

ASX ANNOUNCEMENT: CUP

Friday, 21 August 2015



Countplus announces successful equity buy-backs and first investment for Advice389

Countplus Limited (ASX: CUP) has settled transactions with senior management and employees of two subsidiary firms for a part equity “buy-back”. The firms are the MBA Partnership (Gold Coast, QLD), and Kidmans Partners (Melbourne, VIC).

In addition, Countplus’ newly-established subsidiary, Advice389, has successfully completed its first 40% investment of Newcastle-based financial advice firm, Hunter Financial Pty Ltd.

Shared-equity partnerships agreed

The buy-back agreements were made in line with Countplus’ previously announced strategy of implementing a shared-equity model with its subsidiary firms, to promote sustainable growth for both Countplus, and its businesses. The firms were previously fully owned subsidiaries.

A group of MBA Partnership employees and Principals have taken a 40% interest in their business and Kidmans Partners employees and Principals, 30%.

Mr Phil Aris, Chief Executive Officer of Countplus, said that the strategy reflects the Board’s view that a shared-equity model will create greater opportunities for Countplus, as well as its member firms.

“Under a shared-equity model, our member firms stay independent, retain branding and keep entrepreneurial control, while ensuring their ability to grow, thanks to the backing of a major listed partner,” Mr Aris said.

Mr Aris further noted that the proceeds from the buy-backs (\$3.08 million) will be re-deployed to fund future business growth.

“These include our subsidiary companies Advice389 and Blue789, both of which are tasked with identifying and forming shared-equity partnerships with successful businesses in the financial advice and accounting sectors, to the mutual benefit of both parties,” Mr Aris explained.

Mr Aris confirmed that Countplus is continuing to pursue buy-back negotiations with other wholly-owned subsidiaries and expects to agree further shared-equity partnerships over time.



Advice389 completes first investment

Countplus also announced that its newly-established subsidiary, Advice389, has completed its first partnership investment with Newcastle-based financial advice firm, Hunter Financial Pty Ltd.

Advice389 has taken a 40% position in Hunter Financial for consideration of \$2.79 million, with the investment completed on 7 August 2015.

Mr Aris said that Hunter Financial is the ideal first partner, because it meets Advice389's strict partnership criteria. These include a robust business model, industry-leading professionalism and the ability to grow.

"Thanks to the backing of Advice389, and its parent company, Countplus, Hunter Financial will be able to actively pursue growth opportunities, not just for the business, but for staff. Young talent will be more likely to stay on due to the better career opportunities on offer, and senior staff have the opportunity to become partners in the business.

"It is our view that principals and senior employees have a greater incentive to grow their business when there is close alignment between the success of the business and their personal success, and this is what a shared-equity model achieves. It also drives a more robust succession plan, with younger staff having skin in the game," he said.

Mr Aris added that Advice389 is continuing to actively assess a number of financial advice firms and hopes to agree further shared-equity partnerships in the near future.

"We are very pleased that these three shared-equity agreements have been finalised. They are a clear indication that our strategy of partnering with successful businesses and acting as a 'growth facilitator' is meeting a prevailing market need and will continue to succeed," Mr Aris said.

Countplus is an aggregation of 21 businesses and their subsidiaries across Australia; 17 accounting/business advisory firms, one financial planning specialist, a property broking group and a financial planning dealer group. The Company listed on the ASX on 22 December 2010.

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