiary Crosby Dalwood Pty Ltd acquired an Adelaide based accounting business from Barry Marks. Consideration for the purchase was $89,000. Purchase consideration is to be settled in 2 instalments.

	Advantage Accountants Fair value $'000	Harrison & Siepen Fair value $'000	Mark Palmer Fair value $'000	Peak Financial Services Fair value $'000	Taylor Partners Fair value $'000	Barry Marks Fair value $'000
Contribution since acquisition						
Gross revenue	1,284	410	390	374	692	90
Net profit	198	70	66	49	218	23
Assets and liabilities acquired						
Office equipment	34	5	2	–	–	–
Deferred tax assets	16	–	5	1	–	–
Furniture & Fittings	12	–	–	–	–	–
Software	4	–	–	–	–	–
Acquired Client Relationships	250	70	50	75	219	26
Total assets	316	75	57	76	219	26
Provisions	(58)	–	(16)	(5)	(33)	–
Deferred tax liabilities	(75)	(21)	(15)	(23)	(66)	(9)
Total Liabilities	(133)	(21)	(31)	(28)	(99)	(9)
Fair value of identifiable net assets	183	54	26	48	120	17
Goodwill arising on acquisition	859	199	286	616	547	72
Acquisition date fair value	1,042	253	312	664	667	89
Cash paid	939	100	247	463	457	67
Deferred cash consideration*	103	153	65	201	210	22
Total Consideration	1,042	253	312	664	667	89

*Refer to note 2(e).

The fair value of assets and liabilities acquired in these business combinations has been determined based on available information except for Barry Marks which has been provisionally determined as at 30 June 2014. This particularly impacts fair values for acquired client relationships (ACR) as part of the business combinations and the related deferred tax liabilities which were not complete as at the reporting date.

Key factors contributing to goodwill are synergies existing within the acquired businesses, superior management and superior service offerings. None of the goodwill recognised is expected to be deductible for tax purposes.

(b) Contribution of entities acquired during the period

The above listed acquisitions made during financial year 2014 contributed gross revenue and net profit of $3,240,000 and $623,000 respectively, to the consolidated statement of comprehensive income. Had the acquisitions occurred at the beginning of the reporting period, the consolidated statement of comprehensive income would have included gross revenue and net profit of approximately $3,252,000 and $626,000 respectively.

(c) After the reporting period

Business combinations completed after the end of the reporting period are detailed in note 35. The acquisition accounting for these business combinations had not been completed at the time the financial statements were being prepared. During the measurement period, these acquisitions will be provisionally accounted for until purchase price accounting is finalised, at which point the financial effects of these business combinations will be fully disclosed.

34 Interests in associates

(a) Details of associates

	Principal place of business / Country of Incorporation	Percentage Owned (%)* 2014	Percentage Owned (%)* 2013
Associates:			
One Hood Sweeney Pty Ltd	Australia	**23**	25
My Accounts Pty Ltd	Australia	**30**	30
Home Port Property Group Pty Ltd (Trustee of Home Port Property Group Unit Trust)	Australia	**50**	50
Home Port Property Group Unit Trust	Australia	**50**	50

*The percentage of ownership interest held is equivalent to the percentage voting rights for all associates.

On 20 December 2013, the 20% (2013: 25%) owned Countplus associate, One Hood Sweeney Pty Ltd ("Hood Sweeney") completed a merger with boutique accounting firm Shearer + Elliss. The acquisition was funded by equity, as a result of which Countplus' interest in Hood Sweeney has reduced from 25% to 20%.

On 30 April 2014, Countplus acquired a further 511,051 shares of One Hood Sweeney Pty Ltd for $492,352 from one of the investors. As a result of this, Countplus' interest in Hood Sweeney has increased from 20% to 23%.

One Hood Sweeney Pty Ltd

Hood Sweeney is a South Australian professional services firm with over 80 staff located across Adelaide, Whyalla and Kadina. It provides accounting, business advisory, financial planning, finance and technology services to its clients. The transaction represents Countplus' new progressive acquisition model, in which an initial minority interest is taken. The model allows Principals to retain a direct interest and can more easily facilitate the entry of new Principals into an equity position, as well as reducing acquisition risk for Countplus. This investment by Countplus is strategic to the Group's activities.

My Accounts Pty Ltd

My Accounts is a professional bookkeeping business with over 20 staff operating in Sydney, Melbourne and Brisbane. In May 2013, Countplus member firm, Change Accountants & Advisors (Change) took a 30% equity stake in My Accounts. Countplus will be able to provide the highest level of professional resources and support to My Accounts for its growth. This investment is strategic to the Group's activities.

Home Port Property Group Unit Trust and Home Port Property Group Pty Ltd (Trustee of Home Port Property Group Unit Trust)

Home Port Property Group Pty Ltd (Trustee of Home Port Property Group Unit Trust) is an Australian based licensed real estate agency, with offices in Sydney & Melbourne, from where Homeport provides a specialist service to a client base of property investors located all around the world. Countplus member firm Kidmans PEC Pty Ltd took a 50% equity stake in Home Port Property Group. They are strategic to the entity's activities.

(b) Associates

All associates have the same year end as the parent entity.

There are no significant restrictions on the ability of associates to transfer funds to the Consolidated entity in the form of cash dividends or to repay loans or advances made by the associate entities.

On 22 April 2014, subsidiary firm, Achieve Corporation (Achieve) entered into a service and option agreement with financial planning business, Sage Wealth Creation (Sage), whereby Sage will provide financial planning services to clients of Achieve. As part of the agreement, Achieve was granted a call option by Sage shareholders to acquire 25% of the shares in Sage. The option may be exercised from 1 July 2015 if Sage meets an annual revenue hurdle. The shareholders of Sage were also granted a put option by Achieve to sell 25% of their shares to Achieve if Sage meets the same revenue target. The options may be cancelled with the mutual consent of both parties or subject to certain conditions from 1 July 2016. The price is based on an agreed multiple of earnings.

As at balance date both the options are considered to be of nil value as the exercise price is considered to be a proxy of fair value of the portion of the business subject to this option.

(c) Material associates

The following information is provided for associates that are material to the Consolidated entity. Figures are as per the associate's financial statements, adjusted for fair value adjustments at acquisition date and differences in accounting policies, rather than Consolidated entity's share.

	One Hood Sweeney Pty Limited	
Name of Associate	2014 $	2013 $
Measurement basis	**Equity method**	Equity method
Dividends/distributions received from the associate	**383,932**	258,622
Summarised consolidated statement of financial position		
Current assets	**4,790,353**	3,745,964
Other non-current assets	**3,661,633**	3,938,101
Goodwill*	**20,568,287**	15,469,937
Current liabilities	**(4,743,794)**	(2,701,598)
Non-current liabilities	**(1,048,079)**	(799,000)
Net assets / equity	**23,228,400**	19,653,404
Percentage of Group's ownership	**23%**	25%
Carrying amount of investment	**5,342,532**	4,913,351
Summarised consolidated statement of comprehensive income		
Revenue	**(19,339,168)**	(17,169,702)
Cost of goods sold	**3,885,961**	4,046,160
Salaries and employee expenses	**8,037,561**	6,384,402
Depreciation and amortisation	**264,922**	232,241
Other operating expenses	**3,723,764**	2,681,121
Interest expense	**212,105**	216,318
Income tax expense / (benefit)	**999,794**	999,860
(Profit) / loss from continuing operations	**(2,215,061)**	(2,609,600
Other comprehensive income	**–**	–
Total comprehensive income	**(2,215,061)**	(2,609,600)
Group's share of (profit)/loss for the year	**(320,761)**	(484,473)

*Goodwill acquired by the Consolidated entity has been grossed up to 100% to arrive at the total net assets of the associate entity as per AASB 12 Disclosure of interests in other entities. The increase in the amount of goodwill is partly due to the acquisition / merger by the associate entity with another entity during the year.

Reconciliation of net assets of associate to the carrying amount of interest in associates:

	2014 $	2013 $
Reconciliation of net assets to carrying amount		
Group's share of net assets (excluding goodwill)	611,826	1,045,867
Goodwill	4,730,706	3,867,484
Carrying amount	5,342,532	4,913,351

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

	2014 $	2013 $
One Hood Sweeney Pty Limited		
Opening balance as on 1 July	4,913,351	–
Interests acquired in associates	492,352	4,687,500
Share of profit	320,761	484,473
Distributions received	(59,295)	(48,788)
Dividends received	(324,637)	(209,834)
Carrying amount as at 30 June	5,342,532	4,913,351

The associate had no contingent liabilities or capital commitments as at 30 June 2014 or 2013.

(d) Aggregate information for associates that are not individually material

Consolidated Entity has interests in two other associates, none of which is considered individually material. The table below summarises, in aggregate, the financial information of all individually immaterial associates.

	2014 $	2013 $
Carrying amount of investments in associates that are not individually material		
Opening balance as 1 July	310,403	2
Interests acquired in associates	–	308,536
Share of profit	24,743	1,865
Distributions received	(16,000)	–
Closing balance as at 30 June	319,146	310,403

35 Events occurring after the reporting date

(i) In July 2014, Countplus subsidiary TFS Operations Pty Limited acquired a 40% share in Victorian based firm, Financial Momentum Vic Pty Ltd. Consideration for the purchase is the sum of the first instalment payment of $840,000, plus potential additional payment based on future financial performance in accordance with the share sale and purchase agreement.

(ii) On 19 August 2014, a business sale and purchase agreement was executed by Countplus subsidiary, Beames & Associates Accounting and Financial Services Pty Ltd to acquire the business assets of Canberra based professional services firm, JDAA Accounting. Consideration is estimated to be $1.1 million and settlement is expected in September 2014.

The acquisition is part of the Consolidated entity's overall strategy to expand by seeking to partner with quality professional services practices.

The purchase consideration will be satisfied by the issue of 393,724 ordinary shares of Beames & Associates Accounting and Financial Services Pty Ltd at $1.34 per share, and a cash payment of $0.53 million. The financial effect of this transaction has not been brought to account in the 2014 financial report. At the time the financial statements were authorised for issue, the Group had not yet completed the accounting for the acquisition of JDAA Accounting. In particular, the fair values of the assets and liabilities disclosed above have only been determined provisionally as the independent valuations have not been finalised. It is also not yet possible to provide detailed information about contingent liabilities of the acquired entity, if any.

	$'000
Purchase consideration	
Cash	530
Equity issued	529
	1,059
Less:	
Property, plant and equipment	16
Employee liabilities	(57)
Identifiable assets acquired and liabilities assumed	(41)
Goodwill	1,100

(iii) On 20 August 2014, Countplus announced it will launch a direct equity plan in 2014/15 to allow employees to purchase equity directly in the subsidiary company with which they are employed. This will allow employees to share directly in the performance of their businesses. Sale proceeds will be reinvested in new acquisitions and investments.

(iv) On 20 August 2014, Countplus Limited declared an interim dividend for 2014/15 of 2 cents per share payable on 17 November 2014 (record date: 29 October 2014).

(v) On 25 August 2014, Director David Smith acquired an additional 35,000 fully paid ordinary shares in Countplus Limited bringing the total number of Countplus shares held by him to a total of 50,000 shares.

The financial report was authorised for issue on 10 September 2014 by the board of directors.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect:
(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

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

	2014 $'000	2013 $'000
Net profit from operations after income tax for the year	11,313	11,083
Non-cash flows in profit:		
Depreciation and amortisation	4,282	4,596
Loss on disposals	–	204
Employee loyalty share plan / Share based payments	214	351
Bad debt written off / provision for impairment of receivables	412	(130)
Loss/(gain) on deferred consideration	217	(139)
Share of associates' net profits	(346)	(486)
Net (gain)/loss on disposal of assets	42	21
Write offs of non-current assets	2	322
Revaluation of Make Good	132	–
Net gain on deconsolidation of LBM	(676)	–
Changes in operating assets and liabilities		
Increase in trade and other receivables	(3,742)	(1,986)
Increase in work in progress	(387)	(517)
Increase in trade and other payables	2,248	1,680
Decrease in income taxes payable	(469)	(937)
(Decrease)/increase in net deferred taxes liabilities	(2,034)	285
(Decrease)/increase in employee and other provisions	(310)	694
Net cash inflow from operating activities	10,898	15,041

37 Earnings per share

(a) Earnings per share

	2014 Cents	2013 Cents
Basic earnings per share (EPS) from continuing operations attributable to the ordinary owners of the Company	10.14	9.98
Diluted earnings per share (EPS) from continuing operations attributable to the ordinary owners of the Company	10.13	9.98

(b) Reconciliation of earnings to profit or loss from continuing operations

	2014 $'000	2013 $'000
Profit from continuing operations	11,313	11,083
Profit attributable to non-controlling equity interest in respect of continuing operations	(182)	(163)
Earnings used to calculate basic and diluted EPS from continuing operations	11,131	10,920

(c) Earnings used to calculate overall earnings per share

	2014 $'000	2013 $'000
Profit attributable to the ordinary owners of the Company used in calculating basic and diluted EPS	11,131	10,920

(d) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2014 No.	2013 No.
Weighted average number of ordinary shares used as the denominator in calculating basic EPS	**109,815,090**	109,432,792
Loan funded share plan	**24,298**	6,412
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	**109,839,388**	109,439,204

38 Share based payment plans

a(i) 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. The LFSP is fully funded by a non-recourse interest-free loan, over a maximum of 5 years, provided by the Company. LFSP shares are held by the trust until the vesting conditions are satisfied and the loan is repaid. The shares will normally vest with the employee when the participant remains in continuous employment with the subsidiary for a period of 3 years commencing on the grant date. Additional performance based vesting conditions applies to Directors of subsidiaries. Unvested shares held by the trust are owned by the Consolidated entity and recorded at cost in the consolidated statement of financial position within equity as treasury shares (see note 1(v)). Dividends paid by the Company on shares in the LFSP are partly distributed to the participants to meet taxation liabilities. The remainder is applied to repay the loan balance and is eliminated on consolidation. A transfer is made from retained earnings to a separate reserve on consolidation for the amount of the dividend applied to the loan.

Any forfeited shares may be reallocated in subsequent grants.

A summary of the Company shares issued up to the year ended 30 June 2014 are as follows:

Description	Grant date	Expiry date	Exercise price	Start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Balance at end of the year	Vested and exercisable at end of the year
LFSP 2013	15 January, 2013	14 January, 2016	1.50	–	486,889	–	–	486,889	–
LFSP 2014	15 January, 2014	14 January, 2017	1.87	–	825,032	–	–	825,032	–

a(ii) Weighted average fair value of LFSP granted

The weighted average fair value of the LFSP 2014 granted during the year was $0.3679. These values were calculated by using a binomial model applying the following inputs:

Description	LFSP 2013	LFSP 2014
Grant date:	15 January 2013	15 January 2014
Expiry date:	14 January 2016	14 January 2017
Valuation at grant date ($):	0.59	0.46
Exercise price ($):	1.50	1.87
Expected life of the LFSP (years):	5	5
Dividend yield:	0%	0%
Expected share price volatility:	40.00%	20.00%
Vesting probability:	100.00%	80.00%
Risk-free interest rate:	2.96%	3.47%
Fair value at grant date ($):	0.59	0.37

The expected life is based on current expectations and may not be indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility over a period similar to the expected life of the loan funded shares is indicative of future trends, which may not necessarily be the outcome. Under the plan, dividends are applied to reduce the loan balance so a 0% dividend yield was used in the model.

The share based payment expense associated with the LFSP 2013 was $95,940 (2013: $47,313) and the remaining contractual life for the shares issued in the plan is 3.5 years.

The share based payment expense associated with the LFSP 2014 was $45,975 and the remaining contractual life for the shares issued in the plan is 4.5 years.

The life of the LFSP is based on the expected exercise patterns, which may not eventuate in the future.

(b) Employee loyalty equity plan

On 28 April 2014, 39,583 shares (2013: 177,775 shares) were issued to 78 employees (2013: 342 employees) at an issue price of $1.79 per share (2013: $1.71 per share). Shares were granted to employees of subsidiaries that met performance targets for the 2013 financial year. The share based payment expense associated with this issue was $70,854 (2013: $303,995) and is disclosed in note 7.

39 Parent entity

(a) Summary financial information

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

	2014 $'000	2013 $'000
Consolidated Statement of Financial Position		
Net assets		
Current assets	8,029	6,146
Non-current assets	115,743	123,284
Total Assets	123,772	129,430
Current liabilities	(7,153)	(9,120)
Non-current liabilities	(20,921)	(18,027)
Total Liabilities	(28,074)	(27,147)
Net assets	95,698	102,283
Equity		
Contributed equity	123,383	121,186
Reserves	714	70
Retained earnings	(28,399)	(18,973)
	95,698	102,283
Consolidated Statement of Comprehensive Income		
Profit or loss for the year	3,892	2,652
Other comprehensive income	420	–
Total comprehensive income	4,312	2,652

(b) Guarantees entered into by parent entity

The parent entity has not provided any financial guarantees in respect of bank overdrafts or loans of subsidiaries.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2014 or 30 June 2013.

(d) Contractual commitments for acquisition of property, plant and equipment

The parent entity did not have any commitments as at 30 June 2014 or 30 June 2013.

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2014 are in accordance with the Corporations Act 2001 and:
    a. comply with Accounting Standards, which, as stated in accounting policy note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
    b. give a true and fair view of the financial position and performance of the Consolidated Group;
2. In the directors opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable with the continuing support of creditors.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

Barry Martin Lambert
Director
Sydney

Dated 10 September 2014

Independent Auditor’s Report to the Members of Countplus Limited

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Independent auditor's report to the members of Countplus Limited

Report on the financial report

We have audited the accompanying financial report of Countplus Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility 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 controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a)(i), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor’s Independence Declaration, a copy of which is included in the directors’ report.

Opinion

In our opinion:

a. the financial report of Countplus Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a)(i).

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2014. 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.

Opinion

In our opinion, the Remuneration Report of Countplus Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Mark Raumer
Partner
Sydney
10 September 2014

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in this report is as follows:

(a) Distribution of Equity Securities

The number of shareholders, by size of holding, in each class of shares as at 23 September 2014 are:

	Ordinary Shares	
	Number of Holders	Number of Shares
1 – 1,000	412	245,339
1,001 – 5,000	897	2,478,032
5,001 – 10,000	381	3,027,773
10,001 – 100,000	528	15,454,516
100,001 – and over	116	90,117,801
Total	2,334	111,323,461

Holding less than a marketable parcel – 72 holders.

(b) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares as at 23 September 2014 are:

	Listed Ordinary Shares – Fully Paid	
	Number	Percentage
1. COUNT FINANCIAL LIMITED	40,945,747	36.78
2. MR BARRY MARTIN LAMBERT	4,064,729	3.65
3. TIMLYN INVESTMENTS PTY LTD <SBS MUNRO A/C>	2,294,599	2.06
4. SANTOS L HELPER PTY LTD <THE SBS VAN PAASSEN A/C>	2,101,082	1.89
5. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,829,766	1.64
6. ACN 137 064 236 PTY LTD	1,649,279	1.48
7. JOY WILMA LILLIAN LAMBERT	1,333,333	1.20
8. PACIFIC CUSTODIANS PTY LIMITED <EMPLOYEE SHARE TST A/C>	1,311,921	1.18
9. NATIONAL NOMINEES LIMITED	1,116,473	1.00
10. HARVEY INVESTMENT COMPANY PTY LTD <SEASTAR INVESTMENT A/C>	923,459	0.83
11. MR MICHAEL ALLAN BEDDOES <BEDDOES PRACTICE A/C>	923,458	0.83
12. MR THOMAS BRIAN LAWRENCE <TOM LAWRENCE FAMILY A/C>	889,345	0.80
13. DR & DE HOLDINGS PTY LIMITED <DR & DE HOLDINGS UNIT A/C>	770,322	0.69
14. HARMIT PTY LTD <RIX ACCOUNTING A/C>	698,644	0.63
15. MR CHRISTOPHER WATTS <SHERWOOD A/C>	696,167	0.63
16. RBC INVESTOR SERVICES AUSTRALIA NOMINEES PTY LIMITED <BKCUST A/C>	686,896	0.62
17. J P MORGAN NOMINEES AUSTRALIA LIMITED	681,945	0.61
18. ROBSON INVESTMENT HOLDINGS PTY LTD <ROBSON SUPER FUND A/C>	639,686	0.57
19. SANDHURST TRUSTEES LTD <LMA A/C>	631,655	0.57
20. MR JONATHAN MARK RITCHIE + MRS WENDY JANE RITCHIE <BRINFIELDS SUPER FUND A/C>	622,893	0.56
Totals: Top 20 holders of ISSUED CAPITAL (TOTAL)	**64,811,399**	**58.22**

(c) Substantial Shareholders

As at 23 September 2014, the substantial shareholder is:

	Listed Ordinary Shares - Fully Paid	
Ordinary Shareholders	Number	Percentage
COUNT FINANCIAL LIMITED	40,945,747	36.78

(d) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

Investors' Information

Share Trading

Countplus Limited's fully paid ordinary shares are listed on the Australian Stock Exchange and are traded under the code CUP.

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 4 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 8272 0491
Email:	info@countplus.com.au

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 ordinary share held by the member. Options carry no voting rights.

Corporate Directory

Registered Office

Gold Fields House
Level 19
1 Alfred Street
Sydney NSW 2000
Telephone: +61 2 8272 0491
Facsimile: +61 2 9241 7342

Board of Directors

Current Board Member	Position
Barry Martin Lambert	Executive Chairman
Michael James Spurr	Managing Director
Philip Stephen Rix	Executive Director
Graeme Hilton George Fowler	Non-Executive Director
Donald Kenneth Sharp	Non-Executive Director
David Maxwell Smith	Non-Executive Director

Company Secretary

Arlette Jubian

Website

www.countplus.com.au

Accountants

Deloitte Touche Tohmatsu
Grosvenor Place
225 George Street
Sydney NSW 2000
Telephone: +61 2 9322 7000
Facsimile: +61 2 9322 7001

Bankers

Commonwealth Bank of Australia

Independent Auditors

Ernst & Young
680 George Street
Sydney NSW 2000
Telephone: +61 2 9248 5555
Facsimile: +61 2 9248 5218

Share Registry

Computershare Investor Services Pty Ltd
Level 4
60 Carrington Street
Sydney NSW 2000
Telephone: +61 2 8234 5000
1300 850 505
Facsimile: +61 2 8235 8150

Solicitors

Addisons Lawyers
Level 12
60 Carrington Street
Sydney NSW 2000
Telephone: +61 2 8915 1000
Facsimile: +61 2 8916 2000

Shareholders' Calendar

Annual General Meeting

The Annual General Meeting for shareholders of Countplus Limited will be held at:

Address: Computershare
Level 4, 60 Carrington Street
Sydney NSW 2000

Time: 10.00 am

Date: Wednesday 26 November 2014

Dividends Declared

A fully franked dividend for the 2015 financial year of two cents per ordinary share was declared on 20 August 2014 to investors registered at the close of business on 29 October 2014. The shares will be ex-dividend on 27 October 2014.

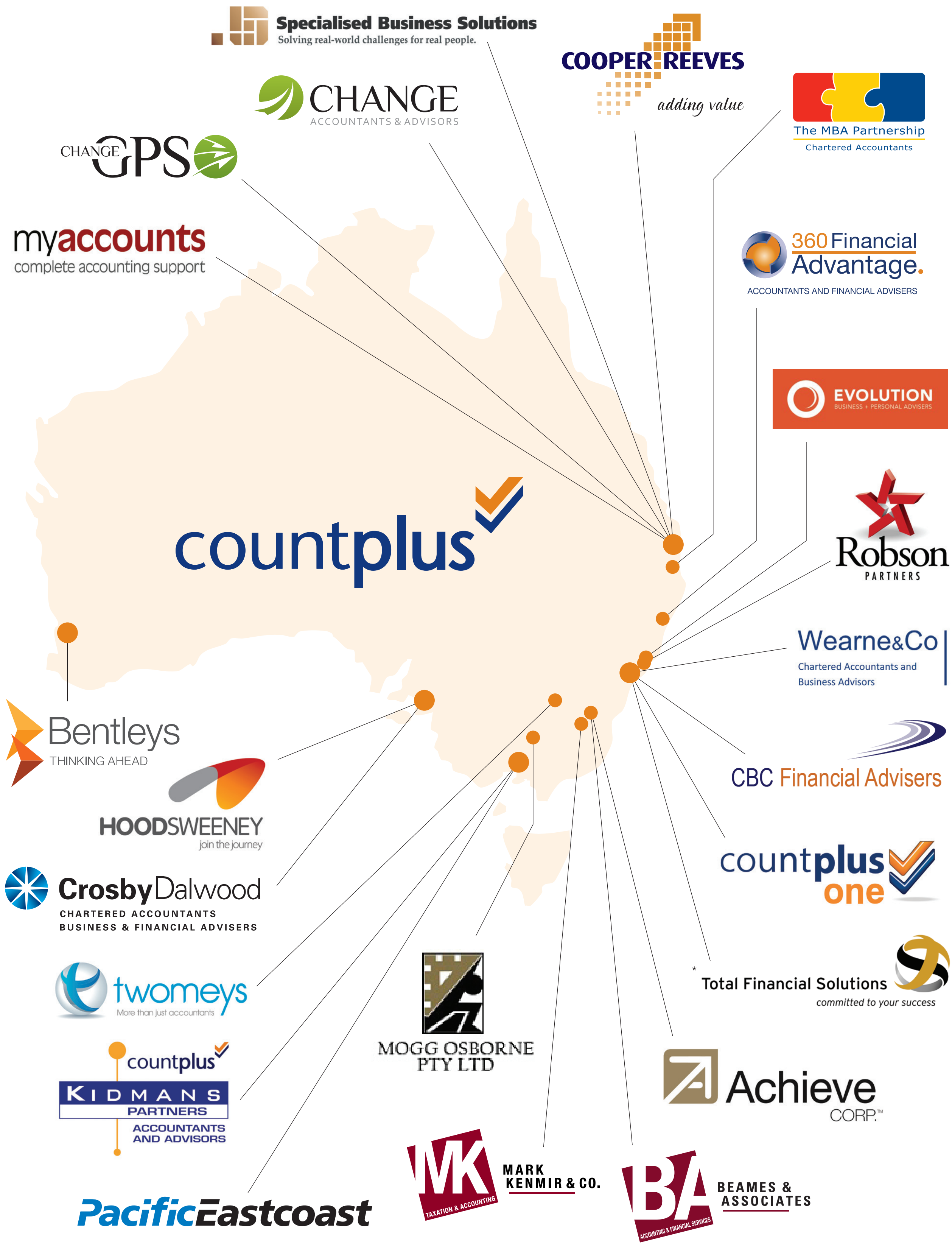
Dividends Paid/Payable

Dividends Paid 2011/12	Cents per share	Paid
1st Interim Dividend	3 cents	15 November 2011
2nd Interim Dividend	3 cents	15 February 2012
3rd Interim Dividend	3 cents	15 May 2012
Final Dividend	3 cents	15 August 2012
Dividends Paid 2012/13	**Cents per share**	**Paid**
1st Interim Dividend	3 cents	15 November 2012
2nd Interim Dividend	3 cents	15 February 2013
3rd Interim Dividend	3 cents	15 May 2013
Final Dividend	3 cents	15 August 2013
Dividends Paid 2013/14	**Cents per share**	**Paid**
1st Interim Dividend	3 cents	15 November 2013
2nd Interim Dividend	3 cents	14 February 2014
3rd Interim Dividend	3 cents	15 May 2014
Final Dividend	3 cents	15 August 2014
Dividends Payable 2014/15	**Cents per share**	**Payable**
1st Interim Dividend	2 cents	17 November 2014

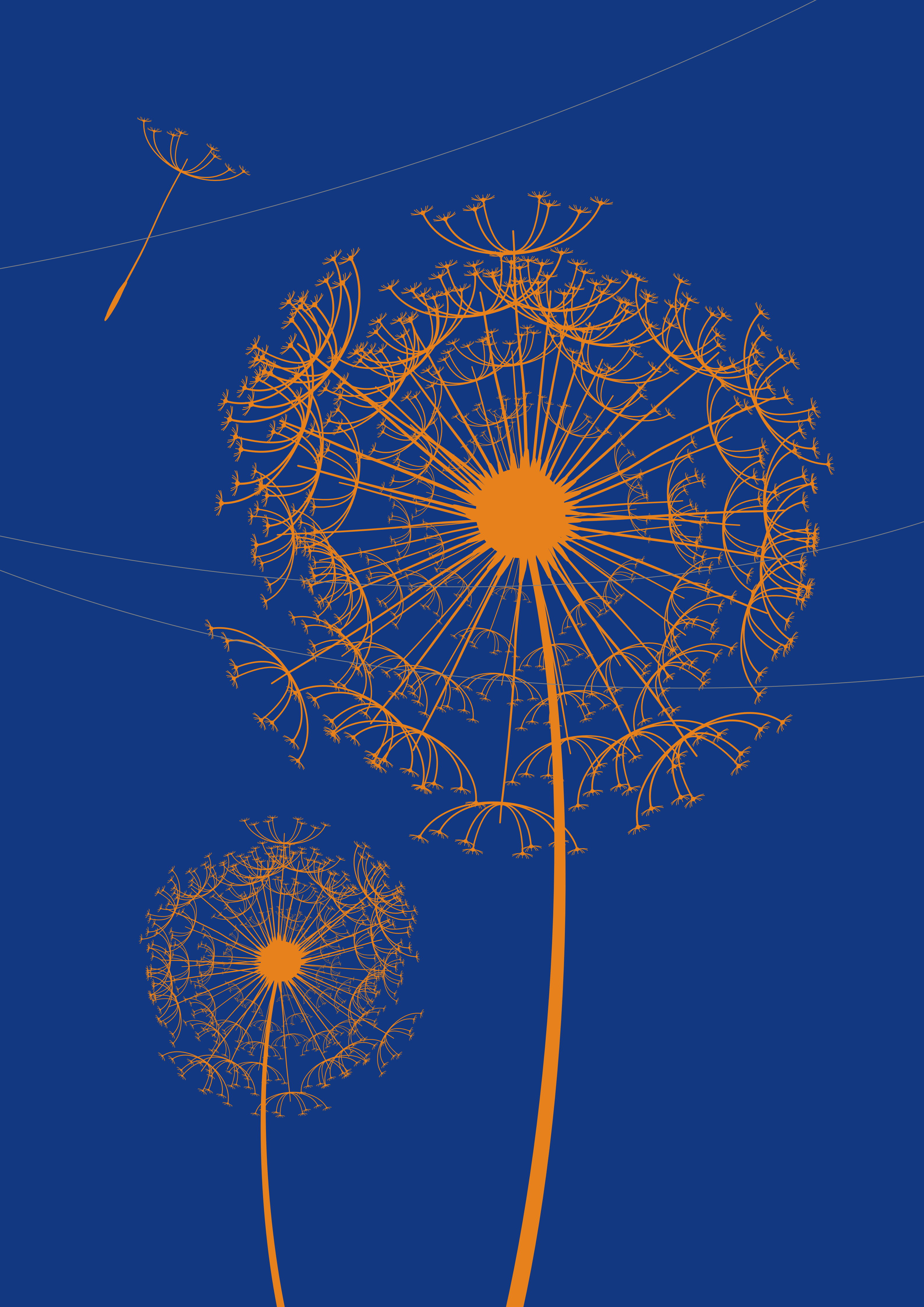
Proposed Future Dividends

Dividend 16 February 2015
Dividend 15 May 2015
Dividend 14 August 2015
Dividend 16 November 2015

Countplus Member Firms



* Total Financial Solutions is a national group with offices across 5 states. Their head office is in Sydney, NSW.



Countplus Group

360 Financial Advantage. ACCOUNTANTS AND FINANCIAL ADVISERS

Achieve CORP.

BA BEAMES & ASSOCIATES ACCOUNTING & FINANCIAL SERVICES

Bentleys THINKING AHEAD

CBC Financial Advisers

CHANGE ACCOUNTANTS & ADVISORS

CHANGE GPS

COOPER REEVES adding value

countplus one

Crosby Dalwood CHARTERED ACCOUNTANTS BUSINESS & FINANCIAL ADVISERS

EVOLUTION BUSINESS + PERSONAL ADVISERS

HOODSWEENEY join the journey

countplus KIDMANS PARTNERS ACCOUNTANTS AND ADVISORS

MK MARK KENMIR & CO. TAXATION & ACCOUNTING

The MBA Partnership Chartered Accountants

MOGG OSBORNE PTY LTD

myaccounts complete accounting support

PacificEastcoast

Robson PARTNERS

Specialised Business Solutions Solving real-world challenges for real people.

Total Financial Solutions committed to your success

twomeys More than just accountants

Wearne&Co Chartered Accountants and Business Advisors

countplus

Head Office
GPO Box 1453
Sydney NSW 2001

www.countplus.com.au