Count
The confidence to look ahead

Count Limited Annual Report 2023

The confidence to look ahead

1 Company details

Name of entity	Count Limited*
ABN	11 126 990 832
Reporting period	For the year ended 30 June 2023
Previous period	For the year ended 30 June 2022

* Count Limited changed its name from CountPlus Limited on 4 May 2023. There has been no change to the ABN.

2 Results for announcement to the market

				$'000
Revenues from contracts with customers	up	7%	to	**91,481**
Profit from ordinary activities after tax attributable to the owners of Count Limited	down	0%	to	**5,100**
Profit for the year attributable to the owners of Count Limited	down	0%	to	**5,100**

Comments

The profit for the Group after providing for income tax and non-controlling interest amounted to $5,100,000 (30 June 2022: $5,112,000).

3 Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	**25.07**	27.53

Right-of-use assets and lease liabilities recognised under AASB 16 as well as contract assets and contract liabilities recognised under AASB 15 have been excluded from this calculation.

4 Entities where control was gained or lost

Name of entity acquired	Ownership %	Date of Acquisition
Affinia Financial Advisers Limited	100%	29/05/2023

Names of entities disposed	Ownership %	Date of Disposal
Cooma Accounting and Financial Services Pty Ltd	100%	1/07/2022
Wealth Axis Holdings Pty Ltd	51%	28/02/2023

5 Dividends

	Amount per security Cents	Franked amount per security Cents
2023 Half Year dividend paid on 5 April 2023	**1.50**	**1.50**
2022 Full Year dividend paid on 12 October 2022	**2.00**	**2.00**

The record date for determining entitlement to the 2023 Final dividend of 2.25 cents is 22 September 2023 and payable on 11 October 2023. The Final dividend is not provided for at 30 June 2023 and there is no dividend reinvestment plan in place for the Group.

6 Details of associates

	Reporting entity's percentage holding		Contribution to profit	
Name of associate	**Reporting period %**	**Previous period %**	**Reporting period $'000**	**Previous period $'000**
One Hood Sweeney Pty Ltd	**32.36%**	32.36%	**1,027**	1,165
Hunter Financial Planning Pty Ltd	**40.00%**	40.00%	**322**	355
OBM Financial Services Pty Ltd	**40.00%**	43.00%	**231**	373
Rundles CountPlus Pty Ltd	**40.00%**	40.00%	**252**	359
Rundles Financial Planning Pty Ltd	**20.00%**	20.00%	**56**	64
DMG Financial Holdings Pty Ltd	**30.00%**	30.00%	**359**	732
Southern Cross Business Holdings Pty Ltd	**49.00%**	49.00%	**549**	468
WSC Group – Aust Pty Ltd*	**32.75%**	–	**508**	–
Group's aggregate share of associates entities' profit				
Profit from ordinary activities after income tax			**3,304**	3,516

* WSC Group – Aust Pty Ltd was acquired on 1 August 2022.

7 Audit qualification or review

The financial statements have been audited and an unmodified opinion has been issued.

Contents

Chairman's Report

A significant year of transformation for Count.

FY2023 was a significant year of transformation in our history, with the Company officially commencing a new era as Count Limited, taking a new name and value proposition to market. This change provides clients with greater certainty about our offering and creates a single strong, nationally recognised brand.

It was the first full year for our CEO Hugh Humphrey, whose knowledge and experience proved invaluable in delivering our strategic business objectives and transforming our business throughout FY2023. We also deepened our leadership capability with the appointment of a number of talented individuals, including the Company's inaugural Chief Risk Officer, reflecting the importance of our focus on enterprise risk management.

In June 2023, we announced the appointment of Mr Tim Martin as a Non-Executive Director. Tim has deep experience in private equity and investments which is hugely valuable as Count enters the next phase in our growth strategy. His proven leadership and experience in managing large-scale financial transactions will help drive our investments in quality businesses and increase our market share in the Accounting and Wealth sectors.

Tim replaced Mr Andrew McGill who retired from the Board after five years of service. Andrew demonstrated a strong dedication to the Board and instilled a disciplined approach to the investment process for the benefit of shareholders and the Count team. All of our Non-Executive Directors bring a wealth of expertise and experience, providing a stable source of guidance to the business.

As we transitioned our operations into the 'new normal' of post-Covid conditions, and with ongoing volatility in global markets, Count experienced the impacts of sector-wide resource shortages, particularly evident in the first half of FY2023. The Group responded quickly with a series of actions to outsource work as local resources were stabilised. We continue to closely monitor trading conditions and with the diversity of our operations across three segments, remain well-placed to navigate the challenges that come our way.

We announced the end of our current share buyback programme, having bought back a total of 2,693,671 shares at a cost of $1.7M. This is a pleasing result which has created value for our shareholders.

On the community front, the Count Charitable Foundation once again donated over $1.2M to important causes, showcasing our deep commitment to giving back and supporting those in need.

Finally, I would like to express my gratitude to our dedicated people, partners and members at Count, whose hard work has laid a strong foundation for us to have continued success in FY2024. Building upon this foundation, the Board is focused on delivering shareholder value, profitability and expansion through existing ventures and our acquisition strategy.

Thank you for being a Count shareholder.

Ray Kellerman
Chairman

CEO Report

An integrated business delivering sustainable growth.

For the first time in our 43-year history, Count now operates as a single, strong brand in the market alongside our new client-centric value proposition. It's exciting to see some equity partner firms have already adopted our new brand, which is a terrific endorsement of our growth strategy and gives us a significant national brand presence.

During the year we added depth to our Leadership Team with a number of key leadership appointments. This added capability and experience positions us well for our continued growth and development as we deliver to our firms and clients.

Across the Count group, we now represent a community of people in 193 accounting, wealth, and services firms across Australia. In FY2023, the group served over 78,000 clients, with group revenues for the year increasing +7% to $91.5M, providing our foundation for continued growth. We are pleased to report a final dividend of 2.25 cents per share, fully franked, returning 3.75 cents to shareholders for the full year.

In FY2023, Count delivered increased adjusted profits (EBITA) across all three of our operating segments. Accounting profits grew by +8% to $22M, Wealth profits grew by +23% to $2.6M (excluding the substantial gain on acquisition) and Services grew by +35% to $2.6M. The growth in Wealth and the diversified revenue streams from our segments reflects the disciplined execution of our strategy and builds resilience for future challenges as they present.

In our Accounting segment, firm numbers remained at 18, and clients grew to over 39,000. As a result of resource constraints experienced primarily in the first half, lockup days increased to 82. Not withstanding resource restraints in 1H23, reported revenue remained flat. We successfully completed eight acquisitions and one merger in the segment and the acquisition pipeline continues to reflect opportunity.

We grew Authorised Representatives (ARs) by +36% from 278 to 379 and 60 new firms joined Count as Corporate ARs. We welcomed Affinia Financial Advisers Limited to the group following the acquisition of the business from TAL in May 2023. Our Wealth segment delivered strong performance with reported revenues up +17% to $18.1M. During the year, 25,065 Statements of Advice (SoA) and Records of Advice (RoA) were delivered to clients.

After an operating review and cessation of operation of Wealth Axis Holding Pty Ltd, our Services segment delivered overall revenue of $6.8M, with Accurium providing services to around 4,200 accounting firms. Accurium continued to deliver against its growth strategy with the launch of an SMSF technical helpdesk, and further enhancing its education offering.

The strength of our community remains unchanged. In March, our National Conference was a highlight, as our community came together to connect, learn and share best practices in a dynamic environment. With inspiring keynote speakers like Dylan Alcott and valuable educational content on offer, the conference was a successful event attended by 500 delegates.

Our focus on the importance of people and culture delivered results, with a notable increase to our Employee Net Promoter Score (+7% to 29 points in 2023) and our overall engagement score (80%, up +9%). Throughout FY2024 we will continue enhancing our Employee Value Proposition, ensuring Count remains a great place to work for our people.

These results demonstrate a year of significant transformation for the Group, with improvements delivered across all operating segments and substantial progress made against our strategic plan.

We continue to plan for ambitious growth in each of our operating segments and are excited about the momentum we have entering FY2024.

Hugh Humphrey
CEO

Count Charitable Foundation

Count Charitable Foundation (CCF) exists to improve the lives of the disadvantaged via support organisations operating in the communities in which CCF members live and work.

During the year our Count firms were involved in fundraising for charities of their choice. Many also undertook professional work on a pro bono basis for not-for-profits while others gave up time for corporate volunteering benefitting charities close to their hearts. All dollar matched by CCF!

2022–2023

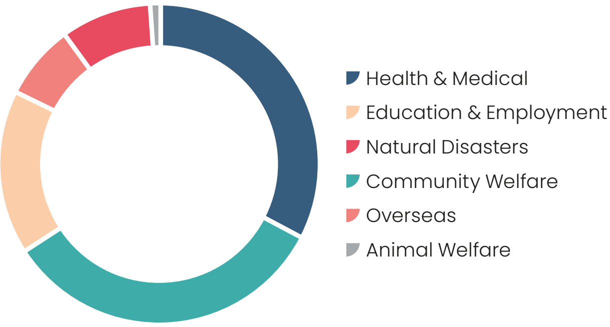
CCF Donations
$1.2M

Charities supported
141

Value of Count pro bono work
$44,718
$ matched by CCF

Charity donations by CCF Members
$350,011
$ matched by CCF

CCF Donations in 2022–2023 by sector $1.2M



Major Givings

Wesley Mission
Sponsoring Financial Literacy course for society's most needy

Australia and International Red Cross
Disaster relief in Turkey, Syria, Pakistan and regional Victoria

The Dylan Alcott Foundation

Lifeline Australia and Lifeline International

Gold Coast Hospital Foundation

The Salvation Army

Cerebral Palsy Alliance

Epilepsy Action Australia

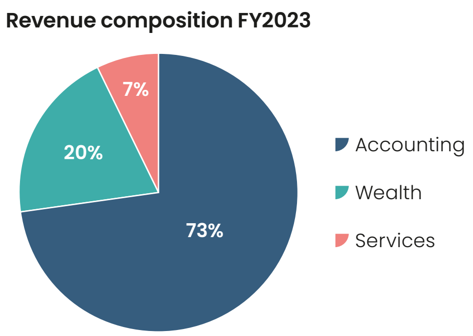
Financial Summary

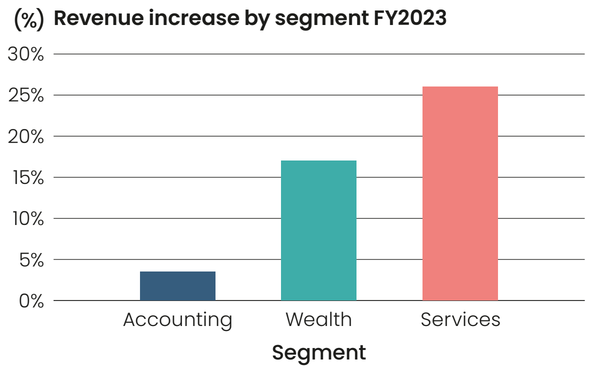
	#	2023 $'000	2022 $'000	Change %
Revenue from contracts with customers	1	**91,481**	85,293	7%
Other income	2	**1,639**	3,573	(54%)
Gain on bargain purchase	3	**3,163**	–	100%
Impairment of intangible assets	4	**(1,424)**	–	100%
Total operating expenses	5	**(85,935)**	(80,863)	6%
Earnings before interest, tax and amortisation ('EBITA') before profit from associates		**8,924**	8,003	12%
Net share of associates profit		**3,304**	3,516	(6%)
EBITA	6	**12,228**	11,519	6%
Net interest expense		**(1,063)**	(1,069)	(1%)
Amortisation expense	7	**(2,465)**	(2,154)	14%
Profit before income tax expense		**8,700**	8,296	5%
Income tax expense	8	**(1,211)**	(941)	29%
Profit after income tax expense	9	**7,489**	7,355	2%
Profit attributable to owners of Count		**5,100**	5,112	(0%)
Profit attributable to non-controlling interest		**2,389**	2,243	7%
Basic earnings per share (cents)		**4.63**	4.58	1%
Diluted earnings per share (cents)		**4.57**	4.57	nil
Current assets	10	**182,333**	300,215	(39%)
Current liabilities	11	**166,587**	285,627	(42%)
Current ratio		**1.09**	1.05	4%
Non-current assets	12	**210,179**	128,313	64%
Non-current liabilities	13	**136,461**	54,437	151%
Net assets		**89,464**	88,464	1%
Net cash	14	**4,331**	11,739	(63%)

Notes to Financial Summary

1. Revenue from contracts with customers

Revenue from contracts with customers ('revenue') was higher than the prior year by 7% primarily due to revenue growth recognised within the Wealth segment.





2. Other income

Other income was 54% lower than the prior period. This is primarily due to accounting gains from the sale of intangible assets in the prior period.

3. Gain on bargain purchase

The gain on bargain purchase arises from the acquisition of Affinia Financial Advisers Limited during the financial year.

4. Impairment of intangible assets

Impairment of intangible assets relates to the Group's 51% investment in the underperforming entity, Wealth Axis Holdings Pty Ltd, which was strategically disposed of in the second half of FY2023.

5. Total operating expenses

Total operating expenses were 6% higher than the prior period. This is primarily due to increased salaries and wages costs in line with the increased revenue during the period.

6. EBITA

EBITA increased by 6% due to the gain on bargain purchase and improved revenue, which was partially offset by increased employment costs and the impairment of Wealth Axis Holdings Pty Ltd.

7. Amortisation expense

The 14% increase in amortisation expense was driven by the amortisation of acquired client relationship intangible assets, arising from acquisitive activity during the financial year.

8. Income tax expense

Income tax expense is higher when compared to the prior year due to an increase in the profit before tax and reduction on the non-taxable deductions.

9. Profit after income tax expense

Net profit after tax increased in the current year due to increased revenue and strategic cost management. Profit attributable to the owners of Count Limited was $5.1M.

10. Current assets

Current assets decreased due to a reduction in the indemnity asset from $238.0M to $87.5M within Count Financial Limited ('Count AFSL') due to payments being made as part of the remediation programme.

11. Current liabilities

The decrease in current liabilities was due largely to the decrease in the remediation provision within Count AFSL from $238.0M to $87.5M, due to payments being made as part of the remediation programme.

12. Non-current assets

Non-current assets have increased by $81.9M to $210.2M due to an increase in goodwill, acquired client relationships and advisor networks and ongoing insurance commissions receivable as a result of businesses acquired through strategic acquisitions.

13. Non-current liabilities

Non-current liabilities increased compared to prior year due to an increase in ongoing insurance commission payable resulting from businesses acquired through strategic acquisitions.

14. Net cash

Net cash (cash and cash equivalent less interest bearing liabilities) has decreased to $4.3M (2022: $11.7M) due predominantly to increased interest bearing loans used to fund acquisitive activity, and $1.7M utilised during the share buy-back. Cash has remained stable during the period.

Count Board

Ray Kellerman

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

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

Ray currently acts as a director for Goodman Funds Management Australia, Ironbark Asset Management (Fund Services) and Ryder Capital. He is also active in a number of governance related roles for some major fund managers operating in Australia.

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

Alison Ledger

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

Alison is Chair of Count's Remuneration and Nominations Committee and a member of the Audit and Risk Committee. She is also a Non-Executive Director of Audinate Group Limited (ASX:AD8) and Latitude Group Holdings Limited (ASX: LFS).

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

Kate Hill

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

Kate Hill is an Independent Non-Executive Director, Chair of the Audit and Risk Committee and member of the Acquisitions Committee. She is also the Chair of Seeing Machines Limited (AIM:SEE) as well as being a member of the Finance and Risk Committee and the People, Culture and Remuneration Committee. During the year she joined the board of Artrya Limited (ASX:AYA) and MedAdvisor Solutions Limited (ASX:MDR), where she is Chair of the Audit and Risk Committee and member of the Remuneration and Nominations Committee. Post year end she joined the board of Hipages Group Holdings Limited (ASX:HPG) where she will be the Chair of the Audit and Risk Committee. During the year she resigned as a director of Elmo Software Limited (ASX:ELO) on the successful sale of the business to a private equity firm, and also resigned as Company Secretary of Kazia Therapeutics Limited (ASX:KZA, NASDAQ: KZIA).

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

Carolyn Colley

Carolyn has more than 30 years leadership experience spanning financial services, product development and innovation. Carolyn was most recently a co-founder and Chief Operating Officer of Faethm Pty Ltd, a global Software-as-a-Service augmented analytics platform which enables companies, governments and educators to understand the impact of emerging technologies on the Future of Work. She was the Chief Operating Officer of Asgard Wealth Solutions and St. George's Wealth Management business and was the Head of Strategy for Macquarie Advisor Services and the Head of Personal Banking at Macquarie Bank. Carolyn was also the CEO of formerly listed software business, Decimal Software Limited.

Carolyn is an Independent Non-Executive Director of the subsidiary settlement and clearing boards of the Australian Securities Exchange (ASX:ASX) and a member of the ASX Technology Committee.

An Independent Non-Executive Director, Chair of the Information Technology Committee and member Remuneration and Nominations Committee of ASX listed salary packaging and leasing business Smartgroup (ASX: SIQ). An Independent Non-Executive Director and Chair of the Digital Committee of Chartered Accountants Australia and New Zealand. Non-Executive Director and member of the Board Risk and Compliance Committee of Milford Asset Management Limited and Chair of Milford Australia Pty Limited. Carolyn is also a Non-Executive Director and Chair of the Digital Technology Committee of Chartered Accountants Australia and New Zealand and Non-Executive Director and Deputy Chair of Liverpool Neighbourhood Connections, a community based not for profit organisation.

Tim Martin

Tim began his career with global strategy consulting firm Bain & Company, spending over a decade working with clients in the UK and Australia.

His experience with Bain spanned multiple sectors including healthcare, telecommunications, utilities and financial services for both large public companies and private equity owned businesses.

Tim has spent the last twenty years in direct investing including over a decade as a Partner at Crescent Capital Partners, one of Australasia's leading private equity investment firms.

During his career Tim has served as a Chairman and Non-Executive Director of multiple private equity portfolio companies. He also served two terms as a Director of the Australian Investment Council, the industry body representing private capital in Australia.

Tim holds a first-class honours degree from Oxford University and an MBA from Harvard Business School.

Hugh Humphrey

Hugh is the Chief Executive Officer and Managing Director of Count, and a Director of Count AFSL and Affinia Financial Advisers Limited ('Affinia').

Hugh is a highly regarded executive in the financial services sector. He started his career at global accounting giant PricewaterhouseCoopers, has been the CEO of Hillross Financial Services and was the Executive General Manager for Wealth at Commonwealth Bank.

Most recently he was the senior executive responsible for NAB's personal banking business in NSW. Hugh is renowned as a growth leader and has delivered large-scale change programs including wealth transformations at AMP and CBA.

He has significant expertise in effective risk management, business compliance and customer remediation. He has deep client experience capabilities and digital expertise that he developed in his time leading consumer and enterprise businesses in telecommunications with Optus and Vodafone.

He is a Non-Executive Director of The Infants' Home and has previously been a Director of Hillross Pty Ltd, Vodafone Fiji and a Non-Executive Director of the Future2 Foundation.

Hugh holds a Bachelor of Commerce from The University of Sydney with double majors in Economics and Marketing. He has an MBA from Henley Business School at the University of Reading, UK. He is a Chartered Banker and he has completed the Australian Institute of Company Directors course.

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Count Limited (referred to hereafter as the 'Company', or 'Count') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Board of Directors and Company Secretaries

The following persons were Directors and Company Secretaries of Count Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Ray Kellerman	Chairman	
Alison Ledger	Independent Non-Executive Director	
Kate Hill	Independent Non-Executive Director	
Andrew McGill	Independent Non-Executive Director	*Resigned 1 March 2023*
Carolyn Colley	Independent Non-Executive Director	
Tim Martin	Independent Non-Executive Director	*Appointed 8 June 2023*
Hugh Humphrey	Managing Director and Chief Executive Officer	
Laurent Toussaint	Company Secretary	*Resignation effective 29 September 2023*
Narelle Wooden	Company Secretary	*Resigned 17 October 2022*
Doug Richardson	Company Secretary	

Meetings of Directors

Board of Directors			Audit and Risk Committee		Acquisitions Committee		Remuneration and Nominations Committee		Technology and Innovation Committee	
Name	**Position**	**Meetings Attended**	**Position**	**Meetings Attended**	**Position**	**Meetings Attended**	**Position**	**Meetings Attended**	**Position**	**Meetings Attended**
Ray Kellerman	Chairman	7/7			Chair	1/1	Member	4/4		
Alison Ledger	Non-Executive Director	7/7	Member	4/4			Chair	4/4		
Kate Hill	Non-Executive Director	7/7	Chair	4/4	Member	3/3				
Andrew McGill	Non-Executive Director	3/4			Chair	2/2	Member	3/3	Member	2/3
Carolyn Colley	Non-Executive Director	7/7	Member	4/4					Chair	4/4
Tim Martin	Non-Executive Director	1/1			Chair	0/0	Member	0/0	Member	0/0
Hugh Humphrey	Managing Director and CEO	7/7			Member	3/3			Member	4/4

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Principal activities

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

Accounting	the provision of accounting, audit and assurance, taxation, financial planning services and business and corporate advisory services;
Wealth	financial services provided by Australian Financial Services licence (AFSL) holders; and
Services	other services that support the accounting and wealth activities, including actuarial certificates and education services.

Review of operations

The profit for the Group after providing for income tax and non-controlling interest amounted to $5,100,000 (30 June 2022: $5,112,000).

The management team has been focused on working with our member firms to improve the key financial, cultural and strategic drivers and grow organically, through working with our member firms, and inorganically by acquisitive activity, which is reflected in the financial results for the year ended 30 June 2023.

Capital management

Interest-bearing debt has increased from $9,801,000 at 30 June 2022 to $17,337,000 at 30 June 2023. Count continues to focus on prudent capital management by improving cashflows generated by member firms, paying dividends from operating cashflows and investing in earnings accretive acquisitions after undergoing a rigorous acquisition process.

Significant changes in the state of affairs

On 1 July 2022, the Company merged wholly owned subsidiary, Addvantage Financial Freedom Pty Ltd with member firm Twomeys Group Pty Ltd, where it is best positioned for strategic opportunities and growth. As part of the transaction, Cooma Accounting and Financial Services Pty Ltd, was disposed of for $1,505,000.

On 4 July 2022, the Company's member firm, CountPlus One Pty Ltd ('CP1'), acquired the business of CDC Partners for $600,000.

On 1 August 2022, the Company acquired 32.75% shareholding in WSC Group – Aust Pty Ltd for a total purchase consideration of $3,050,000.

On 14 February 2023, the Company's member firm Moggs Accounting + Advisory Pty Ltd acquired Timothy Trevor Gubbins, a Shepparton-based accounting firm for $1,270,000.

On 28 February 2023, following the completion of an operational review and cessation of operations, the Company disposed of its 51% investment in Wealth Axis Holdings Pty Ltd. The proceeds for the sale was $1.

Count Limited changed its name from CountPlus Limited on 4 May 2023. There has been no change to the ABN.

On 29 May 2023, the Company acquired 100% of the ordinary shares of Affinia Financial Advisers Limited ('Affinia') from TAL (owned by Dai-ichi Life Group) for net cash consideration of $3,373,000. Affinia has 75 practices including holistic financial advisory firms and risk specialists. It was acquired as part of the Company's Wealth strategy to accelerate scale and grow its risk advice capability and revenues.

On 8 June 2023, the Company's member firm CP1 acquired RHA Associates, a Sydney-based accounting firm for $1,022,000.

Dividends

Count's dividend policy is set at a range of between 60% to 90% of maintainable profit after income tax expense and minority interest, subject to market conditions and company performance.

Count is committed to the following principles in determining the dividend policy:

- Payment of dividends out of operating cashflows; and
- Consideration of debt reduction, working capital and investments.

The Board is pleased to declare a final dividend of 2.25 cents per share fully franked for the financial year ended 30 June 2023 (30 June 2022: 2.00 cents per share). The half-year 2023 dividend paid and final 2023 dividend declared were 82% of maintainable net profit after tax and minority interest.

Dividends paid during the financial year were as follows:

Financial year ended	Franking	Status	Cents per share	Payment date
2022	Fully franked	Paid	2.00 (per fully paid share)	12 October 2022
2023	Fully franked	Paid	1.50 (per fully paid share)	5 April 2023

Events after reporting date

On 1 July 2023, Count Limited acquired a 40% shareholding in Bruce Edmunds & Associates Pty Ltd. The purchase consideration for this acquisition was $2,651,000.

On 11 July 2023, Laurent Toussaint resigned as Chief Financial and Operating Officer, and will depart the business on 29 September 2023.

On 13 July 2023, Count Limited completed a share buy-back scheme to enhance returns to shareholders with specific capital management initiatives. A total of 2,693,671 shares have been repurchased for a total of $1,707,000.

On 15 August 2023, Count Limited member firm, Adelaide based Crosby Dalwood Pty Ltd and Warnecke & Co completed a merger to operate under a new entity under the Count brand. The Group's ownership over the newly formed merged entity is 45%.

On 28 August 2023, the Directors resolved to declare a final dividend of 2.25 cents (fully franked) to be paid on 11 October 2023 (Record date 22 September 2023).

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 periods, or consolidated entity,

b) the results of those operations in future financial periods, or

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

Material business risks

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

Operational risk

The main operational risk for our accounting and business advisory firms relates to inappropriate or inadequate client advice. All firms are required to have quality assurance processes and appropriate professional indemnity insurance either directly or as part of the Group policy. Accounting and business advisory firms who are part of the Count Financial Limited ('Count AFSL') or Affinia Financial Advisers Limited licensee network are covered under professional indemnity insurance arrangements for their financial planning services.

Regarding the acquisition of Count AFSL, which completed on 1 October 2019, the Commonwealth Bank of Australia has provided a $520M indemnity to cover remediation of past conduct.

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

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

Cybersecurity risk

Given the nature of the Group's business, the reliance on digital systems exposes the Group to potential data breaches, cyberattacks, and operational disruptions. These incidents could compromise information, damage customer trust, disrupt operations, and lead to financial consequences. The Group acknowledges the implications that these risks have on client personal information and actively implement measures to enhance cybersecurity, including appropriate training for staff. The Group expects these risks to only increase and remain proactive in its approach to mitigate these risks.

Legislative risk

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

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

Other risks

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

Integration risk	risk relating to the successful integration of newly acquired member firms;
Expense management	failure to control expenses such as staff costs would result in earnings for Count not reflecting revenue performance by member firms; and
Environmental and climate, social and governance risk	the operations of the group are not subject to any particular or significant Commonwealth, State or Territory environmental regulations.

Remuneration Report (audited)

This Remuneration Report for the year ended 30 June 2023 forms part of the Directors' Report. It has been prepared in accordance with the Corporations Act 2001 (Cth) (**the Act**), the **Corporations Regulations 2001 (Cth)** and AASB124 Related Party Disclosures and audited as required by the Act. It also includes additional information and disclosures that are intended to enable a deeper understanding by shareholders of Count's remuneration governance and practices.

Letter from the Chair of the Remuneration & Nominations Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Remuneration Report for the year ended 30 June 2023 ('FY2023'). The Remuneration Report aims to provide information regarding the remuneration framework and structure for Key Management Personnel ('KMP') including Non-Executive and Executive Directors of Count for FY2023 with a focus on addressing the interests of all stakeholders.

This year we have seen significant changes made to the employment landscape with the Australian Federal Government passing the Secure Jobs Better Pay Bill – making the most significant amendments to the Fair Work Act (Cth) 2009 since the Act was introduced. At the same time the Parliament also passed the Respect@ Work Bill implementing many of the recommendations made in the Australian Human Rights Commission. These two bills have meant significant changes to the employment landscape aiming to rebalance the relationship between employers and employees by improving job security, transparency, and gender equity.

The labour market has also been impacted by the economic environment putting pressure on wages and employment conditions. There has been strong employment growth throughout FY2023. A tight labour market, interest rate rises, and general inflation has seen upward pressures on salaries and increased competition to attract and retain talent. Recruitment in the Accounting and the Wealth verticals remains competitive.

We are committed to ensuring that we maintain our ability to attract and retain talent whilst managing our cost base. As a result, we have several initiatives that will assist:

- The rebranding to Count Limited, one team and the creation of a unified culture to deliver better results for our clients, customers and shareholders;
- Refinement to the Employee Value Proposition ('EVP') to boost our ability to attract and retain talent by having a compelling proposition that covers employee benefits, learning opportunities, wellbeing initiatives and uplifting leadership capability;
- We have partnered with Melbourne Business School to educate and upskill our future leaders to build capability to create a strong leadership foundation that will enhance our delivery on our strategy; and
- Our continued commitment to the Count Charitable Foundation by embedding our commitment in our EVP.

Key to our culture is promoting a workplace where employees' health and wellbeing is supported, a workplace that fosters diversity and inclusion; and having a socially conscious business by giving back to our local communities we live in. In terms of gender diversity, we are proud to acknowledge that the leadership team and the Board of Directors have a gender ratio of 50:50 female and male representation.

This year Count has partnered with Wesley Mission to support their financial literacy program, "In Charge of My Money", a financial literacy program offered to the most vulnerable people in our community. The program is a community-led solution building financial confidence, resilience, and wellbeing. In addition to our commitment to Wesley Mission the Count Charitable Foundation and our network raised $1.2M in donations.

There has been a change to the current executive remuneration strategy and framework in relation to the measurement period for the FY2023 Long-term Incentive ('LTI'). The measurement period has changed from four-years to three-years to align with external market practices to ensure we continue to provide a fair and competitive remuneration framework to motivate and retain high calibre individuals.

On 1 July 2022 Mr Laurent Toussaint was appointed as Chief Financial and Operating Officer. The role of General Counsel and Company Secretary held by Ms Narelle Wooden ended and Ms Wooden departed on 17 October 2022 and the role of General Counsel was not replaced.

On 11 July 2023 Mr Laurent Toussaint, Chief Financial and Operating Officer resigned after five and a half years to pursue a new professional opportunity. Mr Laurent Toussaint's last day will be 29 September 2023.

The role of Chief Advice Officer is no longer considered a KMP role. As a result Mr Andrew Kennedy ceased being a KMP on 20 February 2023.

In FY2023 Count Limited appointed Ms Lisa Chambers to a newly created role, Chief Risk Officer and Ms Raelene Hinchliffe to Group Head of People & Culture, these are critical roles for the business as we continue to grow and focus on our people and culture and our enterprise risk across our business.

Mr Andrew McGill, an Independent Non-Executive Director and the Chair of the Acquisitions Committee retired on 1 March 2023 after 5+years of service with Count. We are pleased to share that Mr Tim Martin joined as an Independent Non-Executive Director on the 8 June 2023. Mr Tim Martin is Chair of the Acquisitions Committee, a member of the Technology and Innovation Committee and a member of the Remuneration and Nominations Committee.

Alison Ledger
Chair of the Remuneration and Nominations Committee

1 People covered by this report

This report covers KMP which are defined as those who have the authority and responsibility for planning, directing and controlling the activities of Count.

			Committee Membership			
Name	**Role**	**Appointed**	**Audit & Risk**	**Remuneration & Nominations**	**Acquisitions**	**Technology & Innovation**
Non-Executive KMP						
Ray Kellerman	Non-Executive Chairman	27/04/2017		✓	Chair	
Alison Ledger	Independent Non-Executive Director	1/10/2016	✓	Chair		
Kate Hill	Independent Non-Executive Director	26/06/2017	Chair		✓	
Andrew McGill	Independent Non-Executive Director	4/12/2017		✓	Chair	✓
Carolyn Colley	Independent Non-Executive Director	6/10/2020	✓			Chair
Tim Martin	Independent Non-Executive Director	8/06/2023		✓	Chair	✓
Executive KMP						
Hugh Humphrey	Chief Executive Officer	1/07/2022			✓	✓
Laurent Toussaint	Chief Financial Officer Chief Financial and Operating Officer	22/01/2018 1/07/2022				
Narelle Wooden	General Counsel and Company Secretary	19/11/2018				
Andrew Kennedy	Chief Advice Officer, Count AFSL	13/01/2020				

✓ = Member of Committee

The following changes to KMP occurred during FY2023 or between the end of FY2023 and the date of publication of this report:

a) Hugh Humphrey was appointed as CEO & Managing Director on 1 July 2022.

b) Laurent Toussaint was appointed as Chief Financial and Operating Officer effective 1 July 2022. He resigned as Chief Financial and Operating Officer on 11 July 2023, and will depart the business on 29 September 2023.

c) Narelle Wooden, General Counsel and Company Secretary departed on 17 October 2022.

d) Andrew Kennedy, Chief Advice Officer – Count AFSL ceased being a KMP on 20 February 2023.

e) Andrew McGill, Independent Non-Executive Director and the Chair of the Acquisitions Committee retired on 1 March 2023. Ray Kellerman served as the Chair of the Acquisitions Committee from 1 March 2023 to 8 June 2023.

f) Tim Martin, Independent Non-Executive Director and the Chair of the Acquisitions Committee was appointed on 8 June 2023.

2 Remuneration Overview

2.1 Executive Remuneration Structure At-A-Glance

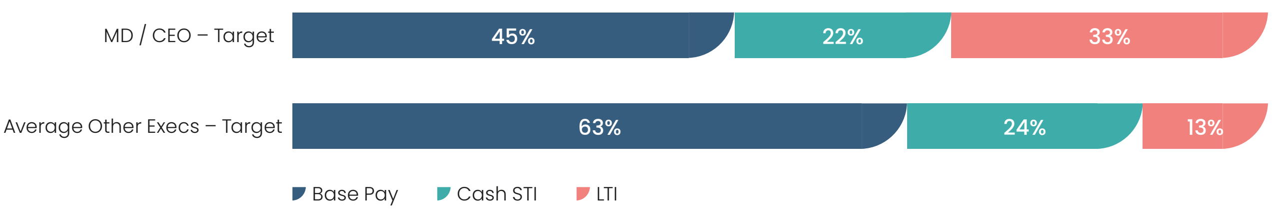
During FY2023, the remuneration structures in place were unchanged from the prior year, and the same structure is expected to apply in FY2024. The following diagrams outline Count's approach to executive remuneration and the remuneration cycle under the framework applicable to FY2023:

	Base Pay	Variable Remuneration	
		Short-Term Incentive	**Long-Term Incentive**
Purpose	To reward executives with reference to position, responsibility and performance relative to market benchmarks.	To reward Executive KMP for meeting annual performance targets set by the Board at the beginning of the reporting period.	To align Executive KMP remuneration with shareholder value over the longer term subject to the satisfaction of challenging performance conditions.
Delivery	Base Salary, Superannuation, and Non-Monetary Benefits.	Cash.	Performance Rights over a Measurement Period of 3 years.
Malus & Clawback		The Group may immediately terminate employment at any time in the case of serious misconduct, and the CEO and Other Executive KMP will only be entitled to payment of total base pay up to the date of termination. On termination without notice by the Group in event of serious misconduct: all unvested Short-term Incentive ('STI') or LTI benefits will be forfeited; and any equity instruments provided to the employee on vesting of STI and LTI awards that are held in trust, will be forfeited.	

2.2 FY2023 Executive Remuneration Opportunities and Outcomes At-A-Glance

The following charts outline the remuneration target opportunity under Count's executive remuneration structures:

Chart A



3 Count's Remuneration Strategy, Policy and Framework

3.1 Remuneration Philosophy, Policy and Governance

Remuneration Philosophy

The guiding principles that underpin our remuneration philosophy across Count include:

- **Shareholder aligned**
  Our executive remuneration framework supports the delivery of our strategy and helps to create shareholder value by linking remuneration outcomes to relevant and measurable financial and non-financial goals.
- **Simple and transparent**
  Our remuneration framework is designed to ensure the highest level of transparency and understanding, externally and internally. Remuneration should maintain appropriate proportions of fixed and performance-related pay to avoid excessive risk-taking.
- **Clear remuneration governance**
  Our remuneration framework, policies and processes are governed by clear guidelines and accountabilities balanced with the ability for the Board to apply judgement over potential unintended or unequitable outcomes. All remuneration for the CEO and KMP requires final approval by the Count Limited Board with support of the Remuneration & Nominations Committee.
- **Fair, equitable and motivational**
  Our remuneration arrangements are designed to attract and retain high-calibre individuals who live our values and are collectively motivated by our vision, purpose and achievement of our business strategy. Remuneration should, where possible for a comparable role, sit in the mid-quartile of the industry-sector we operate.
- **Personal accountability and shared responsibility**
  Our remuneration framework appropriately rewards individual discretionary effort, teamwork, and behaviour that is aligned with our values-based culture. This is balanced with business unit / team performance and must be reflective of the overall performance of Count Limited.
- **Recognises the importance of our non-financial strategic drivers**
  Such as, Firms, People, Focus, Partners, Clients and Community.

Policy and Governance

Count's Remuneration Policy ('Policy') has been approved by the Board which outlines overall responsibility for all remuneration decisions. The Policy is reviewed at least once every three years to ensure ongoing compliance with regulatory changes as more information becomes known and the changes are due to take effect.

Count has an established Remuneration and Nominations Committee which, among other things, is responsible for overseeing the remuneration and human resource practices for the Group. In discharging these responsibilities, the Remuneration and Nominations Committee adheres to Count's Policy, which is in place to outline employee obligations and Count's obligations;

- outline employee obligations and Count's obligations;
- set out clear reporting and controls;
- define various terms to ensure a common understanding; and
- clarify what happens if this policy or associated procedures are breached.

3.2 Executive Remuneration

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

- base pay which includes salary, superannuation and non-monetary benefits;
- short-term performance incentives; and
- long-term performance incentives.

The combination of these make up the Executive's total remuneration. Base pay, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remuneration. The STI program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators being achieved. The LTI include share-based payments. Performance rights are awarded to executives over a period based on long-term incentive measures. These measures are growth in earnings per share ('EPS') and return on equity ('ROE') performance hurdles. The Committee reviews the long-term equity-linked performance incentives for executives annually.

3.3 FY2023 Short-Term Incentive Plan

A description of the STI structure applicable for FY2023 is set out below:

<table>
<tr><td>Purpose</td><td>To reward Executive Key Management Personnel for meeting annual performance targets set by the Board at the beginning of the reporting period.</td></tr>
<tr><td>Measurement Period</td><td>The financial year of the Company (1 July – 30 June).</td></tr>
<tr><td>Opportunity</td><td>
<table>
<tr><th></th><th colspan="2">Opportunity as % of Total Fixed Remuneration</th></tr>
<tr><th></th><th>CEO</th><th>Other Executives</th></tr>
<tr><td>Target</td><td>50%</td><td>10% – 30%</td></tr>
<tr><td>Overachievement</td><td>75%</td><td>15% – 45%</td></tr>
</table>
</td></tr>
<tr><td>Outcome Metrics and Weightings</td><td>Short-term incentives are in place to reward Executive Key Management Personnel for meeting annual performance targets set by the Board at the beginning of the reporting period. The STI is set as a percentage of Total Fixed Remuneration and performance is assessed against a balanced scorecard of both financial and non-financial key performance indicators ('KPIs'). Financial KPIs may change year to year but can include; revenue growth, net profit after tax attributable to shareholders and acquisitions. Non-financial KPIs may change year to year but can include; employee engagement and implementing strategic initiatives.

All STIs awarded are recommended by the Committee to the Board for approval. As a listed Company, the Directors are mindful of shareholder expectations for the Group's performance when setting and approving these incentives. Refer to the section "The Link Between Performance and Reward in FY2023" for additional information regarding performance outcomes relative to objectives.</td></tr>
<tr><td>Gate</td><td>The STI pool activates when the threshold for Net Profit After Tax ('NPAT') to Count shareholders is achieved, and the size of the pool is dependent on the size of the NPAT achieved.</td></tr>
<tr><td>Award, Settlement and Deferral</td><td>Awards will be calculated following the auditing of financial statements. These are delivered in cash.</td></tr>
<tr><td>Malus & Clawback</td><td>The Group may immediately terminate employment at any time in the case of serious misconduct, and the CEO and Other Executive KMP will only be entitled to payment of total base pay up to the date of termination. On termination without notice by the Group in event of serious misconduct: all unvested STI or LTI benefits will be forfeited; and any equity instruments provided to the employee on vesting of STI and LTI awards that are held in trust, will be forfeited.</td></tr>
</table>

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3.4 FY2023 Long-Term Incentive Plan

A description of the LTI structure applicable for FY2023 is set out below:

Purpose

To align Executive Key Management Personnel's remuneration with shareholder value and Count's strategy, as well as strike an appropriate balance between growth and long-term profitability. This is subject to the satisfaction of two performance milestones, Diluted EPS Growth and Average ROE.

Instrument

The LTI is in the form of Performance Rights ('Rights') with a nil exercise price, which are subject to performance and service vesting conditions.

Measurement Period

1 July 2022 to 30 June 2025 (3 Years).

Opportunity

	Opportunity as % of Base Pay	
	CEO	Other Executives
Target*	75%	10% – 20%

* Target opportunity is the maximum opportunity that executives may be awarded.

Grant Calculation

The number of Rights in a Tranche of LTI to be granted are calculated via the application of the following formula:

Maximum LTI Award Value ÷ 30-day Volume Weighted Average Price (VWAP)
where Right Value is the 30-day VWAP value of a Right (ignoring vesting conditions and not discounted).

Performance Metric and Vesting Scale

These metrics have been selected because the Board believes they:

- align with Count's strategy and interests of shareholders;
- best reflect the key financial performance metrics of Count; and
- strike an appropriate balance between growth and long-term profitability.

Tranche 1 – Diluted EPS growth (50%) Target and Vesting Schedule:

	Diluted EPS Growth	% of Performance Rights Vesting*
Target	12.50%	100%
Threshold	10%	50%

* Straight-line vesting between threshold and target.

Tranche 2 – Average ROE (50%) Target and Vesting Schedule:

	Average ROE	% of Performance Rights Vesting*
Target	15%	100%
Threshold	9%	50%

* Straight-line vesting between threshold and target.

Retesting

No retesting.

Change of Control

On a takeover or change in control of the Company, any unvested Performance Rights may vest on a pro-rata basis based on the most current financial reports available at the time the change of control occurs unless otherwise determined by the Board. The pro-rata period will be calculated from the Performance Rights grant date to the change of control date. If the KMPs remain employed with the company after a change of control has occurred, and assuming the company remains listed, any unvested Performance Rights will remain available for vesting at their original vesting dates.

Cessation of Employment

If an executive ceases employment before the vesting conditions are satisfied, the Performance Rights will automatically lapse (unless the Board determines otherwise).

In the case of cessation of employment because of retirement, redundancy, death, or permanent incapacity, the Board may approve a pro-rata vesting of the Performance Rights. The number of Performance Rights that may vest on cessation of the KMPs' employment in these circumstances will be calculated as follows:

Date of Grant to Date of Termination (in days) ÷ Date of Grant to Intended Vesting Date (in days) × No. of Performance rights held on cessation.

Disposal Restriction

Performance Rights cannot be transferred, disposed of, or have a security interest imposed over them.

Malus & Clawback

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

3.5 FY2023 Non-Executive Director ('NED') Remuneration

The following outlines the principles that Count applies to governing NED remuneration:

Policy

Fees and payments to Non-Executive Directors reflect the demands and responsibilities of their role. Non-Executive Directors' fees and payments are reviewed annually by the Remuneration and Nominations Committee ('Committee'). The Committee may, from time to time, receive advice from independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market. The Chair's fees are determined independently to the fees of other Non-Executive Directors taking into account the fees paid for similar roles in comparable companies. The Chair is not present at any discussions relating to the determination of their own remuneration. Non-Executive Directors are not entitled to participate in equity schemes of the Company and are not entitled to receive performance-based bonuses. Non-Executive Directors are not entitled to retirement benefits other than in respect of any superannuation entitlements.

The following outlines the Board Fees that were paid in FY2023 (note: an increase to Board Fees was approved in FY2021)*:

Role	Main Board*	Committees
Chair	$151,370	$10,000
Non-Executive Director	$80,823	n/a

Fees are inclusive of superannuation.

* Base board fees and committee fees have not increased in FY2023 but there has been an increase in superannuation inline with statutory requirements.

Aggregate Board Fees

The total amount of fees paid to Non-Executive Directors in the year ended 30 June 2023 is within the aggregate amount of $700,000 which was approved at the Annual General Meeting on 16/11/2021.

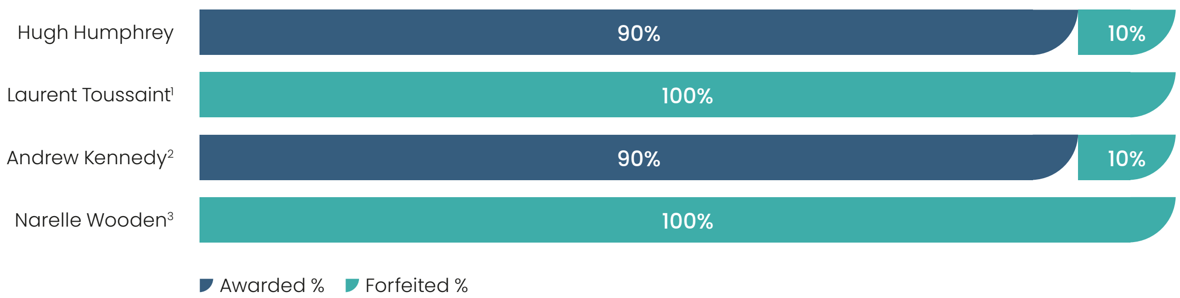
4 The Link Between Performance and Reward in FY2023

The Board views the outcomes of remuneration for FY2023 performance as appropriately aligned to stakeholder interests, given the strong group and individual performance against annual objectives, the shareholder value created through share price growth to the end of FY2023, and progress towards strategic objectives made by the executive team.

4.1 FY2023 STI Outcomes

The STI plan is designed to reward executives for the achievement against annual performance objectives set by the Board at the beginning of the performance period. The payment of an STI is dependent on delivery of performance against a range of outcome metrics.

Overall STI outcomes for FY2023 expressed as a % of target opportunity awarded and forfeited in the graph below:



1 Laurent Toussaint resigned as Chief Financial and Operating Officer on 11 July 2023, and will depart the business on 29 September 2023. His STI award was forfeited for FY2023.

2 Andrew Kennedy was a KMP from 1 July 2022 to 20 February 2023. His role has not changed and remains within the Group.

3 Narelle Wooden was a KMP from 1 July 2022 to her departure on 17 October 2022. Her STI award was forfeited for FY2023.

4.2 FY2019 LTI Outcomes

The LTI Plan is designed to reward executives for meeting long-term value creation targets specified by the Board at the start of the financial year, and to align executives' interests with those of shareholders. The performance criteria for the FY2019 LTI award was met for Tranche 1 (100%) and was not met for Tranche 2 in FY2023 and subject to service criteria being met on 19th November 2023, the award will be paid in FY2024.

Instrument	Performance Rights.
Measurement Period	FY2019 to FY2023 completion.
Performance Metrics and Weightings	**Tranche 1** Diluted EPS growth 50% weighting. **Tranche 2** Average ROE 50% weighting.
Service Conditions	A 1-year service test for each year of the measurement period ending on 19 November 2023.
Performance Outcome and Vesting Determination	The Board has assessed that the performance vesting conditions have been partially met. Should the service vesting conditions be met, 100% of Tranche 1 and none of Tranche 2 vesting will apply in respect of the completed FY2023 reporting period for participants that held unvested FY2019 Performance Rights at the Vesting Date. This is in the Board's view appropriate given the value created for shareholders over the Measurement Period.
Board Discretions Applied	The Board did not apply any discretionary adjustments to the performance assessment or vesting.

Name	Role	Tranche	Weighting	Number Eligible to Vest during FY2023 for FY2024 Completion	Target Performance	Actual Outcome	% of Max / Stretch / Grant Vested	Number Vested	Grant Date VWAP	$ Value of LTI that Vested (as per Grant Date VWAP)
Laurent Toussaint	Chief Financial and Operating Officer	EPS Tranche	50%	31,970	12.50%	65.90%	100%	–*	$1.04	–
		ROE Tranche	50%	31,970	15.00%	6.92%	–	–	$1.04	–
Andrew Kennedy	Chief Advice Officer, Count AFSL	EPS Tranche	50%	14,071	12.50%	65.90%	100%	14,071	$1.04	14,633
		ROE Tranche	50%	14,071	15.00%	6.92%	–	–	$1.04	–
TOTAL \ AVERAGE			**50%**			**36.41%**	**50%**	**14,071**		**14,633**

* Laurent Toussaint resigned as Chief Financial and Operating Officer on 11 July 2023, and will depart the business on 29 September 2023. He is not expected to meet his service condition.

4.3 Use of Board Discretion

During the financial year and to the date of this report, the Board did not exercise any discretions available to it to exceed maximum STI or LTI outcomes, vesting or awards.

5 Statutory Tables and Supporting Disclosures

5.1 Executive KMP Statutory Remuneration for FY2023

The following table outlines the statutory remuneration of Executive KMP ($, except where otherwise indicated):

			Base Pay				Variable Remuneration		Total for the Year		Other Statutory Items	
Name	**Role(s)**	**Year**	**Salary**	**Super**	**Non-Monetary Benefits[3]**	**Total Base Pay**	**Cash STI[1]**	**LTI[2]**	**Total Remuneration Package (TRP)**	**Variable Remuneration % TRP**	**Termination Benefits**	**Change in Accrued Leave**
Hugh Humphrey	CEO & Managing Director	2023	550,000	27,500	–	577,500	259,875	72,187	909,562	37%	–	11,270
	CEO & Managing Director	2022	–	–	–	–	–	–	–	–	–	–
Laurent Toussaint	Chief Financial & Operating Officer	2023	409,708	25,366	–	435,074	–	(50,785)	384,289	(13%)	–	(25,970)
	Interim Chief Executive Officer & Chief Financial Officer	2022	387,421	23,568	–	410,989	108,558	33,234	552,781	26%	–	5,735
Narelle Wooden[5]	General Counsel & Company Secretary	2023	193,990	12,037	–	206,027	–	(65,620)	140,407	(47%)	166,046	(43,722)
	General Counsel & Company Secretary	2022	299,791	23,568	–	323,359	77,343	25,735	426,437	24%	–	3,548
Andrew Kennedy[4]	Chief Advice Officer, Count AFSL	2023	198,654	16,183	–	214,837	38,671	(424)	253,084	15%	–	3,237
	Chief Advice Officer, Count AFSL	2022	302,916	23,568	–	326,484	56,887	11,025	394,396	17%	–	5,481

1 Note that the STI / bonus value reported in this table is the bonus that was awarded during the reporting period, being the award earned during the current period. Variable remuneration outcomes for the reporting period are outlined elsewhere in this report.

2 Note that the LTI / equity value reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period.

3 Non-monetary benefits include items such as car parking, car allowances, FBT, insurance etc.

4 Andrew Kennedy was a KMP from 1 July 2022 to 20 February 2023. His role has not changed and remains within the Group.

5 Narelle Wooden was a KMP from 1 July 2022 to her departure on 17 October 2022.

5.2 Non-Executive Director KMP Statutory Remuneration for FY2023

The following table outlines the statutory and audited remuneration of NEDs ($, except where otherwise indicated):

Name	Role	Year	Board Fee	Committee Fees	Superannuation	Total
Ray Kellerman	Non-Executive Chairman	2023	136,986	–	14,384	151,370
	Non-Executive Chairman	2022	136,986	–	13,699	150,685
Alison Ledger	Independent Non-Executive Director	2023	78,894	9,738	2,191	90,823
	Independent Non-Executive Director	2022	80,412	10,000	–	90,412
Kate Hill	Independent Non-Executive Director	2023	73,143	9,050	8,630	90,823
	Independent Non-Executive Director	2022	73,102	9,091	8,219	90,412
Andrew McGill[1]	Independent Non-Executive Director	2023	48,981	6,025	5,776	60,782
	Independent Non-Executive Director	2022	73,102	9,091	8,219	90,412
Carolyn Colley	Independent Non-Executive Director	2023	73,143	9,050	8,630	90,823
	Independent Non-Executive Director	2022	73,102	9,091	8,219	90,412
Tim Martin[2]	Independent Non-Executive Director	2023	4,829	545	564	5,938
	Independent Non-Executive Director	2022	–	–	–	–

1 Andrew McGill was an Independent Non-Executive Director from 1 July 2022 to 1 March 2023.

2 Tim Martin was an Independent Non-Executive Director from 8 June 2023.

5.3 KMP Equity Interests and Changes During FY2023

Movements in equity interests held by Executive KMP during the reporting period, including their related parties, are set out below:

		Held at Open FY2023	Granted during FY2023		Forfeited during FY2023	Vested during FY2023	FY2023 Exercised (or Shares received from Exercising)	FY2023 Purchased/ Other	FY2023 Sold	Held at Close FY2023
Name	Instrument	Number	Date Granted	Number	Number	Number	Number	Number	Number	Number
Hugh Humphrey	Shares	–	–	–	–	–	–	99,893	–	99,893
	Unvested Rights	–	21/12/2022	639,960	–	–	–	–	–	639,960
Laurent Toussaint	Shares	50,000	–	–	–	–	69,097	–	–	119,097
	Unvested Rights	306,910	21/12/2022	118,117	(33,458)	(69,097)	–	–	–	322,472
Andrew Kennedy	Shares	10,394	–	–	–	–	–	–	–	10,394
	Unvested Rights	84,769	21/12/2022	91,899	–	–	–	–	–	176,668
Narelle Wooden	Shares	–	–	–	–	–	–	–	–	–
	Unvested Rights	224,222	–	–	(224,222)	–	–	–	–	–
TOTALS		**676,295**	**N/A**	**849,976**	**(257,680)**	**(69,097)**	**69,097**	**99,893**	**–**	**1,368,484**

Movements in equity interests held by Non-Executive KMP during the reporting period, including their related parties, are set out below:

		Number Held at Open FY2023	FY2023 Purchased/ Other	FY2023 Sold	Number Held at Close FY2023
Name	**Instrument**	**Number**	**Number**	**Number**	**Number**
Ray Kellerman	Shares	2,250,000	750,000	–	3,000,000
Alison Ledger	Shares	10,000	–	–	10,000
Kate Hill	Shares	200,000	–	–	200,000
Andrew McGill	Shares	10,000	–	–	10,000
Carolyn Colley	Shares	6,000	–	–	6,000
Tim Martin	Shares	–	–	–	–
TOTALS		**2,476,000**	**750,000**	**–**	**3,226,000**

The following outlines the accounting values and potential future costs of equity remuneration granted during FY2023 for Executive KMP ($, except where otherwise indicated):

2023 Equity Grants Name	Tranche	Grant Type	Vesting Conditions	Grant Date	Total Value at Grant	Value Expensed in FY2023	Max Value to be Expensed in Future Years
Hugh Humphrey	FY2023 LTI Performance Rights	LTI	EPS Growth	21/12/2022	216,562	(72,187)	144,375
	FY2023 LTI Performance Rights	LTI	Average ROE	21/12/2022	216,562	–	216,562
Laurent Toussaint	FY2023 LTI Performance Rights	LTI	EPS Growth	21/12/2022	39,971	–	–
	FY2023 LTI Performance Rights	LTI	Average ROE	21/12/2022	39,970	–	–
Andrew Kennedy	FY2023 LTI Performance Rights	LTI	EPS Growth	21/12/2022	31,099	(10,366)	20,733
	FY2023 LTI Performance Rights	LTI	Average ROE	21/12/2022	31,098	–	31,098
TOTALS					**575,262**	**(82,553)**	**412,768**

Note 1: The minimum value to be expensed in future years for each of the above grants made in FY2023 is nil. A reversal of previous expense resulting in a negative expense in the future may occur in the event of an Executive KMP departure or failure to meet non market-based conditions including failure for gate to open.

Note 2: No expense has been recognised for Laurent Toussaint given he will not meet the services condition of the 2023 equity rights grant due to his resignation effective 29 September 2023.

5.4 KMP Service Agreements

5.4.1 Executive KMP Service Agreements

The following outlines current Executive KMP service agreements:

Name	Role(s)	Employing Company	Duration of Contract	Period of Notice From Company	Period of Notice From KMP	Termination Payments[1]
Hugh Humphrey[2]	Chief Executive Officer	Count Limited	No Fixed Term	Six months	Six months	288,750
Laurent Toussaint[3]	Chief Financial & Operating Officer	Count Limited	No Fixed Term	Three months	Three months	106,250

1 Under the Corporations Act, broadly the Termination Benefit Limit is 12 months average Salary (over prior 3 years) unless shareholder approval is obtained.

2 In the case of redundancy within three years of the commencement date, where the employee has not otherwise obtained suitable employment, the Company will pay a redundancy payment of six months remuneration, in addition to the six month termination notice period payment.

3 Laurent Toussaint resigned as Chief Financial and Operating Officer on 11 July 2023, and will depart the business on 29 September 2023.

5.4.2 Non-Executive Directors Service Agreements

The appointment of Non-Executive Directors is subject to a letter of appointment. The letter summarises the Board policies and terms, including remuneration. The NEDs are not eligible for any termination benefits following termination of their office, nor any payments other than those required under law such as in respect of superannuation. There are no notice periods applicable to either party under this approach.

5.5 Other Statutory Disclosures

5.5.1 Loans to KMP and their related parties

During the financial year and to the date of this report, the Company made no loans to directors and other KMP and none were outstanding as at 30 June 2023 (2022: Nil).

5.5.2 Other transactions with KMP

$11,613 of revenue was earned from KMPs relating to accounting fees earned at arms length.

5.5.3 External Remuneration Consultants

During FY2023, no external consultant or advice was provided. No remuneration recommendations were made under Section 9B and Section 300A of the Corporations Act 2001.

This concludes the remuneration report, which has been audited.

Indemnity and insurance of officers

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

Environmental regulation

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

Non-audit services

The auditors, Grant Thornton Audit Pty Limited (including any other person or firm on the auditors 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 is set out immediately after this Directors' report.

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016 / 191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Corporate Governance statement

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

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

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors,

Ray Kellerman
Chairman
30 August 2023
Sydney

Auditor's Independence Declaration

For personal use only

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Queen Victoria Building NSW 1230

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Auditor's Independence Declaration

To the Directors of Count Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Count Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

S M Thomas
Partner – Audit & Assurance

Sydney, 30 August 2023

Financial Statements

Contents

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 30 June 2023

	Note	2023 $'000	2022 $'000
Revenue from contracts with customers	2.2	**91,481**	85,293
Direct costs	2.3	**(42,891)**	(42,167)
Contribution margin	2.1	**48,590**	43,126
Other income	2.1	**1,639**	3,573
Indirect salaries and employee benefits expense		**(22,720)**	(20,513)
Administrative expenses	2.3	**(10,917)**	(10,304)
Other operating expenses	2.3	**(11,872)**	(10,033)
Operating profit		**4,720**	5,849
Gain on bargain purchase	6.1	**3,163**	–
Impairment of intangible assets	5.1	**(1,424)**	–
Share of net profits of associates accounted for using equity method	6.2	**3,304**	3,516
Net finance costs		**(1,063)**	(1,069)
Profit before income tax expense		**8,700**	8,296
Income tax expense	2.4	**(1,211)**	(941)
Profit after income tax expense for the year		**7,489**	7,355
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Other comprehensive income for the year, net of tax		**25**	17
Total comprehensive income for the year		**7,514**	7,372
Profit for the year is attributable to:			
Owners of Count Limited		**5,100**	5,112
Non-controlling interest	6.3	**2,389**	2,243
		7,489	7,355
Total comprehensive income for the year is attributable to:			
Owners of Count Limited		**5,125**	5,129
Non-controlling interest	6.3	**2,389**	2,243
		7,514	7,372

	Note	Cents	Cents
Basic earnings per share	2.5	**4.63**	4.58
Diluted earnings per share	2.5	**4.57**	4.57

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2023

	Note	2023 $'000	2022 $'000
Assets			
Current assets			
Cash and cash equivalents	3.1	**21,668**	21,540
Trade and other receivables	3.2	**30,617**	24,601
Contract assets	3.3	**42,574**	16,064
Loans and advances	6.6	**2**	57
Indemnity asset	4.1	**87,472**	237,953
Total current assets		**182,333**	300,215
Non-current assets			
Trade and other receivables	3.2	**93**	381
Contract assets	3.3	**112,223**	35,830
Investments in associates	6.2	**25,951**	22,214
Property, plant and equipment	5.2	**3,484**	3,617
Right-of-use assets	5.3	**10,457**	12,047
Intangible assets	5.1	**54,577**	52,338
Deferred tax assets	2.4	**3,394**	1,886
Total non-current assets		**210,179**	128,313
Total assets		**392,512**	428,528
Liabilities			
Current liabilities			
Trade and other payables	3.4	**24,006**	18,161
Contract liabilities	3.3	**39,285**	13,628
Interest bearing loans and borrowings	7.4	**1,683**	911
Lease liabilities	5.3	**3,021**	3,589
Current tax liabilities	2.4	**1,388**	2,726
Provisions	3.5	**8,030**	7,195
Remediation provision	4.2	**87,481**	237,962
Other liabilities	3.6	**1,693**	1,455
Total current liabilities		**166,587**	285,627
Non-current liabilities			
Contract liabilities	3.3	**110,285**	34,075
Interest bearing loans and borrowings	7.4	**15,654**	8,890
Lease liabilities	5.3	**8,493**	9,849
Provisions	3.5	**1,336**	1,446
Other liabilities	3.6	**693**	177
Total non-current liabilities		**136,461**	54,437
Total liabilities		**303,048**	340,064
Net assets		**89,464**	88,464
Equity			
Contributed equity	7.1	**121,536**	123,153
Reserves	7.2	**(48,411)**	(47,896)
Retained earnings		**1,579**	96
Equity attributable to the owners of Count Limited		**74,704**	75,353
Non-controlling interest	6.3	**14,760**	13,111
Total equity		**89,464**	88,464

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 2023

	Issued Capital $'000	Treasury Shares* $'000	Share-Based Payment Reserve $'000	Acquisition Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings $'000	Total $'000	Non-Controlling Interests (NCI) $'000	Total Equity $'000
Balance at 1 July 2022	**126,566**	**(3,413)**	**668**	**(48,548)**	**(16)**	**96**	**75,353**	**13,111**	**88,464**
Profit after income tax expense for the year	–	–	–	–	–	5,100	5,100	2,389	7,489
Other comprehensive income for the year, net of tax	–	–	–	–	25	–	25	–	25
Total comprehensive income for the year	–	–	–	–	25	5,100	5,125	2,389	7,514
Transactions with owners in their capacity as owners:									
Share buy-back	(1,707)	–	–	–	–	–	(1,707)	–	(1,707)
Transactions with non-controlling interests ('NCI')	–	–	–	–	–	(216)	(216)	1,259	1,043
Share-based payments for long-term incentives ('LTI')	–	–	13	–	–	–	13	–	13
Dividends paid	–	–	–	–	–	(3,864)	(3,864)	(1,999)	(5,863)
Transfer of treasury shares	–	90	(50)	–	–	(40)	–	–	–
Reallocation of reversal of share-based payment expense	–	–	(503)	–	–	503	–	–	–
Balance at 30 June 2023	**124,859**	**(3,323)**	**128**	**(48,548)**	**9**	**1,579**	**74,704**	**14,760**	**89,464**

	Issued Capital $'000	Treasury Shares* $'000	Share-Based Payment Reserve $'000	Acquisition Reserve $'000	Foreign Currency Translation Reserve $'000	Retained Earnings / (Accumulated Losses) $'000	Total $'000	Non-Controlling Interests (NCI) $'000	Total Equity $'000
Balance at 1 July 2021	126,566	(3,413)	814	(48,548)	(33)	(4,217)	71,169	10,653	81,822
Profit after income tax expense for the year	–	–	–	–	–	5,112	5,112	2,243	7,355
Other comprehensive income for the year, net of tax	–	–	–	–	17	–	17	–	17
Total comprehensive income for the year	–	–	–	–	17	5,112	5,129	2,243	7,372
Transactions with owners in their capacity as owners:									
Transactions with non-controlling interests ('NCI')	–	–	–	–	–	2,025	2,025	2,237	4,262
Share-based payments for long-term incentives ('LTI')	–	–	(146)	–	–	–	(146)	–	(146)
Recognition of deferred tax on equity transactions	–	–	–	–	–	524	524	–	524
Dividends paid	–	–	–	–	–	(3,348)	(3,348)	(2,022)	(5,370)
Balance at 30 June 2022	126,566	(3,413)	668	(48,548)	(16)	96	75,353	13,111	88,464

* The Company has formed a trust to administer our long-term incentive. Shares held by the trust are disclosed as Treasury Shares and deducted from contributed equity.

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 2023**

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**197,270**	151,463
Payments to suppliers and employees (inclusive of GST)		**(188,674)**	(139,420)
Government grants received		**–**	97
		8,596	12,140
Interest received		**357**	21
Interest and other finance costs paid		**(1,464)**	(1,096)
Income taxes paid		**(5,027)**	(2,765)
Net cash from operating activities	3.1	**2,462**	8,300
Cash flows from investing activities			
Purchase of shares under equity partnership model		**(697)**	(1,304)
Proceeds from reduction of shareholding in associate investments		**145**	–
Purchase of business assets		**(2,008)**	(1,681)
Purchase of equipment and other non-current assets		**(994)**	(962)
Proceeds from sales under the equity partnership model		**2,201**	1,487
Proceeds from / (payments for) acquisition of subsidiary, net of cash acquired	6.1	**670**	(9,374)
Payments for acquisition of associates		**(2,436)**	(2,261)
Proceeds from sale of business assets		**1,255**	3,152
Payments for disposal of subsidiary, net of cash disposed		**(262)**	–
Dividends / distributions received from associates	6.2	**2,565**	2,358
Payment for deferred consideration on acquisition of controlled entities and associates	3.6	**(1,010)**	(1,530)
Proceeds from deferred consideration on sale of controlled entities and associates		**1,155**	–
Net cash from / (used in) investing activities		**584**	(10,115)
Cash flows from financing activities			
Net proceeds from borrowings	7.4	**7,773**	10,620
Repayment of lease liability (AASB 16)		**(3,121)**	(3,134)
Purchase of shares under the share buy-back programme		**(1,707)**	–
Dividends paid		**(3,864)**	(3,348)
Repayment of borrowings		**–**	(5,000)
Payment of dividends by controlled subsidiaries to non-controlling interests	6.3	**(1,999)**	(2,022)
Net cash used in financing activities		**(2,918)**	(2,884)
Net increase / (decrease) in cash and cash equivalents		**128**	(4,699)
Cash and cash equivalents at the beginning of the financial year	3.1	**21,540**	26,239
Cash and cash equivalents at the end of the financial year	3.1	**21,668**	21,540

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

1 Basis of Preparation

1.1 General information

Count Limited ('the Company') is a listed public company limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange ('ASX'). The consolidated financial report for the year ended 30 June 2023 ('the financial report') comprises the parent and its controlled entities ('the Group'). Count Limited is the ultimate parent entity in the Group.

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 August 2023.

1.2 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below or within their respective note.

Impairment

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

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

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

- Revenue growth 3%;
- Direct employment expense ratio 38% to 58%;
- Discount rates 18.8%, 25.7% or 30.0% (pre tax); and
- Long-term growth rate (terminal rate) 2.5%.

Ongoing insurance commission

Ongoing insurance commissions reflect the upfront recognition of ongoing insurance commissions receivable and payable then a new customer Is introduced to a product. The key assumptions underlying the ongoing insurance commission asset and liability are the remaining life of the insurance products, the likely run off of products over time and the adviser payout ratio. The assumptions below are subject to change depending on any changes to insurance arrangements or pricing changes.

The following key assumptions are used in determining the ongoing insurance commission;

- Remaining life Five years; and
- Adviser payout ratio 95%.

Acquired client relationships and adviser networks

Acquired client relationships and adviser networks 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. The Group values these intangible assets as part of the acquisition of the business by estimating the future cashflows that would be generated from these relationships and networks. The useful life of these assets are 10–15 years and they are amortised and expensed using the straight-line method.

Gain on bargain purchase

A gain on bargain purchase arises when the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired. Judgement is exercised in determining the fair value of the net identifiable assets in order to calculate the gain on bargain purchase. In particular, significant estimates and assumptions are used in estimating the future cashflows of the acquired business to value the client relationships and adviser networks acquired.

Recovery of deferred tax assets

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

AASB 16 Leases

Lease term

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

Lease discount rates

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

2 Financial Performance

2.1 Operating segments

Identification of reportable operating segments

The consolidated entity is organised into three operating segments. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Accounting which comprises the provision of accounting, audit and assurance, taxation, financial planning services and business and corporate advisory services.

Wealth which comprises of financial services provided by Australian Financial Services licence ('AFSL') holders.

Services which comprises of services that support the activities of the accounting segment and wealth segment.

The CODM primarily uses the measures of Earnings before interest, tax and amortisation ('EBITA') and contribution margin (revenue less direct costs) to assess the performance of the operating segments.

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

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

At 30 June 2023	Accounting $'000	Wealth $'000	Services $'000	Total $'000
Revenue	**67,338**	**18,073**	**7,164**	**92,575**
Intercompany revenue	**(695)**	**–**	**(399)**	**(1,094)**
Revenue from external parties	**66,643**	**18,073**	**6,765**	**91,481**
Segment contribution margin	**30,212**	**12,836**	**5,542**	**48,590**
Other income	**777**	**151**	**–**	**928**
Expenses	**(21,229)**	**(10,212)**	**(3,571)**	**(35,012)**
Share of net profit of associates earnings	**3,304**	**–**	**–**	**3,304**
Segment EBITA	**13,064**	**2,775**	**1,971**	**17,810**

At 30 June 2022	Accounting $'000	Wealth $'000	Services $'000	Total $'000
Revenue	65,081	15,530	5,864	86,475
Intercompany revenue	(568)	(121)	(493)	(1,182)
Revenue from external parties	64,513	15,409	5,371	85,293
Segment contribution margin	29,458	10,096	3,572	43,126
Other income	2,485	1,088	–	3,573
Expenses	(21,781)	(7,968)	(2,246)	(31,995)
Share of net profit of associates earnings	3,516	–	–	3,516
Segment EBITA	13,678	3,216	1,326	18,220

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

	2023 $'000	2022 $'000
Segment EBITA	**17,810**	18,220
Gain on bargain purchase	**3,163**	–
Impairment of intangible assets	**(1,424)**	–
Corporate office and other income and costs	**(7,321)**	(6,701)
Amortisation expense	**(2,465)**	(2,154)
Net finance costs	**(1,063)**	(1,069)
Profit before income tax	**8,700**	8,296

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

Other income

	2023 $'000	2022 $'000
Cost reimbursements	**151**	1,088
Gain on disposal of business asset	**193**	536
Net gain on disposal of assets of disposal groups classified as held for sale	**–**	1,103
Gain on lease variation	**353**	474
Other income	**231**	275
Government grants – COVID-19	**–**	97
Other income – segments	**928**	3,573
Gain on disposal of subsidiary	**437**	–
Other income	**274**	–
Other Income – corporate office	**711**	–
Total other income	**1,639**	3,573

Significant accounting policy

Cost reimbursements

Cost reimbursements are recognised at the point in time when the costs are incurred and owed to the Company.

Net gain on disposal of assets of disposal groups classified as held for sale

A net gain on disposal of assets of disposal groups classified as held for sale is recognised when the consideration received for the sale of these assets is greater than the fair value of the assets of the disposal group.

Government grants

In the prior year, the Company received Jobkeeper payments of $97,000 from the Australian Government in support of businesses significantly affected by COVID-19. In the current year, the Company did not receive any Jobkeeper payments.

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

2.2 Revenue from contracts with customers

	2023 $'000	2022 $'000
Accounting		
Accounting services revenue	**51,230**	50,851
Financial planning revenue	**12,999**	12,095
Other operating revenue	**2,414**	1,567
Total Accounting revenue	**66,643**	64,513
Wealth		
Wealth revenue	**9,366**	8,154
Other operating revenue	**8,707**	7,255
Total Wealth revenue	**18,073**	15,409
Services		
Actuarial certificates	**5,265**	3,791
Other operating revenue	**1,500**	1,580
Total Services revenue	**6,765**	5,371
Total Revenue from contracts with customers	**91,481**	85,293
Timing of revenue recognition		
Transferred at a point in time	**27,644**	24,513
Transferred over time	**63,837**	60,780
	91,481	85,293

Accounting segment revenue policy

Accounting services revenue

Accounting services revenue includes fees generated by Count firms from services provided to clients.

Financial planning revenue

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

Wealth segment revenue policy

Wealth revenue

Wealth revenue includes revenue generated from services performed by authorised representatives of Count Financial Limited ('Count AFSL') or Affinia Financial Advisers Limited('Affinia') (both AFSL holders). Count AFSL and Affinia are considered to be acting as an agent under the requirements of AASB 15 Revenue from Contracts with Customers ('AASB 15') for revenue generated from Commissions. Commissions are deducted from the gross number to obtain the reported net revenue figure as disclosed in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Count AFSL and Affinia are considered to be acting as a principal under the requirements of AASB 15 for revenue generated from Fees and other related costs.

Services segment revenue policy

Services revenue

Services revenue includes fees generated by Count firms for the provision of actuarial certificates, paraplanning, administration and merged solution services to clients.

Significant accounting policy

Revenue recognition

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

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

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

Performance obligations for accounting, financial planning, wealth and services revenue

The Group's contracts comprise performance obligations around completing client deliverables in line with engagement letter terms (based on the agreed billing method, standard of work and timeline). Under AASB 15, the Group must evaluate the separability of the promised services based on whether they are 'distinct'. A promised service is 'distinct' if both:

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

Accounting services revenue

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

Financial planning revenue

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

Wealth revenue

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

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

(i) Fee income – ongoing service fees

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

(ii) Education partner fees

Fees are received from education partners to allow the facilitation of training to advisers. The performance obligation is the provision of interaction to education partners for education and training purposes. The revenue is recognised over time across the contractual period.

(iii) Commission income

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

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

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

(iv) Adviser fees

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

(v) Conference fees

Fees are received from advisers and other delegates as part of Count's annual national conference. The performance obligation is the provision of access for advisers and other delegates to the event, which includes the ability to attend plenary, keynote and business sessions. Revenue is recognised at a point in time when the event occurs.

Services revenue

Services revenue consists mainly of the provision of s390 and death benefit actuarial certificates to clients. The revenue is recognised at a point in time when the certificates are issued to the client and the performance obligation is met. The remainder of services revenue mostly consists of administration and merged solution services, which are recognised over time, in the period in which the service is provided and paraplanning, which is recognised at a point in time.

Other revenue

Other revenue includes fees received where the Company acts in the capacity of an agent rather than principal through facilitation of software licences and IT equipment.

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

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

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

2.3 Expenses

Direct Costs

	2023 $'000	2022 $'000
Direct salaries and employee benefits expense	**37,613**	36,854
Other direct costs	**5,278**	5,313
	42,891	42,167

Administrative and other operating expenses

	2023 $'000	2022 $'000
Acquisition related expenses	**382**	460
Audit fees	**472**	373
Legal fees	**376**	413
Accounting and other professional fees	**592**	689
Sales and marketing expenses	**2,549**	1,035
Insurance expenses	**1,574**	1,429
Technology expenses	**4,865**	4,767
Premises expenses	**1,373**	1,603
Office administration expenses	**574**	595
Share based payment expense / (income)	**13**	(146)
Depreciation expenses	**4,239**	4,303
Amortisation expenses	**2,465**	2,154
Net loss on disposal of property, plant and equipment	**51**	242
Impairment of receivables	**125**	276
Loss on deferred consideration payment	**622**	114
Entertainment expenses	**182**	225
Loss from disposal of subsidiary	**66**	–
Other expenses	**2,269**	1,805
	22,789	20,337

2.4 Taxation

Income tax expense

	2023 $'000	2022 $'000
Income tax expense		
Current tax	**4,074**	3,705
Deferred tax – origination and reversal of temporary differences	**(2,872)**	(2,738)
Under / (over) provision in prior years	**9**	(26)
Aggregate income tax expense	**1,211**	941
Income tax expense is attributable to:		
Profit from continuing operations	**1,211**	941
Deferred tax included in income tax expense comprises:		
Increase in deferred tax assets	**(1,532)**	(3,267)
(Decrease) / increase in deferred tax liabilities	**(1,340)**	529
Deferred tax – origination and reversal of temporary differences	**(2,872)**	(2,738)

	2023 $'000	2022 $'000
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax	**8,700**	8,296
Tax at the statutory tax rate of 30%	**2,610**	2,489

	2023 $'000	2022 $'000
Tax at the statutory tax rate of 30%	**2,610**	2,489
Share of equity accounted investments	**(991)**	(1,055)
Non-deductible expenses	**195**	60
Non-taxable accounting gains	**(112)**	(303)
Initial recognition of deferred tax asset on losses	**–**	(354)
(Gain) / loss on deferred considerations	**(43)**	43
Gain on bargain purchase	**(949)**	–
Taxable capital gain on disposal of fees	**–**	26
Non-taxable income	**(49)**	(36)
Non-deductible depreciation and amortisation	**67**	15
Impairment of goodwill	**306**	–
Tax effect of partially franked dividends	**196**	65
Other items	**(28)**	17
	1,202	967
Under / (over) provision in prior years	**9**	(26)
Income tax expense	**1,211**	941

Deferred tax assets

	2023 $'000	2022 $'000
The balance comprises temporary differences attributable to:		
Employee liabilities (annual leave and long service leave)	**2,763**	2,276
Allowance for expected credit losses – trade receivables	**178**	143
Accruals	**169**	527
Contract liability – accrued insurance commission expense	**15,136**	13,700
Tax losses	**5,319**	3,899
Right-of-Use assets	**317**	662
Depreciation	**170**	111
Remediation provision	**26,244**	73,775
Capital losses	**1,072**	–
Other	**222**	238
Total deferred tax assets	**51,590**	95,331
Set-off of deferred tax liabilities pursuant to set-off provisions	**(48,196)**	(93,445)
Net deferred tax assets	**3,394**	1,886

Movements in deferred tax assets

	2023 $'000	2022 $'000
Opening balance	**95,331**	91,386
Charged to income tax expense	**1,532**	3,267
Deferred tax balances on acquisition of subsidiary	**(128)**	154
Charged directly to equity	**–**	524
Deferred tax balance on remediation provision	**(45,145)**	–
Net deferred tax assets	**51,590**	95,331

Deferred tax liabilities

	2023 $'000	2022 $'000
The balance comprises temporary differences attributable to:		
Work in progress	**1,434**	1,106
Prepaid expenses	**38**	16
Fair valued intangible assets	**4,536**	3,970
Contract asset – accrued insurance commission income	**15,918**	14,409
Indemnity asset	**26,244**	73,759
Other	**26**	185
Total deferred tax liabilities	**48,196**	93,445
Set-off of deferred tax assets pursuant to set-off provisions	**(48,196)**	(93,445)
Net deferred tax liabilities	**–**	–

Movements in deferred tax liabilities

	Fair Valued Intangible assets $'000	Other $'000	Total $'000
At 1 July 2021	1,970	88,392	90,362
Net deferred tax balance on acquisition of subsidiaries*	2,513	41	2,554
Charged to the income tax expense	(512)	1,041	529
At 30 June 2022	3,971	89,474	93,445
At 1 July 2022	**3,971**	**89,474**	**93,445**
Net deferred tax balance on acquisition of subsidiaries*	**1,005**	**231**	**1,236**
Deferred tax balance on remediation provision	**–**	**(45,145)**	**(45,145)**
Charged to the income tax expense	**(625)**	**(715)**	**(1,340)**
At 30 June 2023	**4,351**	**43,845**	**48,196**

* Includes business assets acquired by member firms.

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

Interpretation 23 clarifies the application of the recognition and measurement criteria in AASB 12 Income taxes where there is uncertainty over income tax treatments. It requires an assessment of each uncertain tax position to determine whether it is probable that a taxation authority will accept the position. Where it is not considered probable, the effect of the uncertainty will be reflected in determining the relevant taxable profit or loss, tax bases, unused tax credits or tax rates. The amount will be determined as either the single most likely amount or the sum of the probability weighted amounts in a range of possible outcomes, whichever better predicts the resolution of the uncertainty.

Significant accounting policy

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered, or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Tax consolidation legislation

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

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

Current tax assets and liabilities

	2023 $'000	2022 $'000
Current tax payable	**1,388**	2,726

Significant accounting judgements, estimates and assumptions

Income taxes

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

Recognition of deferred tax assets on capital losses

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

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

In the current year, Count has not recognised capital losses generated during the year as it is unlikely the Group will be able to generate sufficient taxable capital gains to utilise these.

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2.5 Earnings per share

	2023 $'000	2022 $'000
Earnings per share for profit		
Profit after income tax	**7,489**	7,355
Non-controlling interest	**(2,389)**	(2,243)
Profit after income tax attributable to the owners of Count Limited	**5,100**	5,112

	2023 Number	2022 Number
Weighted average number of ordinary shares used in calculating basic earnings per share	**110,243,025**	111,610,249
Adjustments for calculation of diluted earnings per share		
Long-term incentive performance rights	**1,330,542**	308,346
Weighted average number of ordinary shares used in calculating diluted earnings per share	**111,573,567**	111,918,595

	2023 Cents	2022 Cents
Basic earnings per share	**4.63**	4.58
Diluted earnings per share	**4.57**	4.57

Significant accounting policy

Basic earnings per share is calculated by dividing:

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

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

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

2.6 Dividends

Dividends paid during the financial year were as follows:

	2023 $'000	2022 $'000
Dividends paid during the year		
2.00 cent per share dividend paid in respect of the six months to 30 June 2022	**2,212**	–
1.50 cent per share dividend paid in respect of the six months to 31 December 2022	**1,652**	–
1.50 cent per share dividend paid in respect of the six months to 30 June 2021	**–**	1,674
1.50 cent per share dividend paid in respect of the six months to 31 December 2021	**–**	1,674
Total dividends paid during the year	**3,864**	3,348

Franking credits

	2023 $'000	2022 $'000
Franking credits available for subsequent financial years based on a tax rate of 30%	**11,552**	9,160

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

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

3 Working Capital

3.1 Cash and cash equivalents

	2023 $'000	2022 $'000
Current assets		
Cash at bank	**21,668**	21,540
Reconciliation to cash and cash equivalents at the end of the financial year		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the Consolidated Statement of Cash Flows as follows:		
Balance as per Consolidated Statement of Cash Flows	**21,668**	21,540

Risk exposure

The Group's exposure to interest rate risk is discussed in note 7.5. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of cash and cash equivalents mentioned above.

Significant accounting policy

Cash and cash equivalents

Cash and cash equivalents comprise of 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.

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

	2023 $'000	2022 $'000
Profit after income tax expense for the year	**7,489**	7,355
Depreciation and amortisation	**6,705**	6,457
Share-based payments	**13**	(146)
Impairment of receivables	**125**	276
Other non-cash gains in other income	**(11)**	–
Net loss on deferred consideration	**513**	114
(Gain) on lease variation	**(353)**	(474)
(Gain) on disposal of non-current assets	**(669)**	(1,103)
Deferred tax on equity transaction adjustment	**–**	524
Insurance commission accounting adjustment	**(768)**	(491)
Loss / (gain) on disposal of non-current assets	**51**	(286)
Share of associate net profit	**(3,304)**	(3,516)
(Gain) on bargain purchase	**(3,163)**	–
Loss on business disposal of subsidiary	**66**	–
Impairment of intangible assets	**1,424**	–
Employee entitlements	**1,247**	1,810
Accrued interest income	**(44)**	(6)
(Increase) in trade and other receivables	**(6,836)**	(1,934)
(Decrease) in contract liabilities	**(4,314)**	(1,195)
Increase in trade and other payables	**8,831**	4,030
(Increase) in income tax refund due	**(2,308)**	(1,323)
(Decrease) in deferred tax liabilities	**(1,508)**	(862)
(Decrease) in employee benefits	**(724)**	(930)
Net cash from operating activities	**2,462**	8,300

3.2 Trade and other receivables

	2023 $'000	2022 $'000
Current assets		
Trade receivables	**9,835**	9,652
Less: Allowance for expected credit losses	**(363)**	(404)
	9,472	9,248
Other receivables	**1,588**	1,432
Prepayments	**4,461**	3,554
AFSL adviser revenue receivable	**14,982**	8,662
Deferred cash consideration receivable	**114**	1,705
Total current assets	**30,617**	24,601

	2023 $'000	2022 $'000
Non-current assets		
Other receivables	**–**	299
Deferred cash consideration receivable	**93**	82
Total non-current assets	**93**	381

Ageing analysis of trade receivables

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

	2023		2022	
	Trade receivables $'000	Allowance for expected credit losses $'000	Trade receivables $'000	Allowance for expected credit losses $'000
Current	**6,376**	**(1)**	7,370	(28)
0 to 3 months	**1,006**	**(5)**	895	(14)
3 to 6 months	**1,493**	**(60)**	681	(136)
Over 6 months	**960**	**(297)**	706	(226)
	9,835	**(363)**	9,652	(404)

Trade receivables are non-interest bearing and are generally on 30-day terms. Allowance for expected losses is based on the lifetime expected credit loss and Group policies, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These amounts have been included on the face of the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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

	2023 $'000	2022 $'000
Opening balance	**(404)**	(247)
Additional provisions recognised	**(125)**	(276)
Receivables written off during the year as uncollectable	**166**	119
	(363)	(404)

The creation and release of the allowance for expected credit losses has been included in expense in note 2.3. Amounts charged to the allowance account are generally written off when there is no expectation of recovery.

The maximum exposure to credit risk at reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 7.5 for more information on the risk management policy of the Group.

Significant accounting policy

Trade receivables

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

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

Significant accounting judgements, estimates and assumptions

Allowance for expected losses of receivables

The allowance for expected losses of receivables assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. Outstanding debts that are deemed to be uncollectable are written off when identified. Historical experience, information of the Group's client base and available forward-looking information are considered when determining the allowance for expected credit losses. The allowance for expected credit loss of receivables includes assumptions about risk of default and expected loss rates; management judgement is applied determining these rates.

3.3 Contract assets and liabilities

Contract Assets

	2023 $'000	2022 $'000
Current assets		
Contract assets	**4,391**	4,068
Allowance for expected credit losses of contract assets	**(213)**	(204)
Ongoing insurance commission receivable	**38,414**	12,217
Loss allowance on insurance commission receivable	**(18)**	(17)
	42,574	16,064

	2023 $'000	2022 $'000
Non-current assets		
Ongoing insurance commission receivable	**112,245**	35,852
Loss allowance on insurance commission receivable	**(22)**	(22)
	112,223	35,830

Contract assets

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

Ongoing insurance commission receivable

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

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

Ageing of contract assets

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

	2023		2022	
	Contract assets $'000	Expected credit loss $'000	Contract asset $'000	Expected credit loss $'000
Current	1,764	(3)	1,516	(13)
0 to 3 months	1,183	(15)	1,015	(51)
3 to 6 months	908	(15)	822	(56)
over 6 months	536	(180)	715	(84)
	4,391	(213)	4,068	(204)

Movement in allowance of credit losses

	2023 $'000	2022 $'000
At 1 July	(204)	(209)
Changes in allowance for expected credit losses	(9)	5
	(213)	(204)

The maximum exposure to credit risk at reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 7.5 for more information on the risk management policy of the Group.

	2023 $'000	2022 $'000
Balance at 1 July	48,030	31,726
Amount recognised in revenue from contracts with customers	22,307	29,915
Acquisitions from business combinations	97,577	–
Receipt of ongoing insurance commission	(17,295)	(13,611)
Balance at 30 June	150,619	48,030

Contract Liabilities

	2023 $'000	2022 $'000
Current liabilities		
Unearned revenue	1,548	2,038
Ongoing insurance commission	37,737	11,590
	39,285	13,628

	2023 $'000	2022 $'000
Non-current liabilities		
Ongoing insurance commission	110,285	34,075

Unearned revenue

Unearned revenue represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration before the Group has transferred the goods or services to the customer.

Ongoing insurance commission

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

	2023 $'000	2022 $'000
Balance at 1 July	**45,665**	29,672
Amount recognised in revenue from contracts with customers	**21,532**	29,150
Acquisitions from business combinations	**97,577**	–
Payment of ongoing insurance commission	**(16,752)**	(13,157)
Balance at 30 June	**148,022**	45,665

	2023 $'000	2022 $'000
Movement in unearned revenue		
Opening balance	**2,038**	1,328
Payments received in advance	**3,543**	4,343
Transfer to revenue – included in the opening balance	**(1,608)**	(1,198)
Transfer to revenue – other balances	**(2,425)**	(2,435)
Closing balance	**1,548**	2,038

Significant accounting judgements, estimates and assumptions

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. Contract assets where amounts are in excess of net recoverable value are written off when identified. Historical experience, information of the Group's client base and available forward-looking information are considered when determining the allowance for expected credit losses. The allowance for expected credit loss of receivables includes assumptions about risk of default and expected loss rates; management judgement is applied in determining these rates.

Ongoing insurance commission

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

It has been estimated that the insurance policies have a remaining life of five years and that 10% (2022: 10%) of policies are cancelled at the end of each year. These assumptions are subject to change depending on the actual experience of the insurance arrangements over time.

In respect of the adviser payout ratio, it has been estimated that 95% (2022: 95%) of ongoing insurance commission is paid to aligned advisers in Count AFSL. This is estimated to be 100% for Affinia. This is subject to change if the adviser pricing changes or if the average payout ratio changes across the portfolio; this may occur given the tiered pricing model applicable to aligned advisers.

3.4 Trade and other payables

	2023 $'000	2022 $'000
Current liabilities		
Trade payables	**1,873**	1,216
Other payables	**289**	229
AFSL adviser payables	**17,422**	10,473
GST payable	**1,638**	1,651
Sundry payables and accrued expenses	**2,784**	4,592
	24,006	18,161

Refer to note 7.5 for further information on financial instruments risk.

3.5 Provisions

Provisions

	2023 $'000	2022 $'000
Current liabilities		
Employee benefits – annual leave	**2,964**	3,299
Employee benefits – long service leave	**3,642**	3,289
Sick leave	**18**	38
Bonus provision	**1,406**	569
	8,030	7,195

	2023 $'000	2022 $'000
Non-current liabilities		
Employee benefits – long service leave	**869**	1,000
Lease make good	**449**	431
Other	**18**	15
	1,336	1,446

Significant accounting judgements, estimates and assumptions

Provisions

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

Employee benefits

Further disclosures relating to Key Management Personnel are set out in the remuneration report which starts on page 20 of the Directors' Report.

Short-term obligations

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

Long-term obligations

The liability for long service leave not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service, is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience, adjustments and changes in actuarial assumptions are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

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

3.6 Other liabilities

	2023 $'000	2022 $'000
Current liabilities		
Deferred and contingent cash consideration	**1,569**	1,337
Other current liabilities	**124**	118
	1,693	1,455

	2023 $'000	2022 $'000
Non-current liabilities		
Deferred and contingent cash consideration	**693**	177
	693	177

Movements in deferred and contingent consideration and other liabilities

	2023 $'000
Current	
At 1 July 2022	**1,455**
Arising during the year	**1,164**
Payments made during the year	**(1,010)**
Net gain on deferred and contingent consideration	**(93)**
Transfer from non-current deferred and contingent consideration	**177**
Total current	**1,693**

	2023 $'000
Non-current	
At 1 July 2022	**177**
Arising during the year	**693**
Transfer to current deferred and contingent consideration	**(177)**
Total non-current	**693**
Total	**2,386**

Significant accounting judgements, estimates and assumptions

Contingent consideration

Some acquisitions involve the payment of contingent consideration to vendors. This consideration is determined based on a multiple of actual earnings over a fixed period and is dependent on revenue or client retention. Consideration payable to the vendors in relation to acquisitions is recognised at fair value based on estimated financial performance over the applicable future financial years and the assessment of whether this estimated performance will meet thresholds for consideration to be paid. Subsequent changes in the fair value of the contingent consideration is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. 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 contingent consideration, using a risk adjusted discount rate.

4 Indemnity asset and remediation provision

4.1 Indemnity asset

	2023 $'000	2022 $'000
Indemnity Asset	**87,472**	237,953

Indemnity asset

Included in the Consolidated Statement of Financial Position of Count AFSL (previously referred to as 'Count Financial') is a provision for remediation amounting to $87,472,000. A corresponding indemnity asset has been recognised which represents an amount receivable pursuant to an indemnity deed granted by the Commonwealth Bank of Australia (CBA). The provision is for ongoing service fees charged to clients where no service was provided and for other advice issues. The provision relates to the purchase of Count AFSL by Count during the 2020 financial year.

The indemnity provided by CBA relates directly to the remediation provision and is reduced as clients are remediated. The indemnity at 30 June 2023 was $520,000,000. The indemnity is subject to renegotiation if some of the underlying assumptions behind the provision are reassessed.

In connection with the sale of Count AFSL to Count Limited, CBA entered an Indemnity Deed (Deed) with Count Limited dated 1 October 2019, to cover remediation of past conduct. The limit of the CBA indemnity (Monetary Cap) has been increased twice since the date of the Deed, utilising the adjustment mechanism contained in the Deed. The Deed currently has a limit of $520 million and covers certain remediation activities that were identified at the time of sale and for up to four years following the sale.

The timeframe for notification of any further Indemnified Conduct pursuant to the Deed will end on 1 October 2023. All Indemnified Conduct, which has been notified to CBA will continue to be indemnified by CBA pursuant to the terms of the Deed.

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

4.2 Remediation provision

	2023 $'000	2022 $'000
Current liabilities		
Remediation provision – ongoing service fees – Count AFSL	**81,263**	237,209
Remediation provision – other advice issues – Count AFSL	**6,209**	744
Remediation provision – Total Financial Solutions Australia	**9**	9
	87,481	237,962

Remediation provision – Count AFSL

The Count AFSL remediation provision represents the estimated cost of remediation of current and former clients in respect of advice issues, including ongoing service fees charged where no service was provided. The advice issues occurred prior to the acquisition of Count AFSL by Count on 1 October 2019. The provision includes the following elements:

	2023 $'000	2022 $'000
Ongoing service fees – cost of remediation of clients	**37,620**	122,075
Ongoing service fees – interest on amounts payable to clients	**43,643**	115,134
Other advice issues	**6,209**	744
	87,472	237,953

Ongoing service fees

As at 30 June 2023, a total of $424,524,000 payments have been made. The following key assumptions have been reflected in the remediation provision:

	2023	2022
Value of ongoing service fees charged	**$443,525,000**	$454,751,000
Number of years in which issues occurred	**11 years**	11 years
Interest calculation methodology	**RBA cash rate plus 6% compounded monthly**	RBA cash rate plus 6% compounded monthly
Value below which refunds will be made without investigation	**$3,000 (excluding interest)**	$3,000 (excluding interest)

Remediation settlements will not be known until individual cases have been reviewed and compensation offers accepted.

Other advice issues

'Other advice issues' presented above relate to additional items covered under the CBA indemnity deed including remediation due to specifically identified clients, deceased estates, clients of specific financial advisers and in respect of litigation matters. While these items formed part of the indemnity provided by CBA to Count AFSL at 30 June 2020, they were unable to be estimated at that date. Since 1 July 2020, resolution of these items has been prioritised, and at 30 June 2023, future expected payments are able to be estimated.

	2023 $'000
Provision at 1 July 2022	**237,953**
Additional provisions	**239,974**
Amounts paid during the year	**(390,455)**
Provision at 30 June 2023	**87,472**

Significant accounting judgements, estimates and assumptions

The key accounting judgements and estimates used in calculating the remediation provision include the value of ongoing service fees charged, the number of years in which issues have occurred, the refund rate, the interest calculation methodology, the length of time taken to make the refund and the value below which fee refunds will be made without investigation. The key assumptions reflected in the remediation provision are subject to a high degree of uncertainty.

The value of ongoing service fees charged has been estimated using Count AFSL's books and records and the books and records of third-party product providers where relevant.

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

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

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5 Capital Investments

5.1 Intangibles

Reconciliations

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

	Goodwill $'000	Acquired client relationship / Adviser networks $'000	IT software $'000	Brand $'000	Other intangible assets $'000	Total $'000
Balance at 1 July 2021	27,339	6,920	518	1,388	349	36,514
Additions	–	–	74	–	–	74
Additions through business combinations	8,829	7,518	1,058	792	697	18,894
Disposals	–	(986)	(4)	–	–	(990)
Amortisation expense	–	(1,574)	(302)	(80)	(198)	(2,154)
Balance at 30 June 2022	**36,168**	**11,878**	**1,344**	**2,100**	**848**	**52,338**
Additions	**–**	**–**	**65**	**–**	**3**	**68**
Additions through business combinations	**2,141**	**4,565**	**–**	**–**	**–**	**6,706**
Disposals through disposals of subsidiaries	**(592)**	**(14)**	**(15)**	**–**	**–**	**(621)**
Disposals	**–**	**–**	**(25)**	**–**	**–**	**(25)**
Impairment	**(1,018)**	**(406)**	**–**	**–**	**–**	**(1,424)**
Amortisation expense	**–**	**(1,760)**	**(377)**	**(92)**	**(236)**	**(2,465)**
Balance at 30 June 2023	**36,699**	**14,263**	**992**	**2,008**	**615**	**54,577**

	Goodwill $'000	Acquired client relationship / Adviser networks $'000	IT software $'000	Brand $'000	Other intangible assets $'000	Total $'000
At 30 June 2022						
Cost	46,158	34,571	2,108	2,285	1,077	86,199
Accumulated amortisation and impairment	(9,990)	(22,693)	(764)	(185)	(229)	(33,861)
Net book value	36,168	11,878	1,344	2,100	848	52,338
At 30 June 2023						
Cost	**47,707**	**38,338**	**1,834**	**2,285**	**1,080**	**91,244**
Accumulated amortisation and impairment	**(11,008)**	**(24,075)**	**(842)**	**(277)**	**(465)**	**(36,667)**
Net book value	**36,699**	**14,263**	**992**	**2,008**	**615**	**54,577**

Impairment tests for goodwill

Goodwill acquired through business combinations has been allocated to and is tested at the level of the respective CGUs, for impairment testing. A CGU is the smallest group of assets that independently generates cash flow and whose cash flow is largely independent of the cash flows generated by other assets. The concept is used by the Australian Accounting Standards Board in the determination of asset impairment.

For the purpose of impairment testing, fifteen of the sixteen member firms listed in note 6.4, are considered as separate CGUs, operating largely independently from other businesses in the Group. All subsidiaries are separately identified in note 6.4.

The Group utilises a value in use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period to assess the recoverable amount of the CGUs.

For the purpose of annual impairment testing, goodwill is allocated to the following CGU:

	2023 $'000	2022 $'000
Significant cash generating units		
CountPlus One Pty Ltd	**5,990**	4,759
MBA Group Holdings Pty Ltd	**5,639**	5,639
Kidmans Partners Holdings Pty Ltd	**4,245**	4,245
Unite Advisory Pty Ltd	**4,656**	4,656
4Front Holdings Pty Ltd	**3,811**	3,811
Crosby Dalwood Pty Ltd	**1,782**	1,782
Moggs Accounting + Advisory Pty Ltd	**3,107**	2,229
Accurium Holdings Pty Ltd	**3,783**	3,783
Remaining cash-generating units	**3,686**	5,264
	36,699	36,168

Impairment of goodwill

At 30 June 2023 management performed impairment testing for each CGU of Count. During the financial year ending 30 June 2023, impairment indicators were identified in relation to the Wealth Axis Holdings Pty Ltd CGU. Management determined that the total goodwill for this CGU of $1,018,000 was no longer recoverable and was fully impaired.

Key assumptions used for value in use calculations

Key assumptions for this value in use calculation at 30 June 2023 were:

- Revenue growth of 3% from year 2–5;
- Direct employment expense ratio 38% – 58%; and
- The long-term growth rate (terminal rate) was estimated to be 2.5% p.a.

Revenue growth is based on the Board approved member firm budget for the next financial year as well as management assessment over the forecast period. Budget revenue for 2024 is based on historical growth rates and management expectations on the timing of acquisitive events and the average annual revenue growth thereafter is assumed to be maintained at 3% p.a. over the remaining forecast period for all CGUs.

Employment expense ratios are based on the Board approved member firm budget for the next financial year and management assessment over the forecast period. Direct employment expense ratio shows the employment cost as a percentage of net revenue. This is assumed to be maintained between 38% and 58% over the forecast period for the majority of CGUs.

Discount rates represent the current market assessment of the risks specific to the Group, considering the time value of money and specific risk of the underlying assets that have not been incorporated into the cash flow estimates. The discount rate is calculated using the weighted average cost of capital (WACC) and reflects management's estimation of the time value of money and specific risk estimated for the Group. The WACC considers both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. It incorporates a beta factor to reflect the specific risk associated with the industries in which the Group operates. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Management utilised a pre-tax discount rate of 18.75% (13% post tax) (2022: 18.75% (13% post tax)) for all CGU's with the exception of Accurium where a pre tax discount rate of 25.7% (18% post tax) (2022: 25.7% (18% post tax)) and Affinia 30.0% (21% post tax) was used. During the current period, management reconsidered the discount rate, while the rate remained unchanged at 13% the composition of the inputs determining the rate have been adjusted.

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

Sensitivity to changes in assumptions

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

For Unite Advisory Pty Ltd: The recoverable amount as determined by the value in use calculation exceeds the carrying value by $2,658,000 or 40%.

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

- Other things being equal, if the company's yearly revenue is 5% less than expected over the forecast period, the recoverable amount would exceed the carrying amount by $489,000.
- Other things being equal, if the pre-tax discount rate is increased from 18.57% to 25.00%, the recoverable amount would exceed the carrying amount by $142,000.
- If the company's employment cost margin (its single largest expense item) increases from 38% to 43% over the forecast period, the recoverable amount would exceed the carrying amount by $339,000.
- If the long-term average growth rate decreases from 2.5% to 1% p.a., the recoverable amount would exceed the carrying amount by $1,894,000.

For Crosby Dalwood Pty Ltd: The recoverable amount as determined by the value in use calculation exceeds the carrying value by $913,000 or 51%.

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

- Other things being equal, if the company's yearly revenue is 5% less than expected over the forecast period, an impairment loss of $111,000 would result.
- Other things being equal, if the pre-tax discount rate is increased from 18.57% to 25.00%, the recoverable amount would exceed the carrying amount by $161,000.
- If the company's employment cost margin (its single largest expense item) increases from 50% to 55% over the forecast period, an impairment loss of $109,000 would result.
- If the long-term average growth rate decreases from 2.5% to 1% p.a., the recoverable amount would exceed the carrying amount by $679,000.

Significant accounting judgements, estimates and assumptions

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Impairment of intangible assets

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. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or CGU to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a CGU.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

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.

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3–5 years.

Acquired client relationships and Adviser networks

Acquired client relationships and adviser networks 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. The useful life of these assets are 10–15 years and they are amortised and expensed using the straight-line method.

Brands

Brands 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 value of the brand being acquired. They are amortised over 10–25 years and they are amortised and expensed using the straight-line method.

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 Consolidated Statement of Profit or Loss and Other Comprehensive Income for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

5.2 Property, plant and equipment

Reconciliations

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

	Office equipment $'000	Furniture, fixtures and fittings $'000	Leasehold improvements $'000	Other property, plant and equipment $'000	Motor vehicle $'000	Total $'000
Balance at 1 July 2021	1,195	686	2,065	25	35	4,006
Additions	553	142	193	–	–	888
Additions through business combinations	68	15	36	–	–	119
Disposals	(67)	(6)	(285)	(7)	–	(365)
Depreciation expense	(458)	(166)	(393)	(6)	(8)	(1,031)
Balance at 30 June 2022	**1,291**	**671**	**1,616**	**12**	**27**	**3,617**
Additions	**594**	**129**	**256**	**–**	**–**	**979**
Additions through business combinations	**–**	**92**	**132**	**–**	**–**	**224**
Disposals through disposals of subsidiaries	**(51)**	**(40)**	**(132)**	**–**	**–**	**(223)**
Disposals	**(35)**	**(33)**	**(1)**	**(1)**	**–**	**(70)**
Depreciation expense	**(477)**	**(164)**	**(398)**	**(2)**	**(2)**	**(1,043)**
Balance at 30 June 2023	**1,322**	**655**	**1,473**	**9**	**25**	**3,484**

	Office equipment $'000	Furniture, fixtures and fittings $'000	Leasehold improvements $'000	Other property, plant and equipment $'000	Motor vehicle $'000	Total $'000
At 30 June 2022						
Cost	4,141	2,239	2,925	286	69	9,660
Accumulated depreciation	(2,850)	(1,568)	(1,309)	(274)	(42)	(6,043)
Net book value	1,291	671	1,616	12	27	3,617
At 30 June 2023						
Cost	**4,143**	**2,219**	**3,168**	**244**	**69**	**9,843**
Accumulated depreciation	**(2,821)**	**(1,564)**	**(1,695)**	**(235)**	**(44)**	**(6,359)**
Net book value	**1,322**	**655**	**1,473**	**9**	**25**	**3,484**

Significant accounting policy

Property, 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, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term, as follows:

- Office equipment 4% – 20%
- Furniture, fixtures and fittings 8% – 37%
- Leasehold improvements over the estimated life of the asset or shorter of the lease term
- Make good over the estimated life of the lease
- Motor vehicle 20% – 25%

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

5.3 Leases

Right-of-use assets

The Group as a lessee

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

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

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

Measurement and recognition of leases as a lessee

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

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

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

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

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

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

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

	2023 $'000	2022 $'000
Non-current assets		
Premises – right-of-use	**28,090**	26,512
Less: Accumulated depreciation	**(17,748)**	(14,645)
Total	**10,342**	11,867
Office equipment – right-of-use	**760**	770
Less: Accumulated depreciation	**(675)**	(592)
Total	**85**	178
Others – right-of-use	**53**	15
Less: Accumulated depreciation	**(23)**	(13)
Total	**30**	2
Balance at 30 June	**10,457**	12,047

Reconciliations

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

	Right-of-use assets $'000
Balance at 1 July 2021	13,103
Additions	2,216
Depreciation expense	(3,272)
Balance at 30 June 2022	**12,047**
Additions	**1,606**
Depreciation expense	**(3,196)**
Balance at 30 June 2023	**10,457**

Lease liabilities

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

	2023 $'000	2022 $'000
Current liabilities		
Lease liabilities	**3,021**	3,589
Non-current liabilities		
Lease liabilities	**8,493**	9,849

The Group has leases for office buildings and office equipment. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the Consolidated Statement of Financial Position as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and asset. The Group classifies its right-of-use assets in a consistent manner to its property, plant and equipment (see note 5.2).

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

At 30 June 2023, 40 right-of-use assets were leased. The average lease term for premises is nine years, office equipment is five years and others is four years. The average lease term includes option periods which management are reasonably certain will be exercised.

The lease liabilities are secured by the related underlying assets. Future minimum lease payments (including option periods which management are reasonably certain will be exercised) at 30 June 2023 is $13,576,000.

Lease payments not recognised as a liability

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

At 30 June 2023 the Group was not committed to short-term leases.

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

Total cash outflow for leases for the year ended 30 June 2023 was $3,709,000 (2022: $3,767,000).

Amounts relating to leases recognised for the reporting period

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

	2023 $'000	2022 $'000
Depreciation charge for the right-of-use assets by class of asset		
Premises	**3,103**	3,129
Office equipment	**83**	151
Others	**10**	4
Total depreciation charge	**3,196**	3,284
Interest expense on lease liabilities (included in finance cost)	**588**	633
Total expense related to leases	**3,784**	3,917

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

	2023 $'000	2022 $'000
Cash outflow for leases (AASB 16) – financing activity	**3,121**	3,134
Cash outflow for leases – operating activity	**588**	633
	3,709	3,767

6 Group structure

6.1 Business Combinations

Material Acquisition

Acquisition of Affinia Financial Advisers Limited

On 29 May 2023, the Company acquired 100% of the ordinary shares of Affinia Financial Advisers Limited from TAL (owned by Dai-ichi Life Group) for net cash consideration of $3,373,000. Affinia has 75 practices including holistic financial advisory firms and risk specialists. It was acquired as part of the Company's Wealth strategy to accelerate scale and grow its risk advice capability and revenues. The share sale agreement includes a clause for a contingent post completion adjustment if the business over or under performs against revenue targets. The maximum payable or receivable adjustment is $632,000.
The gain on bargain purchase of $3,163,000 represents the excess of the fair value of the identifiable net assets of Affinia over the purchase consideration.

Details of the acquisition accounting included in the reported results is as follows:

	2023 $'000
Amount settled in cash by Count Limited	3,373
Recognised amounts of identifiable net assets:	
Cash	4,043
Prepayments	359
Accrued income	34
Intangible assets	3,413
Deferred tax liabilities	(1,009)
Trade and other payables	(253)
Provision for employee benefits	(51)
Net identifiable assets and liabilities	6,536
Net identifiable assets and liabilities	6,536
Consideration paid by Count Limited	(3,373)
Gain on bargain purchase	3,163
Purchase consideration – Cash inflow	
Inflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	(3,373)
Less: Balances acquired	4,043
Net cash acquired	670

Identifiable net assets

At 30 June 2023, the fair value of the client relationships amount to $3,413,000.

Gain on bargain purchase

The gain on bargain purchase represents the excess of the fair value of the acquired identifiable assets and liabilities over the purchase price. This gain on bargain purchase has been allocated to the Group's Wealth segment and is not expected to be assessable for tax purposes. The gain on bargain purchase arises from the strategic acquisition of Affinia by the Group who is best positioned to capitalise on this investment by creating scale from its existing infrastructure.

Contribution to the Group results

Affinia has contributed $239,000 in revenue from contracts with customers and loss after tax of $168,000 to the Group from the acquisition date to 30 June 2023. It is impractical to determine the full year contribution to revenues and profit after tax if the acquisition had occurred on 1 July 2022 as the year end of the entity pre-acquisition does not align with the Group's year end and the profit and loss would thus not be determinable.

Other acquisitions

The Group has made the following other acquisitions during the period:

On 4 July 2022, the Company's member firm CountPlus One Pty Ltd acquired CDC Partners Pty Ltd, a Sydney-based accounting firm for $600,000.

On 14 February 2023, the Company's member firm Moggs Accounting + Advisory Pty Ltd acquired Timothy Trevor Gubbins, a Shepparton-based accounting firm for $1,270,000.

On 8 June 2023, the Company's member firm CountPlus One Pty Ltd acquired RHA Associates, a Sydney-based accounting firm for $1,022,000.

	2023 $'000
Purchase consideration	**2,867**
Non-controlling interest	**–**
Less: Net assets acquired	**(726)**
Acquired goodwill	**2,141**
Purchase consideration – cash outflow	
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	**(1,987)**
Less: Balances acquired	**–**
Net cash acquired	**(1,987)**

Significant Accounting Policy

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

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

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

6.2 Investments in associates

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

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
One Hood Sweeney Pty Ltd	Australia	**32.36%**	32.36%
Hunter Financial Planning Pty Ltd	Australia	**40.00%**	40.00%
OBM Financial Services Pty Ltd	Australia	**40.00%**	43.00%
Rundles CountPlus Pty Ltd	Australia	**40.00%**	40.00%
Rundles Financial Planning Pty Ltd	Australia	**20.00%**	20.00%
DMG Financial Holdings Pty Ltd	Australia	**30.00%**	30.00%
Southern Cross Business Holdings Pty Ltd	Australia	**49.00%**	49.00%
WSC Group – Aust Pty Ltd	Australia	**32.75%**	–

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

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

Summary of associates held during the year

One Hood Sweeney Pty Ltd

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

Hunter Financial Planning Pty Ltd

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

OBM Financial Services Pty Ltd

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

Rundles CountPlus Pty Ltd

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

Rundles Financial Planning Pty Ltd

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

DMG Financial Holdings Pty Ltd

DMG Financial Holdings is a professional services firm located in Sale and Yarram, Victoria. It provides accounting and business advisory services to its clients.

Southern Cross Business Holdings Pty Ltd

Southern Cross Business Holdings is a professional services firm located in Mildura, Victoria. It provides accounting, financial planning and business advisory services to its clients. Southern Cross ia a Count AFSL member firm.

WSC Group – Aust Pty Ltd

WSC Group is a financial services and advice practice with offices in Sydney South (Head Office), Sydney CBD, Brisbane, Gold Coast, Melbourne and Newcastle. It provides accounting, financial planning and business advisory services to its clients. WSC is a Count AFSL member firm. WSC Group – Aust Pty Ltd was acquired on 1 August 2022.

Material associates

2023	One Hood Sweeney $'000	Hunter Financial Planning $'000	OBM Financial Services $'000	Rundles CountPlus $'000	DMG Financial Holdings $'000	Southern Cross Business Holdings $'000	WSC Group – Aust Pty Ltd $'000
Summarised Consolidated Statement of Financial Position							
Current assets	**7,423**	**1,264**	**1,649**	**1,931**	**1,002**	**1,542**	**856**
Non-current assets	**7,856**	**8,309**	**2,240**	**4,360**	**6,254**	**3,169**	**4,970**
Current liabilities	**(4,811)**	**(1,254)**	**(660)**	**(1,975)**	**(1,149)**	**(1,096)**	**(1,951)**
Non-current liabilities	**(726)**	**(647)**	**(1,403)**	**(1,259)**	**(1,464)**	**(3,083)**	**(669)**
Net assets / equity	**9,742**	**7,672**	**1,826**	**3,057**	**4,643**	**532**	**3,206**
Summarised Consolidated Statement of Profit or Loss and Other Comprehensive Income							
Revenue	**24,103**	**4,575**	**4,707**	**5,637**	**6,471**	**6,943**	**7,207**
Profit for the year	**3,173**	**806**	**577**	**629**	**1,196**	**1,121**	**1,550**
Total comprehensive income	**3,173**	**806**	**577**	**629**	**1,196**	**1,121**	**1,550**
Group share of profit for the year	**1,027**	**322**	**231**	**252**	**359**	**549**	**508**

2022	One Hood Sweeney $'000	Hunter Financial Planning $'000	OBM Financial Services $'000	Rundles CountPlus $'000	DMG Financial Holdings $'000	Southern Cross Business Holdings $'000	WSC Group – Aust Pty Ltd $'000
Summarised Consolidated Statement of Financial Position							
Current assets	6,795	990	1,915	2,009	1,361	1,705	–
Non-current assets	8,603	8,040	2,396	4,774	5,885	2,503	–
Current liabilities	(5,006)	(687)	(672)	(2,930)	(814)	(1,338)	–
Non-current liabilities	(1,841)	(752)	(1,821)	–	(1,438)	(2,638)	–
Net assets / equity	8,551	7,591	1,818	3,853	4,994	232	–
Summarised Consolidated Statement of Profit or Loss and Other Comprehensive Income							
Revenue	23,765	3,764	5,089	5,509	6,057	6,700	–
Profit for the year	3,600	888	901	1,149	2,439	956	–
Total comprehensive income	3,600	888	901	1,149	2,439	956	–
Group share of profit for the year	1,165	355	373	359	732	468	–

Carrying amount of investments in associates

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

	2023 $'000	2022 $'000
One Hood Sweeney Pty Ltd		
Opening balance	**8,248**	7,725
Share in profit	**1,027**	1,165
Dividends	**(737)**	(642)
Carrying amount based on share in net assets of associate	**8,538**	8,248
Hunter Financial Planning Pty Ltd		
Opening balance	**2,780**	2,714
Share in profit	**322**	355
Dividends	**(290)**	(289)
Carrying amount based on share in net assets of associate	**2,812**	2,780
OBM Financial Services Pty Ltd		
Opening balance	**1,983**	1,755
Completion adjustment of acquisition of associate	**(54)**	79
Share in profit	**231**	373
Dividends	**(216)**	(224)
Carrying amount based on share in net assets of associate	**1,944**	1,983
Rundles CountPlus Pty Ltd		
Opening balance	**2,327**	2,240
Share of profit	**252**	359
Dividends	**(317)**	(272)
Carrying amount based on share in net assets of associate	**2,262**	2,327
Rundles Financial Planning Pty Ltd		
Opening balance	**349**	337
Share of profit	**56**	64
Dividends	**(27)**	(52)
Carrying amount based on share in net assets of associate	**380**	349
DMG Financial Holdings Pty Ltd		
Opening balance	**3,576**	3,465
Share of profit	**359**	732
Dividends	**(270)**	(621)
Carrying amount based on share in net assets of associate	**3,665**	3,576
Southern Cross Business Holdings Pty Ltd		
Opening balance	**2,951**	2,740
Share in profit	**549**	468
Dividends	**(401)**	(257)
Carrying amount based on share in net assets of associate	**3,099**	2,951
WSC Group – Aust Pty Ltd		
Completion adjustment of acquisition of associate	**3,050**	–
Share in profit	**508**	–
Dividends	**(307)**	–
Carrying amount based on share in net assets of associate	**3,251**	–

	Consolidated	
	2023 $'000	2022 $'000
Carrying value of investments in associates as at 30 June – Opening	**22,214**	18,236
Acquisition of associates and completion adjustment	**2,998**	2,819
Share in profit	**3,304**	3,516
Dividends	**(2,565)**	(2,357)
Carrying value of investments in associates as at 30 June – Closing	**25,951**	22,214

Contingent liabilities and capital commitments

The associates had no contingent liabilities or capital commitments as at 30 June 2023 or 30 June 2022.

6.3 Non-controlling interest

Reconciliation of non-controlling interest in controlled entities

	2023 $'000	2022 $'000
MBA Group Holdings Pty Ltd		
Opening non-controlling interest at 1 July	**1,630**	2,492
Additions	**871**	–
Disposals	**(479)**	(1,062)
The profit allocated to non-controlling interest for the period	**390**	575
Dividends paid	**(308)**	(375)
Closing non-controlling interest at 30 June	**2,104**	1,630
Kidmans Partners Holdings Pty Ltd		
Opening non-controlling interest at 1 July	**1,340**	1,292
The profit allocated to non-controlling interest for the period	**205**	112
Dividends paid	**(154)**	(64)
Closing non-controlling interest at 30 June	**1,391**	1,340
Advice Co CA Pty Ltd		
Opening non-controlling interest at 1 July	**1,728**	1,712
The profit allocated to non-controlling interest for the period	**256**	236
Dividends paid	**(242)**	(220)
Closing non-controlling interest at 30 June	**1,742**	1,728
Moggs Accounting + Advisory Pty Ltd		
Opening non-controlling interest at 1 July	**1,468**	1,283
Additions	**119**	179
The profit allocated to non-controlling interest for the period	**330**	341
Dividends paid	**(332)**	(335)
Closing non-controlling interest at 30 June	**1,585**	1,468
Count Financial Limited		
Opening non-controlling interest at 1 July	**2,507**	2,423
The profit allocated to non-controlling interest for the period	**289**	233
Dividends paid	**(263)**	(149)
Closing non-controlling interest at 30 June	**2,533**	2,507
Accurium Holdings Pty Ltd		
Opening non-controlling interest at 1 July	**676**	–
Additions	**–**	697
The profit allocated to non-controlling interest for the period	**175**	138
Dividends paid	**(214)**	(159)
Closing non-controlling interest at 30 June	**637**	676
Other		
Opening non-controlling interest at 1 July	**3,762**	1,451
Additions	**777**	2,696
Disposals	**(29)**	(274)
The profit allocated to non-controlling interest for the period	**744**	608
Dividends paid	**(486)**	(719)
Closing non-controlling interest at 30 June	**4,768**	3,762

	2023 $'000	2022 $'000
Opening balance	**13,111**	10,653
Acquisitions	**–**	1,411
Purchase of shares from non-controlling interest holder	**(508)**	(1,335)
Disposal of shares to non-controlling interest holder	**1,767**	2,161
Share of net profit for the period	**2,389**	2,243
Dividends paid by subsidiaries to non-controlling interests	**(1,999)**	(2,022)
Closing Balance	**14,760**	13,111

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

	2023 $'000	2022 $'000
MBA Group Holdings Pty Ltd		
Assets	**14,041**	14,597
Liabilities	**(5,300)**	(5,456)
Revenue	**11,576**	11,181
Net Profit	**1,283**	1,236
Count Financial Limited		
Assets	**321,926**	345,136
Liabilities	**(306,077)**	(329,856)
Revenue	**17,834**	15,409
Net Profit	**3,287**	1,917
Kidmans Partners Holdings Pty Ltd		
Assets	**10,469**	11,202
Liabilities	**(3,785)**	(4,436)
Revenue	**7,916**	7,423
Net Profit	**829**	460
Advice Co CA Pty Ltd		
Assets	**6,506**	6,308
Liabilities	**(1,688)**	(1,555)
Revenue	**5,487**	4,844
Net Profit	**1,269**	913
Moggs Accounting + Advisory Pty Ltd		
Assets	**8,814**	7,117
Liabilities	**(4,050)**	(2,541)
Revenue	**5,893**	5,331
Net Profit	**916**	735
Accurium Holdings Pty Ltd		
Assets	**2,018**	2,251
Liabilities	**(716)**	(1,728)
Revenue	**5,735**	3,950
Net Profit	**2,585**	1,316

6.4 Interests in subsidiaries

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

Name	Principal place of business / Country of Incorporation	Ownership interest 2023 %	Ownership interest 2022 %
1. MBA Group Holdings Pty Ltd* (b)	Australia	**73.08%**	84.06%
• The MBA Partnership Pty Ltd	Australia	**100.00%**	100.00%
• Digital O2 Pty Ltd	Australia	**100.00%**	100.00%
• The MBA Partnership (NSW) Pty Ltd	Australia	**100.00%**	100.00%
• The MBA Partnership BNE Pty Ltd	Australia	**100.00%**	100.00%
• Specialised Business Solutions Pty Ltd	Australia	**61.28%**	61.28%
• Collective Resourcing Pty Ltd (a)	Australia	**100.00%**	100.00%
• Collective Outsourcing Incorporated	Philippines	**100.00%**	100.00%
2. Bentleys (WA) Pty Ltd*	Australia	**100.00%**	100.00%
• Australian Superannuation & Compliance Pty Ltd	Australia	**100.00%**	100.00%
3. Addvantage Financial Freedom Pty Ltd (e)	Australia	**–**	100.00%
• Addvantage Accountants Pty Ltd (e)	Australia	**–**	100.00%
4. Beames & Associates Accounting and Financial Services Pty Ltd	Australia	**100.00%**	100.00%
• Cooma Accounting and Financial Services Pty Ltd (f)	Australia	**–**	100.00%
5. Moggs Accounting + Advisory Pty Ltd*	Australia	**60.00%**	60.00%
6. Crosby Dalwood Pty Ltd*	Australia	**90.00%**	90.00%
7. 4Front Holdings Pty Ltd*	Australia	**51.00%**	51.00%
• 4Front Financial Planning Pty Ltd	Australia	**100.00%**	100.00%
• 4 Front Pty Ltd	Australia	**100.00%**	100.00%
• 4 Front Accountant Pty Ltd	Australia	**100.00%**	100.00%
• Profile Management Services Pty Ltd	Australia	**100.00%**	100.00%
• 4 Front Mortgage Broking Pty Ltd	Australia	**100.00%**	100.00%
8. CountPlus One Pty Ltd*	Australia	**100.00%**	100.00%
9. Evolution Advisers Pty Ltd* (b)	Australia	**85.00%**	100.00%
10. Advice Co CA Pty Ltd*	Australia	**60.00%**	60.00%
11. Kidmans Partners Holdings Pty Ltd*	Australia	**64.15%**	64.15%
• Kidmans Partners Pty Ltd	Australia	**100.00%**	100.00%
• Kidmans Partners Mortage Pty Ltd	Australia	**100.00%**	100.00%
• Kidmans Partners Services Pty Ltd	Australia	**100.00%**	100.00%
• Kidmans Partners Wealth Pty Ltd	Australia	**100.00%**	100.00%
12. Unite Advisory Pty Ltd* (b)	Australia	**69.00%**	75.00%
13. Twomeys Group Pty Ltd* (b)	Australia	**54.91%**	60.00%
• Twomeys Pty Ltd	Australia	**100.00%**	100.00%
• Twomeys Accounting & Advisory Pty Ltd	Australia	**100.00%**	100.00%
• Addvantage Financial Freedom Pty Ltd (e)	Australia	**100.00%**	–
• Addvantage Accountants Pty Ltd (e)	Australia	**100.00%**	–
14. Count Financial Limited*	Australia	**85.00%**	85.00%
15. CountPlus FS Holdings Pty Ltd (TFS Group)*	Australia	**100.00%**	100.00%
• Total Financial Solutions Australia Pty Ltd	Australia	**100.00%**	100.00%
• TFS Operations Pty Limited	Australia	**100.00%**	100.00%
16. Wealth Axis Holdings Pty Ltd* (f)	Australia	**–**	51.00%
• Wealth Axis Pty Ltd (f)	Australia	**–**	100.00%
17. Accurium Holdings Pty Ltd*	Australia	**85.00%**	85.00%
• Accurium Pty Ltd	Australia	**100.00%**	100.00%
18. Affinia Financial Advisers Limited* (c)	Australia	**100.00%**	–
19. ADVICE389 Pty Ltd (d)	Australia	**–**	100.00%

* These subsidiaries are separate cash generating units.

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

a) These entities have changed their legal name. There has been no change to their ABN.

b) Count's ownership interest in these entities have been reduced during the year due to equity partnership transactions.

c) Affinia was acquired on 29 May 2023, refer to note 6.1.

d) These entities were deregistered during the year.

e) These entities were acquired by Twomeys Group Pty Ltd on 1 July 2022.

f) These entities were disposed of during the year.

Significant restrictions relating to subsidiaries

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

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

Consolidated structured entities

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

Disposal of subsidiaries that resulted in loss of control

On 1 July 2022, the Company disposed of its 100% investment in Cooma Accounting and Financial Services Pty Ltd ('Cooma'). The consideration for the sale was $1,505,000.

On 28 February 2023, the Company disposed of its 51% investment in Wealth Axis Holdings Pty Ltd. The proceeds for the sale was $1.

Disposal of subsidiaries – carrying amount of net assets

	Wealth Axis $'000	Cooma $'000	Total $'000
Current assets	412	961	1,373
Non-current assets	81	920	1,001
Total assets	493	1,881	2,374
Current liabilities	332	707	1,039
Non-current liabilities	1	103	104
Total liabilities	333	810	1,143
Net assets	160	1,071	1,231
Consideration received	(1)	(1,505)	(1,506)
Less: Non-controlling interest	(29)	–	(29)
(Loss) / gain on disposal	(130)	434	304

6.5 Parent entity information

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

Statement of Financial Position

	2023 $'000	2022 $'000
Assets		
Current assets	**568**	2,789
Non-current assets	**68,384**	66,085
Total assets	**68,952**	68,874
Liabilities		
Current liabilities	**(2,066)**	(2,405)
Non-current liabilities	**(11,854)**	(6,112)
Total liabilities	**(13,920)**	(8,517)
	55,032	60,357
Equity		
Contributed equity	**124,845**	126,552
Share based payment reserve	**219**	709
Accumulated losses	**(70,032)**	(66,357)
	55,032	60,357

Statement of Profit or Loss and Other Comprehensive Income

	2023 $'000	2022 $'000
Profit for the year	**1,593**	4,450

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group , except for the following:

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

Parent entity financial information

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

Investments in subsidiaries and associates

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

Tax consolidation legislation

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

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

Financial guarantees

The Group currently has banking facilities with Westpac Bank. These comprise a $5,000,000 revolving line of credit facility and a $20,000,000 Bank Bill Business Loan. $11,710,000 was drawn during the year and a bank guarantee of $546,000 has been provided for property leases.

Share based payments

The grant by the Group of options over its equity instruments to key management personnel 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.

6.6 Related party transactions

Parent entity

Count Limited is the parent entity.

Subsidiaries

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

- the loans advanced by the parent to subsidiaries;
- the loan repayments by the subsidiaries to the parent;
- the payment of dividends to the parent by subsidiaries; and
- recharges from the parent to the subsidiaries.

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

Associates

Interests in associates are set out in note 6.2.

Key management personnel

	2023 $	2022 $
Short-term employee benefits	**2,056,421**	2,388,341
Post-employment benefits	**287,307**	140,605
Long-term benefits	**(10,325)**	14,764
Share-based payments	**(44,642)**	69,994
	2,288,761	2,613,704

Transactions with related parties

The following transactions occurred with related parties:

	2023 $'000	2022 $'000
Sale of goods and services		
Net fees and commissions received from Colonial First State Group	**36**	94
Net fees received from directors	**12**	12
Premises expenses		
Catalyst Finance Pty Ltd	**209**	211
The Southport Unit Trust	**295**	292
Rosebead Pty Ltd	**58**	55
Mark & Bronwyn Kenmir Superannuation Fund	**–**	29
Bronwyn Kenmir	**–**	44
Software expense		
Elmo Software Limited	**12**	34

Payments from related parties

As at 31 July 2023, the Commonwealth Bank of Australia held 36.71% of Count Limited's quoted ordinary shares. During the year, Count Financial Limited (a majority owned subsidiary) received payments totalling $390,456,000 from the Commonwealth Bank of Australia in relation to the remediation provision (refer to note 4.1 and 4.2).

Following the announcement by the Commonwealth Bank of Australia in October 2021 to close the remaining part of its Commonwealth Financial Planning business, the Commonwealth Bank of Australia agreed, following a competitive tender process, to reimburse Count Financial Limited for a period of two years (subject to agreed caps) for certain costs and expenses actually incurred in onboarding those Commonwealth Financial Planning financial advisers and customers that chose to join, or become customers of, Count Financial Limited. Payments have been made in relation to costs incurred for client engagement, reporting, data migration and transition, and, in relation to those advisers that successfully applied for roles with Count Financial Limited, adviser onboarding, training and support and adviser operating costs.

Receivable from and payable to related parties

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

Loans related parties

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

	2023 $'000	2022 $'000
Current receivables		
Loan to Count Member Firm Pty Ltd	**2**	57

7 Capital Management

7.1 Contributed equity

	2023 Shares	2022 Shares	2023 $'000	2022 $'000
Ordinary shares – fully paid	**111,528,888**	114,222,559	**124,859**	126,566
Treasury shares – issued capital held by loan funded share plan	**(2,543,213)**	(2,612,310)	**(3,323)**	(3,413)
	108,985,675	111,610,249	**121,536**	123,153

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

During the financial year, Count Limited commenced a share buy-back scheme to enhance returns to shareholders with specific capital management initiatives. A total of 2,693,671 shares have been repurchased for a total of $1,707,000 during the financial year.

Refer to note 8.5 for details of share buy-backs post reporting period.

Capital risk management

When managing capital, the Board's objective is to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management monitors the capital structure to ensure that the Group is positioned to take advantage of favourable costs of capital or higher expected returns on assets. The Group currently has a facility of $20,000,000, with the Westpac Bank, which has been drawn down by $11,710,000 as at 30 June 2023. The Group has an overdraft facility of $5,450,000 which was drawn down by lease guarantees of $546,000 at 30 June 2023. In addition, there are six bank loans in member firms totalling $7,126,000 which have been drawn down by $5,627,000. Future acquisitions and investments will be funded from existing and future cash flows as well as funds received under the Group's equity partnership model.

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

Significant accounting policy

Ordinary shares are classified as equity.

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

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

7.2 Reserves

	2023 $'000	2022 $'000
Acquisition reserve	**(48,548)**	(48,548)
Share-based payments reserve	**128**	668
Foreign currency reserve	**9**	(16)
	(48,411)	(47,896)

Movements in reserves

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

	Share-based payment reserve $'000	Acquisition reserve $'000	Foreign currency reserve $'000	Total $'000
Balance at 1 July 2022	**668**	**(48,548)**	**(16)**	**(47,896)**
Foreign currency translation	**–**	**–**	**25**	**25**
Transfer of Treasury shares	**(50)**	**–**	**–**	**(50)**
Reallocation of employee share reserve	**(503)**	**–**	**–**	**(503)**
Share-based payments for long-term incentive plan	**13**	**–**	**–**	**13**
Balance at 30 June 2023	**128**	**(48,548)**	**9**	**(48,411)**

Share-based payment reserve

In addition, the reserve is used to recognise the value of equity benefits provided to the Chief Executive Officer and other Key Management Personnel as part of their remuneration for the long-term incentive plan. For further details see the remuneration report on pages 20 to 32.

Acquisition reserve

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

7.3 Share plans

Long-term incentive plan

The long-term incentive plans are set out on pages 26 to 29 of this report.

7.4 Interest bearing loans and borrowings

	2023 $'000	2022 $'000
Current liabilities		
Bank loans – funding facility and other loans	**1,683**	911
Non-current liabilities		
Acquisition facility	**11,710**	5,901
Bank loans – funding facility and other loans	**3,944**	2,989
	15,654	8,890

Refer to note 7.5 for further information on financial instruments risk.

	2023 $'000	2022 $'000
Total liabilities		
Bank overdraft	**5,450**	5,450
Bilateral funding facility	**27,397**	25,295
	32,847	30,745
Used at the reporting date		
Bank overdraft	**1,141**	1,141
Bilateral funding facility	**17,337**	9,801
	18,478	10,942
Unused at the reporting date		
Bank overdraft	**4,309**	4,309
Bilateral funding facility	**10,060**	15,494
	14,369	19,803

The interest-bearing loans and borrowings balance is $17,337,000 (Current: $1,683,000 Non-current: $15,654,000) (2022: Current: $911,000 Non-current: $8,890,000) borrowings from Westpac Bank. There are currently ten lines of credit with Westpac Bank.

Count Limited has an overdraft facility with Westpac Bank, the limit is $5,000,000 (2022: $5,000,000). From this facility, bank guarantees on properties are offset against this balance. 4Front Pty Ltd has an overdraft facility with Westpac Bank, the limit is $450,000 (2022: $450,000).

Count Limited has a revolving line of credit with Westpac Bank, the limit is currently $20,000,000 (2022: $20,000,000) and is charged with a variable rate. This five-year facility with Westpac was renewed on January 2022. The rate is determined with reference to the Bank Bill Swap Bid Rate (BBSY). Reference Rates are published in the Australian Financial Review plus a margin. A guarantee and charge as security for the facility is provided by Count Limited.

Kidmans Partners Pty Ltd has two bank loans with Westpac Bank, the total limit is $1,354,000 repayable between one and three years. In addition, there is a line fee on this facility. A guarantee and charge as security for the facility is provided by Kidmans Partners Pty Ltd.

The MBA Partnership Pty Ltd has a bank loan with Westpac Bank, the limit is $1,698,000 repayable over two years. In addition, there is a line fee on this facility. A guarantee and charge as security for the facility is provided by The MBA Partnership Pty Ltd.

Unite Advisory Pty Ltd has two bank loans with Westpac Bank, the limit is $1,595,000 repayable between one and two years. In addition, there is a line fee on this facility. A guarantee and charge as security for the facility is provided by Unite Advisory Pty Ltd.

4Front Pty Ltd has two bank loans with Westpac Bank, the total limit is $555,000 repayable between one and two years. In addition, there is a line fee on this facility. A guarantee and charge as security for the facility is provided by 4Front Pty Ltd.

Moggs Accounting + Advisory Pty Ltd has a bank loan with Westpac, the limit is $750,000 repayable over three years. In addition, there is a line fee on this facility. A guarantee and charge as security for the facility is provided by Moggs Accounting + Advisory Pty Ltd.

CountPlus One Pty Ltd has a bank loan with Westpac, the limit is $1,153,000 repayable over two years. In addition, there is a line fee on this facility. A guarantee and charge as security for the facility is provided by CountPlus One Pty Ltd.

Defaults and breaches

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

Significant accounting policy

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

Changes in liabilities arising from financing activities

	2022 $'000	Cash flow $'000	Non-cash changes Reclassification to short-term $'000	Other changes $'000	2023 $'000
Short-term borrowings	911	(250)	1,022	–	1,683
Long-term borrowings	8,890	8,023	(1,259)	–	15,654
Total liabilities from financing activities	9,801	7,773	(237)	–	17,337

7.5 Capital and financial risk management

Financial assets and liabilities

Note 8.4 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

30 June 2023	Note	Amortised cost $'000	Total $'000
Financial assets			
Cash and cash equivalents	3.1	**21,668**	**21,668**
Trade and other receivables	3.2	**30,697**	**30,697**
Contingent cash consideration	3.2	**13**	**13**
Loans and advances	6.6	**2**	**2**
Total financial assets		**52,380**	**52,380**

30 June 2023	Note	Other liabilities (amortised cost) $'000	Total $'000
Financial liabilities			
Trade and other payables	3.4	**(1,873)**	**(1,873)**
Interest bearing loans and borrowings	7.4	**(17,337)**	**(17,337)**
Lease liability	5.3	**(11,514)**	**(11,514)**
Contingent cash consideration	3.6	**(1,586)**	**(1,586)**
Other liabilities	3.6	**(800)**	**(800)**
Total financial liabilities		**(33,110)**	**(33,110)**

30 June 2022	Note	Amortised cost $'000	Total $'000
Financial assets			
Cash and cash equivalents	3.1	21,540	21,540
Trade and other receivables	3.2	23,195	23,195
Contingent cash consideration	3.2	1,787	1,787
Loans and advances	6.6	57	57
Total financial assets		46,579	46,579

30 June 2022	Note	Other liabilities (amortised cost) $'000	Total $'000
Financial liabilities			
Trade and other payables	3.4	(1,216)	(1,216)
Interest bearing loans and borrowings	7.4	(9,801)	(9,801)
Lease liability	5.3	(13,438)	(13,438)
Contingent cash consideration	3.6	(1,514)	(1,514)
Other liabilities	3.6	(118)	(118)
Total financial liabilities		(26,087)	(26,087)

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

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

Financial instruments risk

Financial risk management objectives

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

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

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

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

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

At 30 June 2023, the Group had total bank loans outstanding of $17,337,000 (2022: $9,801,000). The Group also had an overdraft facility of $5,450,000 of which $1,141,000 is reserved for bank guarantees. $546,000 was utilised from this bank guarantee limit. The effect on profit as a result of changes in interest rate with all other variables remaining constant would be as follows:

	2023 $'000	2022 $'000
Change in profit		
+1% (100 basis points)	**(173)**	(82)
-1% (100 basis points)	**173**	82

Credit risk

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

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

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

Liquidity risk

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

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

As at 30 June 2023, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below.

30 June 2023	Current within 6 months $'000	6 to 12 months $'000	Non-current 1 to 5 years $'000	Later than 5 years $'000
Trade and other payables	**1,873**	**–**	**–**	**–**
Interest bearing loans and borrowings	**993**	**974**	**17,763**	**–**
Deferred and contingent cash consideration	**1,124**	**445**	**693**	**–**
Lease liabilities	**1,730**	**1,357**	**4,706**	**5,783**
	5,720	**2,776**	**23,162**	**5,783**

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

30 June 2022	Current within 6 months $'000	6 to 12 months $'000	Non-current 1 to 5 years $'000	Later than 5 years $'000
Trade and other payables	1,216	–	–	–
Interest bearing loans and borrowings	414	497	10,192	368
Deferred and contingent cash consideration	1,112	225	227	–
Lease liabilities	1,787	1,786	7,649	4,124
	4,529	2,508	18,068	4,492

Fair value of financial instruments

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

Fair value measurement

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables, loans, advances and other receivables and interest-bearing borrowings approximate their fair value.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Fair value hierarchy

The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 Unobservable inputs for the asset or liability.

2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Contingent consideration receivable	**–**	**–**	**13**	**13**
Financial liabilities				
Contingent consideration payable	**–**	**–**	**(1,586)**	**(1,586)**

2022	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Contingent consideration receivable	–	–	1,787	1,787
Financial liabilities				
Contingent consideration payable	–	–	(1,127)	(1,127)

Contingent consideration receivable	2023 $'000
Balance at the beginning of the period	**1,787**
Loss on contingent consideration in the profit or loss	**(824)**
Additions to contingent cash consideration for acquisitions of assets, subsidiaries & associates during the year	**213**
Cash received for settlement of contingent cash consideration	**(1,163)**
Closing contingent cash consideration receivable	**13**

Contingent consideration payable	2023 $'000
Balance at beginning of year	**(1,127)**
Gain on contingent consideration in the profit or loss	**(59)**
Additions to contingent cash consideration for acquisitions of assets, subsidiaries & associates during the year	**(1,410)**
Cash paid for settlement of contingent cash consideration	**1,010**
Closing contingent cash consideration payable	**(1,586)**

The fair value of the financial assets and liabilities represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair values.

Fair value of other investments held at fair value through profit and loss is determined based on observable market transactions. Observable market transactions considered are those transactions which occurred on 30 June 2023, excluding new issue of shares. The fair value is calculated by multiplying the total number of shares outstanding by the market price.

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

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

There were no transfers between levels during the financial year.

The maximum potential payment for contingent consideration is $2,011,000 (2022: $1,514,000).

Management believes no reasonable change in any other key assumptions would have a material impact on the fair value of the other investments and deferred consideration.

8 Other information

8.1 Remuneration of auditors

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

	2023 $	2022 $
Audit Services – Grant Thornton Audit Pty Limited		
Audit or review of the financial statements – Count Limited	**399,500**	374,000
Audit or review of the financial statements and AFSL – Count Financial Limited	**60,500**	62,000
Total Audit Services – Grant Thornton Audit Pty Limited	**460,000**	436,000
Other services – Related entity of Grant Thornton Audit Pty Limited		
Other Services	**–**	–
Total remuneration of Grant Thornton Audit Pty Limited and related entities	**460,000**	436,000

8.2 Contingencies

Contingent assets

The Group has no contingent assets as at 30 June 2023 (2022: nil).

Contingent liabilities

Class action lawsuit

Class action proceedings have been filed by Piper Alderman in the Federal Count of Australia against Count Limited's subsidiary firm, Count Financial Limited. The proceedings seek financial compensation and relates to commissions paid to Count Financial Limited and its authorised representative financial advisers. The commissions were in respect of financial products (including insurance) and certain obligations of its financial advisers to provide ongoing advice in the period 21 August 2014 to 21 August 2020. The proceedings also include allegations that Count Financial Limited engaged in misleading and deceptive conduct (relating to the receipt of commission) and that its authorised representatives breached their fiduciary duties.

Count Limited acquired Count Financial Limited from Commonwealth Bank of Australia (CBA) on 1 October 2019. CBA has provided an indemnity to Count Limited in relation to certain conduct that occurred prior to and after the acquisition of Count Financial Limited by Count Limited up to an amount of $520M. The Class Action has been notified to CBA and CBA has assumed conduct of the defence of the proceedings.

A reliable estimate of exposure related to the class action cannot be formed at this stage.

Claim against Corporate Authorised Representative

This matter relates to a claim by a client, brought through her tutor, the Public Trustee, in the Supreme Court of NSW, against a Corporate Authorised Representative of Count Financial Limited. Neither the Group nor its subsidiaries have been named in the proceedings. A reliable estimate of exposure related to the action cannot be formed at this stage.

Corporate Actions

This matter has arisen out of a report made to ASIC by an unrelated entity in relation to its own failures and remediation obligations. The matter has been notified to CBA pursuant to the terms of the above described indemnity. CBA has commenced an investigation to ascertain the extent of any potential liability. A reliable estimate of exposure related to this matter cannot be formed at this stage.

Claim against Total Financial Solutions Australia Pty Ltd

Count has briefed its legal advisers in relation to the claim, however details of the claim are being investigated and at this stage it is unclear as to whether the claim relates to the subsidiary company and management is unable to form a reliable estimate of exposure, if any, related to this matter, at this stage.

The Group has no other contingent liabilities as at 30 June 2023 (30 June 2022: nil).

8.3 Commitments

Capital commitments

The Group has total capital commitments of $546,000 (2022: $546,000), to various landlords in form of bank guarantees. No material losses are anticipated in respect of these guarantees.

8.4 Summary of other Significant accounting policies

Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group / Consolidated entity consisting of Count Limited and its subsidiaries.

Basis of preparation

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

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

Compliance with IFRS

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

Critical accounting estimates and judgments

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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 1.2.

Historical cost convention

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

Changes to presentation

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 6.5.

Going concern

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

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all relevant new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of the new standards or amendments to standards that are mandatory for the first time materially affected any of the amounts recognised in the current period or any prior period.

Accounting standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting period and have not been early adopted by the Group.

These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- AASB 2021–2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021–5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2022–7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards

Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of Count Limited and its subsidiaries as at 30 June 2023 and the results of Count Limited and its subsidiaries for the year then ended. Count Limited and its subsidiaries together are referred to in these financial statements as ('the Group').

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of Changes in Equity of the Group.

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

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 49% of the voting rights. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

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

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

Employee share trust

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

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

Foreign currency translation

The financial statements are presented in Australian dollars, which is Count Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Financial Instruments

Recognition, initial measurement and derecognition

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

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

Classification and subsequent measurement of financial assets

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

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

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

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

Classifications are determined by both:

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

Financial assets at amortised cost

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

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

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

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

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

Impairment of financial assets

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

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

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

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

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

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

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

Trade and other receivables and contract assets

Trade and other receivables and contract assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

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

Classification and measurement of financial liabilities

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

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

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

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

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

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

Right-of-use assets

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

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

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

Lease liabilities

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

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

Lease Make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Goods and Services Tax and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016 / 191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Comparatives

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

8.5 Events after the reporting period

On 1 July 2023, Count Limited acquired a 40% shareholding in Bruce Edmunds & Associates Pty Ltd. The purchase consideration for this acquisition was $2,651,000.

On 11 July 2023, Laurent Toussaint resigned as Chief Financial and Operating Officer, and will depart the business on 29 September 2023.

On 13 July 2023, Count Limited completed a share buy-back scheme to enhance returns to shareholders with specific capital management initiatives. A total of 2,693,671 shares have been repurchased for a total of $1,707,000.

On 15 August 2023, Count Limited member firm, Adelaide based Crosby Dalwood Pty Ltd and Warnecke & Co completed a merger to operate under a new entity under the Count brand. The Group's ownership over the newly formed merged entity is 45%.

On 28 August 2023, the Directors resolved to declare a final dividend of 2.25 cents (fully franked) to be paid on 11 October 2023 (Record date 22 September 2023).

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 periods, or consolidated entity,

b) the results of those operations in future financial periods, or

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

Directors

Ray Kellerman	Chairman	
Alison Ledger	Independent Non-Executive Director	
Andrew McGill	Independent Non-Executive Director	*Resigned 1 March 2023*
Carolyn Colley	Independent Non-Executive Director	
Kate Hill	Independent Non-Executive Director	
Tim Martin	Independent Non-Executive Director	*Appointed 8 June 2023*
Hugh Humphrey	Managing Director and Chief Executive Officer	

Chief Financial and Operating Officer

Laurent Toussaint
Resignation effective 29 September 2023

Company Secretary

Laurent Toussaint
Resignation effective 29 September 2023

Narelle Wooden
Resigned 17 October 2022

Doug Richardson

Principal Registered Office in Australia

Level 8
1 Chifley Square
Sydney NSW 2000
Telephone +61 2 8218 8778

Share Registry

Computershare Investor Services Pty Ltd
Level 3, 60 Carrington Street
Sydney NSW 2000
Telephone +61 2 8234 5000

Independent Auditor

Grant Thornton Audit Pty Ltd
Level 17, 383 Kent Street
Sydney NSW 2000
Telephone +61 2 8297 2400

Solicitors

Baker McKenzie
Level 46, Tower One
International Towers Sydney
100 Barangaroo Avenue
Barangaroo NSW 2000
Telephone +61 2 9225 0200

Banker

Westpac Banking Corporation

Stock Exchange Listing

Count Limited shares are listed on the Australian Securities Exchange (ASX code: CUP)

Website Address

www.count.au

ABN

11 126 990 832

1. In the opinion of the Directors of Count Limited:
   a. The consolidated financial statements and notes of Count Limited are in accordance with the Corporations Act 2001, including
      i. Giving a true and fair view of its financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
      ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
   b. There are reasonable grounds to believe that Count Limited will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2023.
3. Note 8.4 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

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

Ray Kellerman
Chairman
30 August 2023
Sydney

GrantThornton

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383 Kent Street
Sydney NSW 2000
Locked Bag Q800
Queen Victoria Building NSW
1230

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Independent Auditor's Report

To the Members of Count Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Count Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Business combinations (Note 6.1)	
During the year, the Group acquired 100% of Affinia Financial Advisors Limited ("Affinia") for $3,373,000, which resulted in a gain on bargain purchase of $3,163,000. In addition, the Group also made the following significant acquisitions which resulted in $2,141,000 of goodwill being recognised: • On 4 July 2022, the Company's member firm CountPlus One Pty Ltd acquired CDC Partners Pty Ltd for $600,000; • On 14 February 2023, the Company's member firm Moggs Accounting + Advisory Pty Ltd acquired Timothy Trevor Gubbins for $1,270,000; and • On 8 June 2023, the Company's member firm CountPlus One Pty Ltd acquired RHA Associates for $1,022,000. These transactions have been accounted for in accordance with AASB 3: *Business Combinations* which is complex and include a high degree of estimation uncertainty and judgment when determining fair value of acquired assets and liabilities. This is a key audit matter due to the complexity and judgements involved within the assessment of AASB 3: *Business Combinations* and the estimation involved in the valuation of intangible assets.	Our procedures included, amongst others: • documenting our understanding of management's processes and controls in relation to business acquisitions; • obtaining the purchase agreements and managements accounting memorandum to confirm the key terms of the agreements; • obtaining the acquisition balance sheet of the acquired entities and agreeing material balances to supporting information; • assessing the capability, competence, and objectivity of management's independent expert; • consulting with our valuation specialists to evaluate the Independent Expert's Valuation Report, including: - assessing whether the appropriate intangible assets had been identified; - assessing the appropriateness of the valuation methodologies; - Challenging the assumptions used were reasonable and supportable; • testing the mathematical accuracy of the underlying calculations; • evaluating the forecasts provided by management upon which the valuations were based by assessing forecast revenues and operating costs based on our knowledge of the market and sector trends; • assessing the commercial logic for the recognition of a gain on bargain purchase; and • assessing the adequacy of the Group's disclosures in respect of the business acquisitions against the requirements of AASB 3: *Business Combinations*.

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Key audit matter	How our audit addressed the key audit matter
Recoverable amount of intangible assets (Note 5.1)	
As at 30 June 2023, the Group's intangible assets of \$54,577,000 consist of goodwill, acquired client relationships/advisor networks, brands, IT software and other intangible assets. During the year, impairment indicators were identified in relation to the Wealth Axis Holdings Pty Ltd CGU and the total goodwill for this CGU of \$1,018,000 was no longer recoverable and was fully impaired. AASB 136: *Impairment of Assets* requires that, for the purposes of impairment testing, goodwill acquired in a business combination be allocated to each of the Group's cash-generating units (CGU). Each CGU to which goodwill has been allocated must be tested for impairment annually. Management has assessed that the group has 14 CGUs and has allocated the goodwill and other intangible assets to these CGUs. Management has tested the CGUs for impairment by comparing their carrying amounts with their recoverable amounts. The recoverable amounts were determined using value-in-use models. This is a key audit matter due to the significant judgements required to determine the appropriate CGUs and the inherent estimation uncertainty in calculating the recoverable amount.	Our procedures included, amongst others: • enquiring with management to obtain and document an understanding of their processes and controls related to the assessment of impairment, including identification of CGUs and the calculation of the recoverable amount for each CGU; • evaluating the value-in-use models against the requirements of AASB 136; • obtaining management's value-in-use calculations and: – testing the mathematical accuracy of the model; – evaluating management's ability to forecast future results; – testing the reasonableness of forecasted cash flows to be derived by the CGU's assets; – assessing discount rates applied to forecast future cash flows; – performing sensitivity analysis on the significant inputs in preparing the calculation; • Consulting with our valuation experts on the appropriateness of the value in use model and the discount rate calculated by management's expert; and • assessing the adequacy of the Group's disclosures in respect of the requirements of AASB 136.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 20 to 32 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Count Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

S M Thomas
Partner – Audit & Assurance

Sydney, 30 August 2023

Grant Thornton Audit Pty Ltd

The shareholder information set out below was applicable as at 31 July 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Listed Ordinary Shares – Fully Paid	
	Number of Holders	Number of Shares
1 to 1,000	412	235,634
1,000 to 5,000	632	1,671,077
5,001 to 10,000	237	1,862,799
10,001 to 100,000	468	15,157,017
100,001 and over	91	92,602,361
	1,840	111,528,888
Holding less than a marketable parcel	358	181,856

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

		Listed Ordinary Shares – Fully Paid	
		Number Held	% of Total Shares
1	COLONIAL HOLDING COMPANY LTD	40,945,747	36.71
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	8,860,697	7.94
3	MR BARRY MARTIN LAMBERT	3,300,000	2.96
4	NATIONAL NOMINEES LIMITED	2,662,560	2.39
5	PACIFIC CUSTODIANS PTY LIMITED <EMPLOYEE SHARE TST A/C>	2,543,213	2.28
6	ROWE HEANEY SUPER FUND PTY LTD <ROWE HEANEY SUPER FUND A/C>	2,400,000	2.15
7	SANTOS L HELPER PTY LTD <SBS VAN PAASSEN A/C>	2,100,000	1.88
8	CITICORP NOMINEES PTY LIMITED	1,722,604	1.54
9	MR JOSEPH ZANCA + MRS SZERENKE ZANCA <ZANACORP SUPER FUND A/C>	1,625,000	1.46
10	MR RAYMOND JOHN KELLERMAN + MRS RUTH KELLERMAN <THE KELLERMAN S/F A/C>	1,500,000	1.34
11	RK SYDNEY PTY LTD <RK FAMILY A/C>	1,500,000	1.34
12	ZANACORP FINANCIAL GROUP PTY LTD	1,350,000	1.21
13	COLONIAL FIRST STATE INV LTD <7749080 RITCHIE A/C>	1,162,528	1.04
14	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,127,131	1.01
15	ROSS CARMICHAEL SUPER PTY LTD <ROSS CARMICHAEL S/F A/C>	966,771	0.87
16	MR MICHAEL ALLAN BEDDOES <BEDDOES PRACTICE A/C>	800,000	0.72
17	MR BARRY MARTIN LAMBERT	764,729	0.69
18	STARMAY SUPERANNUATION PTY LTD <STARMAY DON SHARP A/C>	628,527	0.56
19	ZANACORP ACCOUNTANTS PTY LTD	562,500	0.50
20	SUPERGENERATION PTY LTD <SUPERGENERATION A/C>	533,600	0.48
		77,055,607	69.07

Substantial holders

		Listed Ordinary Shares – Fully Paid	
		Number Held	% of Total Shares
1	Colonial Holding Company Ltd	40,945,747	36.71
2	Ryder Capital Ltd	8,342,197	7.48
		49,287,944	44.19

Share Trading

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

Voting Rights

At a General Meeting, every member present in person or by proxy or attorney, or in the case of a corporation by a representative duly authorised under the seal of that corporation, has one vote on a show of hands and in the event of a poll, one vote for each fully paid ordinary share held by the member. Options carry no voting rights.

Shareholders' Enquiries

Investors seeking information regarding their shareholding or wishing to change their address, should contact our share registry:

Computershare Investor Services Pty Ltd

Address	Level 3, 60 Carrington Street Sydney NSW 2000
Telephone	1300 850 505 +61 2 8234 5000
Fax	+61 2 8235 8150

Any other enquiries relating to Count Limited can be directed to Count at:

Postal Address	GPO Box 1453 Sydney NSW 2001
Telephone	+61 2 8218 8778
Email	info@count.au

The confidence to look ahead

The confidence to look ahead