Countplus Limited

ABN 11 126 990 832

Half-Year Financial Report

for the half-year ended 31 December 2010

CORPORATE INFORMATION

ABN 11 126 990 832

Directors

B.M. Lambert	Executive Chairman, Executive Director
Michael Spurr	Managing Director, Chief Executive Officer
D.M. Smith	Non-Executive Director
G.H.G Fowler	Non-Executive Director
D.K.Sharp	Non-Executive Director

Company Secretary

Caress Andrews

Registered Office

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Web: www.countplus.com.au

Accountants

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225 George Street
Sydney NSW 2000
Telephone: +61 2 9322 7000
Facsimile: +61 2 9322 7001

Bankers

Commonwealth Bank of Australia

Share Register

Computershare Investor Services Pty Ltd
Level 3
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Telephone: 1300 855 080/+61 2 8234 5000
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Independent Auditors

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Ernst & Young Centre
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DIRECTORS' REPORT

Your directors submit their report for the half-year ended 31 December 2010.

DIRECTORS

The names and details of the company's directors in office during the half-year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

B.M. Lambert	Executive Chairman, Executive Director
Michael Spurr	Managing Director, Chief Executive Officer
D.M. Smith	Non-Executive Director
G.H.G Fowler	Non-Executive Director
D.K.Sharp	Non-Executive Director

OPERATING AND FINANCIAL REVIEW

Consolidated net profit after tax for the period was $8.34m, of which $3.68m was attributable to parent entity shareholders.

At 1 July, Countplus fully consolidated its interests in 15 entities (approximately a 25% interest in each) and fair valued those interests, resulting in a $3.44m gain. During the period, Countplus also acquired interests in 3 additional entities; Wearne & Co and TFSA were acquired in full and a 25% interest was purchased in CBC Financial Planning with control of this company achieved by way of a call option over the remaining issued capital. As part of a public listing, the company acquired the remaining equity in all but one of the entities (CBC Financial Planning) and raised $20 million to pay off existing debt, cover listing costs and fund the cash component of the final acquisitions of the entities. Countplus listed on the ASX on 22 December 2010.

AUDITORS' INDEPENDENCE DECLARATION

The auditor's independence declaration is included on page 4 of the financial report.

Signed in accordance with a resolution of the directors.

B.M. Lambert
Executive Chairman
Sydney, 28 February 2011

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Auditor's Independence Declaration to the Directors of Countplus Limited

In relation to our review of the financial report of Countplus Limited for the half-year ended 31 December 2010, 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
Sydney

28 February 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the half year ended 31 December 2010

	Notes	CONSOLIDATED 31-Dec-2010 $'000	31-Dec-2009 $'000
Revenue from operating activities	3	44,571	-
Other revenue	3	446	-
Revenue		**45,017**	
Fees, commissions and related costs		(3,818)	-
Share of profit of associates		-	1,207
Gross Profit		**41,199**	**1,207**
Fair value uplift on consolidation of associates		3,438	-
Gain on fair value of investments		420	-
Salaries and employee benefits expense	4	(23,280)	-
Premises expenses		(1,950)	-
Depreciation expense	4	(590)	-
Amortisation expense	4	(437)	-
Finance and interest expenses		(547)	-
Acquisition related expenses		(632)	-
Other operating expenses from ordinary activities	4	(5,309)	(153)
Total Expenses		(32,745)	(153)
Profit from Operations Before Income Tax		**12,312**	**1,054**
Income Tax Expense		(3,972)	
Net Profit From Operations after Income Tax		**8,340**	**1,054**
Other Comprehensive Income		**-**	
Total Comprehensive Income and profit for the Period		**8,340**	**1,054**
Total comprehensive income for the period is attributable to:			
Non-controlling interests		4,663	-
Members of the parent entity		3,677	1,054
		8,340	**1,054**
Basic Earnings Per Share (cents per share)		11.73	7.00
Diluted Earnings Per Share (cents per share)		11.63	2.70

The Statement of Income is to be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2010

	Notes	31-Dec-2010 $'000	30-Jun-2010 $'000
ASSETS			
Current Assets			
Cash and cash equivalents	10	6,818	930
Trade and other receivables	14	10,972	343
Loans and advances		-	3,653
Work In Progress	14	6,467	-
Investments held at fair value through profit or loss		330	-
Other current assets		1,872	-
Total Current Assets		**26,459**	**4,926**
Non-Current Assets			
Loans and advances		131	-
Investments held at fair value through profit or loss		431	-
Property, plant and equipment		5,421	-
Goodwill	14	37,228	-
Intangible assets	14	6,690	-
Investments in associates	12	-	15,789
Deferred tax assets		1,147	-
Other financial assets		32	-
Other non-current assets		208	-
Total Non-Current Assets		**51,288**	**15,789**
TOTAL ASSETS		**77,747**	**20,715**
LIABILITIES			
Current Liabilities			
Trade and other payables		4,843	-
Interest bearing loans and borrowings		1,175	-
Other liabilities	9	10,328	-
Current tax liabilities		4,312	-
Provisions		3,824	500
Total Current Liabilities		**24,482**	**500**
Non-Current Liabilities			
Trade and other payables		350	-
Provisions		658	-
Deferred Tax liabilities		3,185	610
Other non-current liabilities	9	1,108	-
Total Non-Current Liabilities		**5,301**	**610**
TOTAL LIABILITIES		**29,783**	**1,110**
NET ASSETS		**47,964**	**19,605**
EQUITY			
Contributed Equity	6	111,968	17,545
Acquisition reserve	6	(68,506)	-
Retained Earnings		4,537	2,060
Parent Interest		**47,999**	**19,605**
Non-Controlling Interest		(35)	-
TOTAL EQUITY		**47,964**	**19,605**

The Statement of Financial Position is to be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the half-year ended 31 December 2010

	CONSOLIDATED				
	Issued capital $'000	Retained earnings $'000	Acquisition reserve $'000	Non controlling interest $'000	Total equity $'000
Consolidated balance at 1 July 2010	**17,545**	**2,060**		**-**	**19,605**
Profit for the period	-	3,677	-	4,663	8,340
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the year		3,677	-	4,663	8,340
Transactions with owners in their capacity as owners:					
Issue of shares	94,572	-	-	-	94,572
Acquisition of non-controlling interest		-	(68,506)	(6,660)	(75,166)
IPO Costs	(559)	-	-	-	(559)
Dividends paid by Countplus	-	(1,200)	-	-	(1,200)
Dividends paid by subsidiaries to non-controlling interests	-	-	-	(3,754)	(3,754)
Capital contributions	410	-	-	-	410
Equity recognised on consolidation				5,716	5,716
At 31 December 2010	**111,968**	**4,537**	**(68,506)**	**(35)**	**47,964**

	CONSOLIDATED				
	Issued capital $'000	Retained earnings $'000	Acquisition reserve $'000	Non controlling interest $'000	Total equity $'000
At 1 July 2009	11,267	925	-	-	12,192
Profit for the period	**-**	1,054	-	-	1,054
Other comprehensive income for the period	-	-	-	-	-
		1,054	-	-	1,054
Total comprehensive income for the period					
Issue of shares	6,000	-	-	-	6,000
Capital contributions	215	-	-	-	215
At 31 December 2009	**17,482**	**1,979**	**0**	**0**	**19,461**

The Statement of Changes in Equity is to be read in conjunction with the Notes to the Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the half year ended 31 December 2010

	Notes	CONSOLIDATED 31-Dec-2010 $'000	31-Dec-2009 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		42,562	-
Payments to suppliers and employees		(31,642)	(168)
Interest paid		(539)	-
Interest received		69	-
Income tax paid		(2,145)	-
Goods and services tax paid		(2,502)	-
Dividends received from associated entities		-	476
NET CASH FLOWS GENERATED BY OPERATING ACTIVITIES		**5,803**	**308**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equipment and other non-current assets		(796)	-
Purchase of Investments		(232)	(72)
Proceeds from consolidation of controlled entities net of cash divested		3,282	
Payment for deferred consideration on acquisition of controlled entities		(1,167)	
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**1,087**	**(72)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares		22,640	-
Equity raising costs		(790)	-
Loans to related parties		-	(271)
Payment for acquisition of Non Controlling Interest		(3,813)	_
Repayment of Loans and Advances to Count Financial		(14,004)	-
Repayments of loans and advances from Count Financial		3,566	-
Proceeds from borrowings		3,327	-
Repayments of borrowings		(5,083)	-
Payment of dividends on ordinary shares		(1,700)	-
Payment of dividends by controlled subsidiaries to non-controlling interest		(5,145)	-
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(1,002)**	**(271)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		5,888	(35)
Cash and cash equivalents brought forward		930	259
CASH AND CASH EQUIVALENTS CARRIED FORWARD		**6,818**	**224**

The Cash Flow Statement is to be read in conjunction with the Notes to the Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

1. BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

The half-year financial report is a general purpose condensed financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The condensed financial report of Countplus Limited for the half-year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors on 25 February 2011, delegating authority to the Chairman and Chief Executive Officer to finalise the accounts.

Countplus Limited ('Countplus' or 'the Company') is a company incorporated in Australia and limited by shares, which became publicly traded on the Australian Securities Exchange (ASX) on the 22nd December 2010. This half-year financial report be read in conjunction with the Prospectus dated 16 December 2010 and considered together with any public announcements made by Countplus Limited and its Subsidiaries ("Group") during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the ASX listing rules.

Basis of accounting

The half-year financial report has been prepared on an accruals basis, and is based on historical costs modified by the revaluation of certain financial assets for which the fair value basis of accounting has been applied.

The half-year financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated, under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the class order applies.

Both the functional and presentation currency of Countplus Limited and its subsidiaries is Australian dollars (A$). For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

Statement of compliance

The financial report complies with Australian Accounting Standards. The financial report also complies with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared using the same accounting policies and methods of computation as those adopted in the general purpose financial report for the year ended 30 June 2010. There are no new or changed Australian Accounting Standards that have taken effect from 1 July 2010 that materially impact the Group's financial statements.

As at 1 July 2010, Countplus had an equity interest in 15 associate businesses ('investee firms' or' memberfirms'). For a list of associate entities, please refer to Note 12: Investment in Associates. Countplus had entered into Call Option Deeds with the Principals of the businesses, which could be exercised at Countplus' discretion from 1 July 2010. The call options along with the existing interest in the investee firms gave Countplus control of these business from that date, as defined in AASB 127 'Consolidated and Separate Financial Statements' and accordingly thse entities have been consolidated from that date.

Refer to Note 13 Business Combinations for further information regarding acquisitions completed in the half-year ended 31 December 2010.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

a. Revenue and Other Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue from the provision of accounting and financial planning is recognised on an accrual basis in the period in which the financial service or advice is provided. Financial planning revenue is recognised in the period when the services are rendered.

Revenue from the provision of accounting and financial planning services (where a fee for service is charged) is calculated with reference to the professional staff hours incurred on each client assignment adjusted for any time that may not be recoverable.

Dividends received from associates have been accounted for in accordance with the equity method of accounting.

b. Expenses

Expenses are accounted for on an accrual basis in the period the expense has been incurred.

c. Borrowing Costs

All other borrowing costs are expensed in the period they occur.

d. Income Tax

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.
Current income tax relating to items recognised directly in equity is recognised in equity and not in the Other comprehensive income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised.

The company had entered into a tax funding agreement with associated entity Count Financial Limited “Count Financial”, which requires that all balances assumed by Count Financial are settled in full. As at 30 June 2010, the Company was a 100% subsidiary of Count Financial and was part of the tax consolidated group. On 5 November 2010, the Company exited from the consolidated tax group and all tax funding arrangements became inoperative.

e. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

f. Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, 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 statement of financial position.

g. Trade Receivables

Trade receivables are recognised and carried at amortised cost. A provision is made for when collection of the full amount is no longer probable. Impairment expense is recognised for impairment in the statement of comprehensive income when identified.

h. Work In Progress

Work in progress represents costs incurred and profit recognised on client assignments and services that are in progress at balance date. Work in progress is valued at net realisable value after providing for any foreseeable losses. Work in progress is recognised on 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.

i. Property, Plant & Equipment

Plant and Office equipment, furniture and fit-outs are measured on a cost less depreciation and impairment losses basis. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. Leasehold improvement costs are amortised over the shorter of the remaining period of the lease or the estimated useful life of the improvement.

j. Depreciation

The depreciable amount of all fixed assets are depreciated on a straight line basis over the useful life of the asset to the entity, commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of the remaining period of the lease or the estimated useful lives of the improvements.

k. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership 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 consolidated group will obtain ownership of the assets or otherwise over the term of the lease.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

l. Business Combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, liabilities incurred to former owners of the acquiree and any equity issued, the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identified net assets. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the Group's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through statement of comprehensive income.

Any contingent consideration to be transferred is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability is recognised in accordance with AASB 139 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it is not be remeasured until it is finally settled within equity.

m. Basis of consolidation

The consolidated financial statements are those of the consolidated entity, comprising Countplus Limited (the parent entity) and all entities which the Company controlled during the period and at balance date. A controlled entity is any entity over which the Company has the power to control the financial and operating policies so as to obtain economic benefits.

Transactions and balances of subsidiaries are included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.
Subsidiary acquisitions are accounted for using the purchase method of accounting. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any material dissimilar accounting policies, which may exist. All intercompany balances and transactions, including unrealised profits arising from intra−group transactions, have been eliminated in full. Controlled entities are carried at the lower of cost and recoverable amount in the consolidated statement of financial position. Any impairment is recognised in the Statement of Comprehensive Income.

n. Share-based payment

The entity provides benefits to employees in the form of share-based payment transactions, whereby employees are rewarded with an entitlement to shares. The plan to provide these benefits is known as the Employee tax-exempt "loyalty" share 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 as an expense in the statement of comprehensive income, together with a corresponding increase in equity, over the period in which the performance or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award.

o. Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to members adjusted to exclude costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares.

Diluted EPS is calculated as net profit attributable to members adjusted to exclude costs of servicing equity (other than dividends), the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses and other non-discretionary changes in revenues and expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

p. Intangibles

Goodwill

Goodwill acquired in business combinations is initially measured at the excess of the consideration transferred over the fair value of the Group's identified assets acquired and liabilities assumed. If the 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.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, that are expected to benefit from the synergies of the combination. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. When the recoverable amount of the cash generating unit is less than carrying amount, an impairment loss is recognised. Impairment losses recognised for goodwill are not subsequently reversed.

Acquired Client Relationships

Acquired client relationships 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 their fair value at the date of acquisition. Acquired client relationships are amortised over their useful lives and tested for impairment whenever there is an indication that the intangible asset may be impaired. The useful life of these assets are assessed individually at the time of acquisition and amortised on a straight line basis. Note that at reporting date the acquired client relationships in Member Firms acquired and controlled in the period have been provisionally accounted for.

q. Employee Benefits

Provision is made for the group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on government bonds with terms to maturity that match the expected timing of cash flows.

r. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

s. Contributed equity

Issued and paid up capital is recognised at the fair value of consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received (net of tax).

t. Other payables

Other payables are carried at amortised cost and due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

u. Investment in associates

The Group's investments in its associates are accounted for using the equity method of accounting in the financial statements. The associates are entities over which the Company has significant influence that are neither subsidiaries nor joint ventures.

Investments in associates are carried in the financial statements at cost plus post-acquisition changes in the Company's share of net assets of the associates. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. After application of the equity method, the Company determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates.

The Group's share of its associates post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of its investment. In the financial statements, dividends receivable from associates reduce the carrying amount of the investment.

The balance dates of the associates and the Company are identical and the associates' accounting policies conform to those used by the Company.

v. Impairment of non-financial assets

At each balance date, the Group reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that these assets may be impaired. If such as an indication exists, the recoverable amount of the asset, being the higher of its fair value less costs to sell and its value in use, is compared to the current carrying amount. Any excess of the asset's carrying value over its recoverable amount is expensed in statement of comprehensive income.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

	CONSOLIDATED	
	31-Dec-2010	31-Dec-2009
	$'000	$'000
3. REVENUE		
Revenues		
Accounting service revenue	32,634	-
Financial Planning revenue	10,344	-
Share of profit of associates	-	1,207
Legal Revenue	1,593	-
Total accounting and financial services revenue	**44,571**	**1,207**
Interest Income	82	-
Other revenues	364	-
Total other Revenue	446	
Total revenues	**45,017**	**1,207**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

	CONSOLIDATED	
	31-Dec-2010	31-Dec-2009
	$'000	$'000
4. EXPENSES		
a. Depreciation		
Depreciation expense includes the following:		
- Furniture and Fittings	355	-
- Software and Equipment	225	-
- Other	10	-
Total depreciation of non-current assets	**590**	-
b. Amortisation expense includes the following:		
Amortisation expense includes the following:		
- Acquired Client Relationships	418	-
- Other	19	-
Total amortisation expense	**437**	-
c. Salaries and employee benefits expense		
Employee benefits expense includes the following:		
- Superannuation and salary on costs	22,670	-
- Other employee benefits expense	610	-
Total salaries and employee benefits expense	**23,280**	-
d. Other expenses		
Other expenses include the following:		
- Bad and doubtful debts - trade debtors	148	-
- Sales and marketing expenses	367	-
- Administration expense	1,520	-
- Insurance expense	334	-
- Technology expense	1,124	-
- Other	1,816	153
Total other expenses	**5,309**	**153**
5. DIVIDENDS PAID		
a. Dividends paid during the half-year on partly paid shares		
Franked dividend of 6.4 cents on 40M partly paid shares on 5 November 2010. Shares paid up to 46.6 cents on dividend date.	1,200	500
b. Dividends proposed but not recognized as a liability		
Franked dividend of 2 cents per fully paid share to be paid on 1 July 2011	2,079	-

c. Tax rates
Dividends paid franked at the rate of 30%.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

	CONSOLIDATED	
6. CONTRIBUTED EQUITY	**31-Dec-2010 $'000**	**30-Jun-2010 $'000**
Contributed Equity		
Fully paid ordinary shares (a)	110,572	-
Partly paid ordinary shares (b)	-	16,000
Capital contribution (c)	1,955	1,545
Float costs (net)	(559)	
	111,968	**17,545**

a. Fully paid ordinary shares on issue	**Number of shares 000's**	**Value $000's**
Opening Balance 1 July 2010	-	-
Transfer from partly paid to fully paid shares	40,000	18,640
Shares issued on acquisition of TFSA	4,616	6,555
Shares issued to Principals under the Principals Offer	45,111	64,057
Shares issued under Prospectus	13,333	20,000
Shares issued on acquisition of Bishop Financial services	880	1,320
Closing Balance at 31 December 2010	**103,940**	**110,572**

b. Partly paid ordinary shares	**Number of shares 000's**	**Value $'000**
Movements in ordinary shares on issue		
At 1 July 2010	40,000	16,000
Further call made on 40m partly paid shares at 6.6 cents	-	2,640
Transfer from partly paid to fully paid shares	(40,000)	(18,640)
	-	-

40 million partly paid shares of $1.00 per share have been issued to Count Financial Limited ("Count Financial"). Calls for the unpaid portion on the shares have been made in accordance with the terms of issue. All rights of ordinary shares are pro-rated whilst the shares are party paid. At 5 November 2010, the unpaid portion on the partly paid shares were cancelled with the shares deemed to be fully paid. No cash was transferred.

c. Capital Contribution	**Value $000's**
Opening balance 1 July 2010	1,545
Contribution during the period	410
Closing balance at 31 December 2010	1,955

The Company's former parent entity, Count Financial, has made additional capital contributions to the Company through the issuance of shares in Count Financial at a discount to the prevailing market price as part of the consideration for the acquisition of investees as well as the extension of interest free loans to investees for the purposes of funding stamp duty on the transactions.

d. Acquisition Reserve

The acquisition reserve arises on acquisition of the remaining 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 is not a business combination so hence is an equity transaction. Accordingly, the difference between the consideration and fair value of the identifiable net assets of the non-controlling interests is accounted for in the Acquisition Reserve.

7. SEGMENT INFORMATION

The Company's operations are assessed by management and Board of Directors as one operating segment.

8. COMMITMENTS, CONTINGENT ASSETS AND LIABILITIES

There have been no significant changes to commitments during the period. There are no contingent assets or contingent liabilities.

	CONSOLIDATED	
	31-Dec-2010	30-June-2010
	$'000	$'000
9. OTHER LIABILITIES		
Current		
Deferred cash consideration for acquisition for subsidiaries	1,944	-
Deferred equity consideration for acquisition for subsidiaries	7,350	-
Other current liabilities	1,034	56
Total current other liabilities	**10,328**	**56**
Non Current		
Deferred cash consideration for acquisition for subsidiaries	1,108	-
Other non-current liabilities	-	48
Total non-current other liabilities	**1,108**	**48**

Deferred cash consideration for acquisitions relates to Wearne & Co and Bishop & Bishop Financial Services, refer note 13: Business Combinations for further information.

Deferred equity consideration is an additional share entitlement to Countplus Limited shares, issued to vendors of Countplus Member Firms (the non-controlling interests) who nominated to receive Countplus equity as part of acquisition consideration. The entitlement is limited to a maximum of 5% of issued shares and is based on performance of the respective Member Firms for the 2010/2011 financial year over the 2009/2010 financial year. It is expected to be issued by November 2011.

10. CASH AND CASH EQUIVALENTS

For the purposes of the Statement of cash flows, cash and cash equivalents comprise the following at 31 December 2010:

Cash at bank and in hand	6,774	930
Short term deposit	44	
	6,818	**930**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

11. RELATED PARTY DISCLOSURES

During the period, Countplus Pty Ltd converted to a public company (Countplus Limited) and ceased to be a controlled subsidiary of Count Financial. Count Financial retains an ownership interest in Countplus Limited of 39.8% as at 31st December 2010.

Countplus Limited listed on the Australian Securities Exchange on 22 December 2010. As part of the listing process, Countplus issued a Prospectus for an initial public offering (IPO) for $20.0m, for which Count Financial was the underwriter. As part of its underwriting agreement, Count Financial purchased 945,747 shares ($1.42m) to complete the $20.0m fund raising.

On 4 November 2010, Count Financial assigned its loan facility and stamp duty loan agreements that related to Countplus Member Firms and their vendors to Countplus acquiring loans with a total value of $14m. Countplus and Count Financial have also entered into a Services agreement dated 4 November 2010. Under the Agreement, Count Financial agrees to provide Countplus with certain agreed services and Countplus agrees to pay Count Financial an annual fee of $500,000 (excluding GST) commencing from 1 May 2011.

12. INVESTMENT IN ASSOCIATES

	$'000
Investment in associates at 30 June 2010	15,789
Consolidation of subsidiaries and derecognition of Investment in associates at 1 July 2010	(15,789)
	0

As detailed in Note 13. Business Combinations, Countplus controlled the associates from 1 July 2010 and has therefore consolidated these entities from this date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

13. BUSINESS COMBINATIONS

Between 1 July 2010 and 31 December 2010, Countplus had an interest ranging from 23%-100% in the following Firms[1]:

The MBA Partnership Pty Ltd	36%	Controlled 1 July 2010
Lawrence Business Management Pty Ltd	23%	Controlled 1 July 2010
HMA Twomey Patterson Pty Ltd	25%	Controlled 1 July 2010
Bentleys (WA) Pty Ltd	27%	Controlled 1 July 2010
Beames& Associates Accounting and Financial Services Pty Ltd	25%	Controlled 1 July 2010
Specialised Business Solutions Pty Ltd	25%	Controlled 1 July 2010
Mogg Osborne Pty Ltd	25%	Controlled 1 July 2010
Crosby Dalwood Pty Ltd	25%	Controlled 1 July 2010
Cooper Reeves Pty Ltd	25%	Controlled 1 July 2010
Countplus MBT Pty Ltd	25%	Controlled 1 July 2010
Evolution Advisers Pty Ltd	25%	Controlled 1 July 2010
Robson Partners Pty Ltd	25%	Controlled 1 July 2010
Achieve Corporation Pty Ltd	25%	Controlled 1 July 2010
Kidmans Partners Pty Ltd	25%	Controlled 1 July 2010
360 Financial Vision Pty Ltd	25%	Controlled 1 July 2010
Wearne & Co Pty Ltd (“Wearne”)	100%	Acquired 16 August 2010
Cartwright Brown & Company Financial Planning Pty Ltd (“CBC”)	25%	Controlled 31 August 2010
TFS Operations Pty Ltd (“TFSA”)	100%	Acquired 30 September 2010
Bishop & Bishop Financial Services Pty Ltd (“Bishop”)	100%	Acquired 22 December 2010

Countplus entered into call option deeds with the Principals of those businesses listed above of which it did not acquire 100% initially, which gave Countplus control of these businesses from that controlled date, as defined in AASB 127 ‘Consolidated and Separate Financial Statements’. From 1 July 2010 (CBC effective from 31 August 2010), call options could be exercised at Countplus’ discretion and were held in conjunction with Countplus’ existing interest in the investee business.

On 16 December, Countplus acquired the remaining interest in all the above listed Firms with the exception of CBC in which a further 50% interest was acquired.

On 22 December 2010, the Countplus subsidiary, Crosby Dalwood, acquired 100% interest in Bishop.

[1]“Firms” used to in this document refers to the companies that operate as an accounting and/or financial planning business, or a financial planning dealer group business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

13. BUSINESS COMBINATIONS (Continued)

The Group has recognised the consolidated fair values of the identifiable assets and liabilities of its subsidiaries since 1 July 2010, based upon the best information available as of the reporting date. Business combination accounting is as follows:

	Acquisitions due to vesting of call options#	Wearne, TFSA, Bishop
	Provisional Fair value at consolidation date $'000*	Provisional Fair value at acquisition date $'000*
Cash and cash equivalents	6,013	217
Trade and other receivables	10,174	1,186
Property, plant and equipment	4,714	539
Deferred tax assets	545	106
Acquired Client Relationships	6,943	-
Intangible Assets - other	123	-
Other assets	4,227	25
TOTAL ASSETS	**32,739**	**2,073**
Trade and other payables	4,367	264
Provisions	5,390	363
Borrowings	10,289	3,380
Taxation Liabilities	4,262	238
TOTAL LIABILITIES	**24,308**	**4,245**
Fair value of identifiable net assets	8,431	(2,172)
Non-controlling interest in acquired identifiable net assets^	(5,716)	-
Goodwill arising on consolidation^	17,177	20,051
Fair value of consideration transferred on consolidation, for entities with call option vesting on 1 July 2010	19,227	
(Existing investment carrying value including adjustment on re-measurement of existing interest at fair value $3.43M)		-
Consideration for TFSA, Wearne, Bishop and CBC (see below)	665	17,879

Includes all Firms with the exception of TFSA, Wearne and Bishop.

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

^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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

13. BUSINESS COMBINATIONS (Continued)

Acquisition date fair value of consideration for CBC[1], Wearne[2], TFSA[3] and Bishop[4]	CBC $'000	Wearne, TFSA & Bishop $'000
Shares issued at fair value (Count Financial shares)	407	3,116
Shares issued at fair value (Countplus Limited shares)	-	7,875
Cash paid	258	2,690
Deferred cash consideration liability	-	4,198
Total Consideration	**665**	**17,879**

[1] On 31 August 2010, Countplus acquired 25% of the total issued share capital of Cartwright Brown & Company Financial Planning Pty Ltd (CBC) under the CBC Share Sale Deed. As a result of the existence of a call option over an additional 50% of CBC's shares as well as the 25% acquired, Countplus controlled the Company at 31 August 2010 and the group has recognised the consolidated fair values of the identifiable assets and liabilities of its subsidiaries from that date.

[2] On 16 August 2010, Countplus acquired 100% of the ordinary and voting shares of Wearne & Co Pty Ltd. The firm's core business is the provision of accounting and business services. Under the terms of the Wearne Share Sale Deed, the consideration for the acquisition of shares comprised an initial payment of 40.23% of the purchase consideration which was paid in cash and by the issue of Count Financial ordinary shares to the relevant vendors plus a deferred consideration amount of approximately 59.77% of the purchase consideration to be settled in 3 installments over 2 years. The first installment was paid on 20 December 2010. The balance of the deferred consideration is reflected in Note 9 Other Liabilities.

[3] On 30th September 2010, Countplus and TFSA entered into a business sale and purchase deed under which Countplus acquired the TFSA Business. Under the terms of the deed, the consideration paid for the acquisition of TFSA's business comprised of an initial payment of 30% of the purchase consideration paid in cash and by the issue of Count Financial ordinary shares to TFSA's vendors and a deferred consideration amount of 70% of the purchase consideration. This deferred amount was satisfied in full by the issue of 4,616,246 Countplus shares on 5 November 2010.

[4] On 22 December 2010, Countplus' subsidiary, Crosby Dalwood Pty Ltd completed a tuck-in acquisition of Bishop, an accounting and financial planning business. Consideration for the purchase was $1.65m which was paid by the issue of a combination of 880,000 Countplus shares and a deferred cash payment of $330,000.

Contribution of entities acquired during the period

The consolidated statement of comprehensive income includes revenue and net profit for the half-year ended 31 December 2010 of $45m and $6.7m respectively, as a result of the above acquisitions. Had the acquisitions occurred at the beginning of the reporting period, the consolidated statement of comprehensive income would have included revenue and profit of approximately $50.3m and $7.5m respectively.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

14. MATERIAL BALANCE SHEET MOVEMENTS

a. Trade and Other Receivables

The material movement in trade and other receivables between 30 June 2010 and 31 December 2010 relate to the acquisition of the Firms as detailed in Note 13 Business Combinations. Trade receivables are recognised and carried at amortised cost. A provision is made for doubtful debts when collection of the full amount is no longer probable. Bad debts are recognised in the statement of comprehensive income when identified.

b. Work In Progress

The material movement in trade and other receivables between 30 June 2010 and 31 December 2010 relate to the acquisition of the Firms as detailed in Note 13 Business Combinations. Work in progress represents costs incurred and profit recognised on client assignments and services that are in progress at balance date. Work in progress is valued at net realisable value after providing for any foreseeable losses. Work in progress is recognised on the balance sheet and the movement recognised in the income statement. Financial planning work in progress not representing fee for service, is not recognised in the balance sheet and income statement.

c. Goodwill

The material movement in Goodwill between 30 June 2010 and 31 December 2010 relate to the acquisition of the Firms as detailed in Note 13 Business Combinations.

d. Intangible Assets

The material movement in intangible assets between 30 June 2010 and 31 December 2010 relate to the acquisition of the Firms as detailed in Note 13 Business Combinations. The intangibles balance includes acquired client revenues (ACR) and software which have been provisionally accounted for at balance date.

The fair value of the assets and liabilities acquired are detailed in Note 13 Business Combinations.

15. EVENTS AFTER THE BALANCE SHEET DATE

There has not been any other matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the period, that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the half-year ended 31 December 2010

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Countplus Limited, I state that:

In the opinion of the directors:

a. the financial statements and notes of the consolidated entity are in accordance with *Corporations Act 2001*, including:

   (i) giving a true and fair view of the financial position as at 31 December 2010 and the performance for the half-year ended on that date of the consolidated entity; and

   (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and

b. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board,

B.M. Lambert
Executive Chairman
Sydney, 28 February 2011

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To the members of Countplus Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of the Countplus Limited, which comprises the statement of financial position as at 31 December 2010, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half year end or from time to time during the half year.

Directors' Responsibility for the half-year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including; giving a true and fair view of the consolidated entity's financial positions as at 31 December 2010 and their performance for the half-year ended on that date; and complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Countplus Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

In conducting our review, 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 attached to the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Countplus Limited is not in accordance with the *Corporations Act 2001*, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

ii) Complying with Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Mark Raumer
Partner
Sydney

28 February 2011