

Half Year Results 27 February 2014

Barry Lambert - Chairman

Michael Spurr - Managing Director & CEO

countplus 

Half Year Result Highlights

Financials

Net Profit after Tax: **\$6.78 million (Up 12.5%)**

Net Profit after Tax to shareholders: \$6.73m (Up 12.9%)

Group Operating Profit: **\$11.8 million (up 1.2%)**

Diluted Earnings per Share 6.14 cents (Up 12.4%)

CUP Dividends

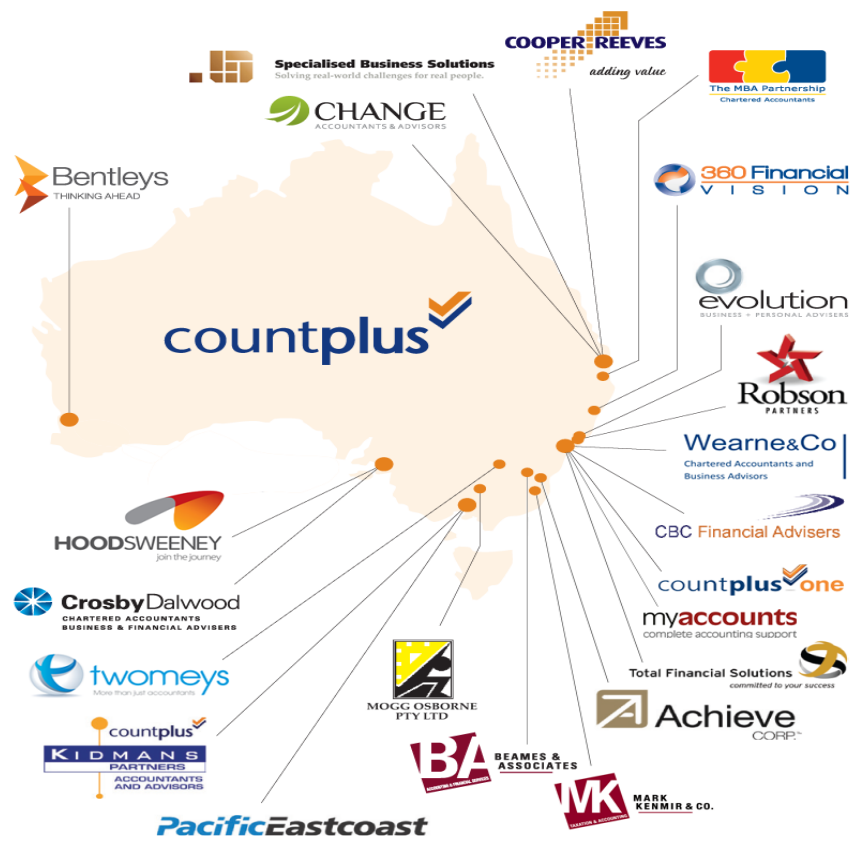
3rd Interim Dividend of **3 cents** per share fully franked
declared on 26/02/2014

(Payment date 15/05/2014; Ex-date 24/04/2014)

Full Year Guidance

- Continued challenging business environment has required earnings per share guidance to be revised;
- Earnings per share growth still expected to exceed 10%;
- Dividends of 12 cents per share (3 cents per quarter) expected to be maintained for the full year.

The Countplus Network



Group Performance – Member Firms

	Dec '13 \$ '000	% Change (Dec'12)
Total Net Member Revenue	51,542	5.6%
Expenses:		
Salaries and Employment	(30,106)	5.5%
Premises	(3,059)	2.6%
Depreciation	(567)	(10.9%)
Other Expenses	(6,000)	20.3%
Total Expenses	(39,732)	6.5%
Net Member Income	11,810	2.6%
Member Firm Contribution Margin (%)	22.9%	

Revenue made up of primarily of accounting and related services. Financial planning/services revenue makes up 22.6% of net group revenue and property related services 4.4%.

Normalised Accounting/Bus Services up 3.6%; Normalised Fin planning up 7.5%; Other Revenue (property and subscriptions) up 6.5%

Other Expenses were up 20.3% due to higher additional provisioning against debtors in the period.

Group Performance – Member Firms

	Dec '13 \$ '000	% Change (Dec'12)
Head Office Contribution (net cost)	(765)	(6.3%)
Share of Associates Profits	194	27.6%
Group Operating Profit	11,239	1.2%
Non-Operating Income	726	-
Share Based Payments	(48)	
Interest Expense	(684)	9.6%
Amortisation Expense	(1,623)	(2.2%)
Net Profit before Tax	9,610	10.5%
Tax	(2,829)	5.9%
Consolidated Net Profit after Tax	6,781	12.5%
Diluted Earning per Share (Cents)	6.14	12.4%

Head Office net cost is only expected to increase marginally in the second half of 2014.

Main investment in associates is 20% holding in SA firm, Hood Sweeney.

Largest component of amortisation expense relates to acquired client relationships arising on acquisitions.

Balance Sheet

	Dec'13 \$ '000	% Change (Jun'13)
Current Assets	38,758	8.5%
Non-Current Assets	64,410	(3.1%)
Total Assets	103,168	1.5%
Current Liabilities	18,875	(14.7%)
Non-Current Liabilities	31,750	15.4%
Total Liabilities	50,625	2.0%
Net Assets	52,543	1.1%
Current Ratio	2.05	28.9%
Total Loans and Borrowings		
Net Debt	17,167	85.4%

Balance sheet in strong position with low net debt and a healthy current ratio

Balance sheet has deconsolidated subsidiary sold during the period

Debt has increased due to new acquisitions and deferred payments but has reduced subsequent to year end due to divestment

Dividends

Dividends 2013/14	Cents Per Share	Paid / Declared
1 st Interim Dividend	3 cents	15/11/2013 (paid)
2 nd Interim Dividend	3 cents	14/02/2014 (paid)
3 rd Interim Dividend	3 cents	15/05/2014 (declared)



Twomeys (Regional Southern NSW)



ChangeGPS (Brisbane, QLD)

Recent Acquisitions/Investments

Date	Acquired	
Jul 2013	Advantage Accountants & Business Consultants	Accounting firm based in Port Macquarie, Northern NSW acquired by Member Firm, 360 Financial Vision.
Jul 2013	Harrison & Siepen	Accounting firm based in Port Macquarie, Northern NSW acquired by Member Firm, 360 Financial Vision.
Jul 2013	Mark Palmer (sole practitioner)	Accounting business based in Coffs Harbour, Northern NSW acquired by Member Firm, 360 Financial Vision.

Recent Acquisitions/Investments

Date	Acquired	
Jul 2013	Peak Financial	Financial planning business on the northern beaches (Sydney) acquired by Member Firm, Countplus One.
Jul 2013	Super-IP (Class Super) – 3.7% interest	Super-IP is the owner of Australia's fastest growing Self-Managed Superannuation Fund (SMSF) software administration system - Class Super (Class).
Aug 2013	Taylor Partners	2 partner accounting firm in Melbourne acquired by Member Firm, Kidmans Partners.
Dec 2013	Shearer + Elliss	Adelaide based professional services firm, merged with CUP associate, Hood Sweeney.

Hood Sweeney

In December 2013, CUP associate, Hood Sweeney completed a merger with Shearer + Elliss, a 3 partner professional services firm in Adelaide.

The combined entity has annual total revenues approaching \$25 million ranking in the top 35 accounting firms nationally.



HOODSWEENEY

join the journey

Becoming involved in Countplus

1. Building a high performance firm – subscribing to ChangeGPS (www.changegps.com.au);
2. For smaller businesses - “Tuck-in” acquisitions by Countplus Member Firms;
3. For larger businesses - Progressive acquisition & potential ASX listing.

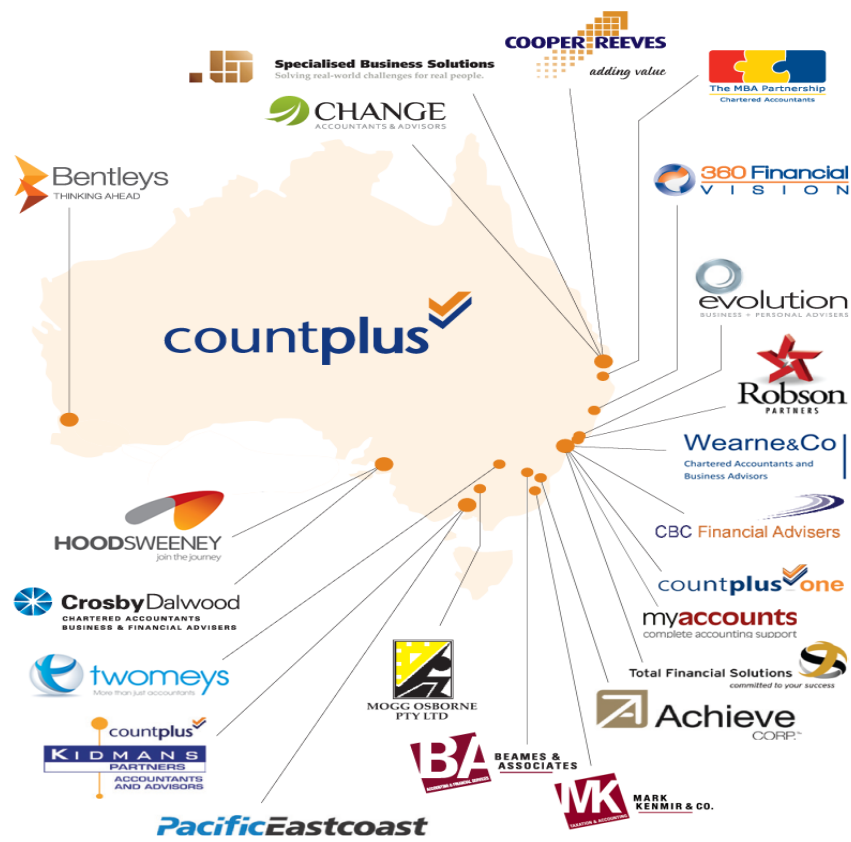


My Accounts (Brisbane, QLD & Sydney, NSW)



Kidmans (Melbourne, VIC)

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