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23 September 2011

BY EMAIL: stephanie.so@asx.com.au

Ms Stephanie So
Companies Advisor
Australian Securities Exchange
20 Bridge Street
SYDNEY NSW 2000

Dear Stephanie

Count Financial Limited (COU) – Financial Statements

This letter confirms our telephone discussion of today instant.

As discussed, annexed to this letter are the Count Financial Limited financial statements for the financial year ended 30 June 2011 which will form part of Count's Annual Report. The latter will be submitted to the ASX under separate cover.

Yours sincerely,

Anna Smith
Company Secretary
Count Financial Limited

Directors' Report 2011

In accordance with the resolution of the Directors of Count Financial Limited (the Company), the Directors submit their report for the financial year ended 30 June 2011.

BOARD OF DIRECTORS AND COMPANY SECRETARIES

During the financial year and until the date of this report, the Directors of Count Financial Limited were:

B.M. Lambert	Executive Chairman (appointed 7 Nov 2006) Director (appointed 22 Aug 1980)
A.C. Gale	Chief Executive Officer (appointed 29 Mar 2010) Managing Director (appointed 14 Apr 2010)
A.W. Geddes	Non-Executive Director (appointed 15 Aug 2000)
A.J. Halse	Non-Executive Director (appointed 15 Aug 2000)
N.A. Davis	Non-Executive Director (appointed 13 Feb 2006)
J.C. Morton	Non-Executive Director (appointed 18 Apr 2006)
R. Griffith	Company Secretary (appointed 30 Jun 2006, resigned 22 October 2010)
A.M. Smith	Company Secretary (appointed 22 October 2010)
C.T. Andrews	Deputy Company Secretary (appointed 30 Jun 2006)

Details of qualifications, experience and other directorships of listed companies for the Directors and Company Secretaries at the date of this report are set out in the Board Profile Report in the Annual Report.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

The principal activities of the Company and its controlled entities (the Group) in the course of the financial year were providing financial planning services, investment reviews, and advice on personal insurance, superannuation, home and investment loans, business loans and leasing via its network of franchisees. Additionally, the Group provides loan broking and leasing services to other non-franchisee intermediaries.

OPERATING AND FINANCIAL REVIEW

The consolidated net profit for the financial year ended 30 June 2011 attributable to ordinary equity holders after the provision of income tax, was $51.56 million (2010: $24.18 million), an increase of 113% over the previous year.

A review of the operations, financials and results of Count Financial Limited and its controlled entities for the financial year ended 30 June 2011 are included in the Annual Report. This contains the Company's track record, financial highlights, the Chairman's Report, the Chief Executive Officer's Report and the Risk Report.

The Directors are of the view that the results represent a true and fair view of the operations of the Company and the financial position as at 30 June 2011 (refer to Directors' Declaration at the end of this Directors' Report).

DIVIDENDS AND DISTRIBUTIONS

The Company paid or provided for dividends and distributions on ordinary shares relating to 2010/2011 as set out in the table below:

Financial year ended	Payment type	Status	Cents per share	Payment date
2011	Risk/Reward	Paid	2	15 Oct 2010
2011	Christmas	Paid	2	15 Dec 2010
2011	Easter	Paid	2	15 Apr 2011
2012	Tax	Paid	2	15 July 2011

All dividends are fully franked at the tax rate of 30%.

Subsequent to balance date the Directors declared a Final Dividend for the year ended 30 June 2011 of 4c per share. This has not been provided for at 30 June 2011.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During 2011, Countplus acquired a further equity interest in 3 accounting and financial planning firms, in one instance acquiring 25% of the business and in the others acquiring 100%. On 22 December, Countplus floated on the Australian Stock Exchange (ASX), raising $20M in an initial public offering (IPO) underwritten by Count. Due both to the issue of Countplus shares to the vendors of its 18 subsidiaries as well as the public, Count's ownership interest in Countplus reduced from 100% to 39%, resulting in Countplus exiting the consolidated group. Count now reflects its investment in Countplus as an Investment in Associate and accounts for its interest using the equity method of accounting. As at 30 June 2011, Count's investment in Countplus totalled $61.80 million.

DIRECTORS' INTERESTS

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

	Ordinary shares	Options over ordinary shares
B.M. Lambert*	54,733,924	-
A.C. Gale	167,877	-
A.W. Geddes	216,500	33,500
A.J. Halse	310,000	50,000
N.A. Davis	40,000	75,000
J.C. Morton	35,000	60,000

* In prior reports relevant interest disclosed for B.M. Lambert included shares held by his wife, J.W. Lambert, being 36,416,154 shares.

DIRECTORS' MEETINGS

The Board of Directors has an Audit Committee, a Remuneration Committee and a Risk and Compliance Committee.
Members acting on the Committees of the Board during the year were:

	Count	Audit	Remuneration	Risk and Compliance
B.M. Lambert	Executive Chair			
A.C. Gale	CEO / Managing Director		Member	Member
A.W. Geddes	Non-Executive	Member	Chair	
A.J. Halse	Non-Executive	Member	Member	
N.A. Davis	Non-Executive	Member		Chair
J. C. Morton	Non-Executive	Chair	Member	Member

The number of meetings of the Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director are as follows:

	Directors' Meetings	Meetings of Committees		
		Audit	Remuneration	Risk and Compliance
Number of meetings held	7	5	2	6
Number of meetings attended:				
B.M. Lambert	7 / 7	5 / 5[1]	2 / 2[2]	2 / 4[3]
A.C. Gale	7 / 7	5 / 5[1]	2 / 2	6 / 6
A.W. Geddes	6 / 7	5 / 5	2 / 2	
A.J. Halse	7 / 7	5 / 5	2 / 2	
N.A. Davis	7 / 7	5 / 5		6 / 6
J.C. Morton	7 / 7	5 / 5	2 / 2	6 / 6

[1] Non-Audit committee member - in attendance
[2] Non-Remuneration committee member – in attendance
[3] Barry Lambert stepped down as a member of the Risk & Compliance Committee on 23 March 2011

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 2 August 2011, the Group granted shares to employees and franchisees under a loan funded share plan. The Company issued 316,506 shares to employees and 2,593,360 shares to franchisees at a price of $1.025. The shares are funded by an interest-free, non-recourse loan, and are restricted for 1-3 years in the case of employees and for 3-5 years in the case of franchisees. The Board has discretion to lift the restriction on the shares in the event of a change of control in the Company.

On 15 August 2011 a final dividend for the year ended 30 June 2011 of 4c per share was declared.

On 30 August 2011, Count Financial Limited announced that it had entered into a Scheme Implementation Deed with the Commonwealth Bank of Australia Group (CBA), under which CBA proposes to acquire all the shares of Count via a Scheme of Arrangement. Under the terms of the Deed, CBA has agreed to pay $1.40 per Count share, payable in either cash or

CBA shares. The Directors of Count have unanimously recommended that Count shareholders vote in favour of the Scheme, in the absence of a superior proposal emerging and subject to an Independent Expert concluding that the offer is in the best interests of Count shareholders. Subject to these conditions, each Director of Count who holds Count shares intends to vote their shares in favour of the Scheme.

The transaction is subject to certain conditions precedent including Count shareholder and Court approval of the Scheme, a merger clearance from the Australian Competition and Consumer Commission ("ACCC") and no material adverse change (as defined) occurring. A Scheme booklet containing information relating to the proposed transaction, reasons for the Directors' unanimous recommendation, details of the Scheme meeting and an Independent Expert's report is expected to be sent to Count shareholders in October 2011, with a Count shareholder meeting to vote on the proposed Scheme expected to be held in November 2011. Subject to the approval of the Scheme by shareholders and the Court, ACCC informal clearance and the timely satisfaction of conditions, Count expects the transaction to be completed in December 2011.

It is the opinion of the directors that this is a non-adjusting subsequent event. However, if the scheme is approved, the options under FIOP and ESOP, and shares issued under the loan funded share scheme, will immediately vest. This would have the effect of bringing forward any remaining expense of the fair value of share based payments to the change of control date. Approximately $0.7m remains to be expensed in relation to outstanding share based payment entitlements for the period up to the receipt of the offer. In addition, in the event of a change of control, the Chief Executive Officer is entitled to a Material Change Payment of $1m, plus the value of any outstanding STI, LTI and share based payment entitlements.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Disclosure of information relating to the future developments in the operations of the Company and its controlled entities is contained in the reports of the Chairman and the Chief Executive Officer.

SHARE OPTIONS

The Company has previously issued options annually to employees via the Employee Share Option Plan (ESOP) and to franchisees via the Franchisee Incentive Option Plan (FIOP). Due to taxation changes for employee share benefit schemes, initially announced by the Federal Government in the May 2009 Budget and legislated in December 2009, no options were issued under either plan during the 2010/2011 year. However, in August 2011 the Company made an issue of loan funded shares to employees and franchisees in respect of their 2008/2009 and 2009/2010 entitlements. The Company issued 316,506 shares to employees and 2,593,360 shares to franchisees at a price of $1.025. The shares are funded by an interest-free, non-recourse loan, and are restricted for 1-3 years in the case of employees and for 3-5 years in the case of franchisees. The Board has discretion to lift the restriction on the shares in the event of a change of control in the Company.

Further details on allocation of options to employees and Directors under ESOP are included in the Remuneration Report.

Franchisees qualified for options under FIOP (up to 2008) and the Franchisee Loan Funded Share Plan (2009 and 2010) by growing their contribution to the revenues of the Company each financial year by a set benchmark. Features of FIOP include:

- Options are issued at no cost.
- Each option entitles the holder to subscribe for one fully paid ordinary share in the Company at a fixed exercise price. The exercise price is set at a 12.5% discount to the weighted average share price in the first full week after the August meeting of the Board of Directors.
- These options may vest after 3 years subject to minimum business requirements and expire after 5 years.

Unissued ordinary shares of the Company under the Employee Share Option Plan (ESOP) and Franchisee Incentive Option Plan (FIOP) at 30 June 2011 numbered 35,187,104.

Options type	Options grant date	Number of options outstanding	Exercise price	Expiry date
ESOP 2006	13-Oct-06	1,141,619	210.3 cents	15-Nov-11
ESOP 2006 – Director[1]	7-Nov-06	398,500	210.3 cents	15-Nov-11
FIOP 2006	6-Feb-07	8,085,633	193.7 cents	15-Nov-11
ESOP 2007	12-Oct-07	1,359,400	268.7 cents	15-Nov-12
ESOP 2007 – Director[1]	13-Nov-07	66,000	268.7 cents	15-Nov-12
FIOP 2007	21-Dec-07	9,009,000	247.5 cents	15-Nov-12
ESOP 2008	10-Nov-08	1,785,152	154.2 cents	15-Nov-13
ESOP 2008 – Director[1]	10-Nov-08	66,000	154.2 cents	15-Nov-13
FIOP 2008	19-Dec-08	13,275,800	142 cents	15-Nov-13
Total		**35,187,104**		

[1] Options granted to Directors as approved by shareholders at each Annual General Meeting.

Further details of unissued ordinary shares of the Company under the Employee Share Option Plan (ESOP) and Franchisee Incentive Option Plan (FIOP) are detailed in note 26 – FIOP and note 30 – ESOP of the financial statements**.**

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for the Company's Directors and Executives. This section of the Directors' report has been audited by the Company's external auditors, Ernst & Young.

Remuneration Committee

The Remuneration Committee of the Board of Directors of Count Financial Limited is responsible for determining and reviewing remuneration arrangements for the Directors, the Executive team and other team members. The committee meets twice a year.

The Committee's purpose is to:

- Make recommendations to the Board of Directors in relation to the remuneration of Executive and Non-Executive Directors;
- Review and approve executive and employee remuneration policy; and
- Evaluate potential candidates for executive positions and oversee the development of executive succession plans.

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

Remuneration Policy

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

This assessment is based on:

- Relevant market conditions - to ensure the remuneration is competitive;
- Acceptability to shareholders – to ensure the remuneration is fair and reasonable; and
- Company performance – to ensure the remuneration is linked with achievement of the Company's profit targets.

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

In previous years, all permanent employees could qualify for participation in the company's equity reward scheme (Employee Share Option Scheme – ESOP), including Key Management Personnel. Features of the plan include:

- Options are issued at no cost.
- Each option entitles the holder to subscribe for one fully paid ordinary share in the Company at a fixed exercise price. The exercise price is set at a 5% discount to the weighted average share price in the first full week after the August meeting of the Board of Directors.
- The options vest proportionally over a three-year period (33% after 1 year, 33% after 2 years and 34% after 3 years) based on continuing employment criteria with Board discretion.

Due to recent legislative changes affecting the taxation of employee equity and option schemes, no options were granted to employees during the last financial year. In August 2011 the Company issued 316,506 shares to employees at a price of $1.025. The shares are funded by an interest-free, non-recourse loan, and are restricted for 1-3 years. The Board has discretion to lift the restriction on the shares in the event of a change of control in the Company.

Non-Executive Director Remuneration

In accordance with best practice corporate governance, the structure of Non-Executive Director remuneration is separate and distinct.

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

Chairs and members of Board committees receive additional fees to reflect time commitments and responsibilities.

The Constitution and the ASX Listing Rules specify that the total aggregate remuneration of Non-Executive Directors shall be determined from time-to-time by a general meeting. The amount of aggregate remuneration put to shareholders for approval and the manner in which it is apportioned amongst Directors, is reviewed annually.

Subject to shareholder approval, the Non-Executive Directors were issued options every three years under the Employee Share Option Plan (ESOP). The options are in lieu of retirement benefits. Options to Non-Executive Directors were last granted in November 2006. Options were also approved by shareholders for grant in November 2009. However, due to the legislative changes described previously, no options were granted.

Non-Executive Directors do not have fixed term contracts with the Company.

It is considered good governance for Non-Executive Directors to have an equity stake in the Company by purchasing shares on market. All Count non-executive Directors are company shareholders.

Remuneration of Executives

The basis of remuneration of Executives is detailed below.

General Remuneration Policy

Objective

The main principle underlying the Company's employee remuneration policy is to ensure rewards are commensurate with the Company's objectives and the results delivered. Specifically, this is achieved by ensuring:

- Remuneration reflects each employee's position and responsibilities within the Company;
- Executives are rewarded for company, business unit and individual performance against targets set by reference to appropriate benchmarks;
- The interests of all employees are aligned with those of shareholders;
- Rewards are linked with the strategic goals and performance of the Company; and
- Total remuneration is competitive by market standards.

All employees are remunerated with a base salary and superannuation at a rate of 11% of salary and wages. The statutory rate for compulsory superannuation is currently 9%.

The Company also pays income protection (sickness and accident) insurance premiums for all eligible permanent employees. Subject to conditions, the policy provides for up to 75% of base salaries to be paid for employees who are unable to attend work for a period in excess of 30 days.

In addition to the above, a short-term incentive bonus structure applies to employees as outlined below.

1. A bonus based on team and individual objectives

This component is based on the achievement of particular sets of goals - both personal and team related. Employees are rewarded to the extent that the goals are achieved and to the extent to which they have assisted in achieving them as assessed by management. In 2011, this was assessed and paid once per year at a maximum annual total of 25% of base salary plus superannuation benefits (11%). For senior employees, including key management personnel, 50% of the total bonus component relates to this assessment.

2. EPS growth target bonus

Employees also have part of their bonus component linked to the Company meeting its earnings per share growth target. It is paid from profits above the target up to 100% of the agreed amount. For senior employees, including key management personnel, 50% of the total bonus component relates to achievement of the EPS growth target. For 2010/2011, the target was 20% earnings per share growth, which was achieved.

Long-term incentive plan – issue of equity

Up to 2008, all employees were granted an allocation of options annually under the company's plan (ESOP). Senior employees, including Key Management Personnel, are allocated these options on the basis of their performance as determined by the Remuneration Committee. As discussed above, due to legislative changes, no options were granted to employees during the financial year, however an issue of loan funded shares was made in August 2011.

This form of equity remuneration allows employees to have the opportunity to become shareholders in the company and therefore have an interest in ensuring its long-term success.

Remuneration of Key Management Personnel is detailed in this report below.

Contractual Arrangements

The CEO of Count Financial Limited, A.C. Gale is employed under a 4 year employment contract which commenced on 29 March 2010.

Mr Gale was paid a sign-on cash bonus on the commencement of his contract. He is entitled to a Short Term Incentive (STI) and a Long Term Incentive (LTI) bonus arrangement.

The STI is an annual cash award commencing in 2011 determined by the Board as part of an annual performance and remuneration review process. The entitlement will be based on Count Financial's annual earnings per share (EPS) growth. Each STI opportunity is "all or nothing".

The LTI is an annual cash award commencing in 2013 payable on a scale which is based on average EPS growth in respect of 3 financial years up to and including the year for each award.

Mr Gale is eligible to participate in the company's annual employee equity reward scheme, at the discretion of the Board and subject to any necessary approvals (including shareholder approval). The size of the entitlement is determined by annualised EPS growth for the financial year in which it relates. The company's equity reward scheme has been in the form of an option plan – ESOP. Due to recent legislative changes, this scheme has been redesigned but as at the date of this report no shares have been issued to Mr Gale under the new loan funded share plan.

Both Mr Gale and the company may terminate this contract by giving 3 months written notice at any time, whether prior to the expiry of the 4 year contractual term or after the expiry of the initial 4 year term. The company may terminate the contract without notice in the event of serious or persistent misconduct or breach of the agreement under a summary termination. It may also terminate the contract without prior notice where Mr Gale has been unable to perform the inherent requirements of the position due to illness, injury or incapacity arising solely in the course of performing his duties for at least 6 months, or for at least 3 months where the inability is due to any other cause. Where termination occurs, Mr Gale is entitled to incentives in respect of the financial year in accordance to the contract plus any statutory entitlements provided it is a termination other than a summary termination.

In the event of a change of control, the Mr Gale's contract provides for a Material Change Payment of $1m, plus the value of any outstanding STI, LTI and share based payment entitlements.

All other executives and full-time employees are not subject to fixed term contracts with the Company. Upon employment, all employees are subject to an employment contract, which covers their general and statutory rights and obligations, which is reviewed annually.

Relationship between remuneration policy and the performance of the Company

The Company's remuneration policy aims to achieve a link between the remuneration received by Key Management Personnel and the creation of shareholder wealth. This is attained via the inclusion of the EPS growth target bonus and the awarding of options via ESOP.

- For the year, earnings per share has increased by 111% and net profit after tax increased by 113%. On a normalised basis, stripping out the one-off revaluation gains from Countplus, earnings per share increased 5% and net profit after tax increased 6%.
- Earnings per share has grown by an average of 29.0% pa over the last 5 years. On a normalised basis, earnings per share has grown by an average of 7.5% over the last 5 years.
- Dividends have grown by an average of 13.4% pa over the last 5 years and 22% pa since listing in December 2000.
- Return on shareholders' equity for the financial year was 53.57%.
- The Company's share price has fallen over the financial year from $1.15 to $1.00.
- Since listing, the Company has bought back and subsequently cancelled 27.25 million shares at a total cost of $35.76 million.

Key Management Personnel Disclosures

Key Management Personnel are the same for the parent and the consolidated entity. The remuneration and other related party disclosures have been prepared in accordance with AASB 124: Related Party Disclosures. For the purposes of these disclosures, all the individuals listed below have been determined to be Key Management Personnel as defined by the accounting standard for 2010 and 2011.

Name	**Position**
B.M Lambert	Executive Chairman
A.C. Gale	Managing Director / Chief Executive Officer (appointed March 2010)
M. Perkovic	Managing Director / Chief Executive Officer (resigned November 2009)
A.W. Geddes	Non-Executive Director
A.J. Halse	Non-Executive Director
N.A. Davis	Non-Executive Director
J.C. Morton	Non-Executive Director
Other Key Management Personnel	
M.J. Spurr	Chief Financial Officer (resigned November 2010)
A. Smith	General Counsel, Senior Executive – Corporate Services, Company Secretary (appointed August 2010)
B. Irwin	Senior Executive – Research, Product & Platforms (appointed January 2011)
R. Griffith	Senior Executive – Research & Product, Company Secretary (resigned November 2010)
C.J. Simkin	Senior Executive – National Network Development & Finconnect Operations
J.B. Wardell	Chief Executive Officer - Countplus Pty Ltd (resigned December 2010)
L.Tonitto	Senior Executive – Business Development & Marketing (appointed April 2011)
D.Bornor	Senior Executive – Advice
P.McFarlane	Senior Executive – Business Development & Marketing (resigned February 2011)
M.Lykouras	Senior Executive – Compliance, Risk and Legal (resigned June 2010)
S.Aguilera-Mendoza	Chief Financial Officer (appointed November 2010), previously Senior Executive – Finance

Compensation of Key Management Personnel

2011	Short-term benefits			Post-employment benefits	Other long-term employment benefits	Termination benefits	Share-based payments			
	Salary & fees	Bonus	Other payments and benefits	Superannuation			Amortised cost of options	Total	% of remuneration as options	Number of options granted
Name	$	$	$	$	$	$	$	$	%	
Directors										
B.M. Lambert *Executive Chairman*	1	-	15,243	22,000	-	-	-	37,244	-	-
A.C. Gale *Chief Executive Officer*	449,216	250,000	11,008	49,414	-	-	-	759,638	-	-
A.W. Geddes *Non-Executive Director*	65,000	-	-	7,150	-	-	-	72,150	-	-
A.J. Halse *Non-Executive Director*	60,000	-	-	6,600	-	-	-	66,600	-	-
N.A. Davis *Non-Executive Director*	80,000	-	-	8,800	-	-	-	88,800	-	-
J.C. Morton *Non-Executive Director*	80,000	-	-	8,800	-	-	-	88,800	-	-
Other Key Management Personnel										
M.J. Spurr *Chief Financial Officer (resigned November 2010)*	65,021	-	4,023	12,623	1,017	-	3,993	86,677	4.61%	-
A.M. Smith *General Counsel / Senior Executive – Corporate Service / Company Secretary (appointed August 2010)*	166,753	72,037	4,207	18,343	-	-	-	261,340	-	-
B. Irwin *Senior Executive – Research, Product & Platforms (appointed January 2011)*	79,397	32,828	4,207	8,734	-	-	-	125,166	-	-
R. Griffith *Senior Executive Research & Product /Company Secretary (resigned November 2010)*	132,699	-	916	12,769	(28,604)	-	3,677	121,457	3.03%	-
C.J. Simkin *Senior Executive-National Network Development / Finconnect Operations*	137,890	36,364	8,249	19,854	(1,425)	-	2,838	203,770	1.39%	-
J.B. Wardell *Chief Executive Officer, Countplus (resigned December 2010)*	82,929	-	5,327	15,162	-	-	2,627	106,045	2.51%	-
P.Y. McFarlane *Senior Executive-Business Development& Marketing (resigned February 2011)*	121,341	-	6,846	13,411	(13,578)	-	2,838	130,858	2.17%	-
S. Aguilera-Mendoza *Chief Financial Officer (appointed November 2010) / Senior Executive-Finance*	153,521	67,520	7,150	21,184	9,776	-	2,942	262,093	1.12%	-
D.J. Bornor *Senior Executive-Advice*	129,644	58,246	5,049	17,285	-	-	524	210,748	0.25%	-
L.V. Tonitto *Senior Executive-Business Development & Marketing (appointed April 2011)*	24,164	-	-	2,405	-	-	-	26,569	-	-
Total	**1,827,576**	**516,995**	**72,225**	**244,534**	**(32,814)**	**-**	**19,439**	**2,647,955**	**0.73%**	**-**

The elements of remuneration have been determined on the basis of the cost to the consolidated entity.
The fair value of options granted has been calculated for all ESOP options granted. The fair value of such grants is being amortised and disclosed on a pro-rata basis over the vesting period. The method used to determine fair value was the Cox, Ross and Rubinstein American option binomial model.
No ESOP options were granted during the year.

Compensation of Key Management Personnel

2010	Short-term benefits			Post-employment benefits	Other long-term employment benefits	Termination benefits	Share-based payments			
	Salary & fees	Bonus	Other payments and benefits	Superannuation			Amortised cost of options	Total	% of remuneration as options	Number of options granted
Name	$	$	$	$	$	$	$	$	%	
Directors										
B.M. Lambert *Executive Chairman*	1	-	14,132	22,000	-	-	-	36,133	-	-
M. Perkovic *Chief Executive Officer (resigned November 2009)*	135,335	-	10,271	7,671	-	-	7,233	160,510	4.51%	-
A.C. Gale *Chief Executive Officer (appointed April 2010)*	74,660	62,500	1,620	49,997	-	-	-	188,777	-	-
A.W. Geddes *Non-Executive Director*	3,450	-	-	50,000	-	-	1,521	54,971	2.77%	-
A.J. Halse *Non-Executive Director*	46,667	-	-	4,933	-	-	1,521	53,121	2.86%	-
N.A. Davis *Non-Executive Director*	61,333	-	-	6,487	-	-	2,281	70,101	3.25%	-
J.C. Morton *Non-Executive Director*	60,000	-	-	6,350	-	-	1,825	68,175	2.68%	-
Other Key Management Personnel										
M.J. Spurr *Chief Financial Officer*	169,056	43,200	5,013	18,575	2,958	-	13,926	252,728	5.51%	-
R. Griffith *Senior Executive Research & Product / Company Secretary*	141,091	40,000	2,078	25,000	(545)	-	11,457	219,081	5.23%	-
C.J. Simkin *Senior Executive-National Network Development*	109,699	40,000	9,797	12,314	2,061	-	9,851	183,722	5.36%	-
J.B. Wardell *Chief Executive Officer, Countplus*	213,026	31,574	10,617	20,774	-	-	8,808	284,799	3.09%	-
P.Y. McFarlane *Senior Executive-Business Development*	114,685	33,599	10,166	12,727	3,159	-	9,851	184,187	5.35%	-
S. Aguilera-Mendoza *Senior Executive-Finance*	117,178	33,599	4,673	12,983	6,751	-	9,410	184,594	5.29%	-
D.J. Bornor *Senior Executive-Advice*	116,081	24,000	1,662	17,684	-	-	1,004	160,431	0.63%	-
M Lykouras *Senior Executive-Compliance & Legal (resigned June 2010)*	178,796	44,467	1,564	23,492	-	-	-	248,319	-	-
Total	**1,541,057**	**352,939**	**71,593**	**290,987**	**14,384**	**-**	**78,688**	**2,349,649**	**3.35%**	-

The elements of remuneration have been determined on the basis of the cost to the Company and the consolidated entity.
The fair value of options granted has been calculated for all ESOP options granted. The fair value of such grants is being amortised and disclosed on a pro-rata basis over the vesting period. The method used to determine fair value was the Cox, Ross and Rubinstein American option binomial model.

Key Management Personnel and their related parties – Other

Options and Rights provided as Compensation to Key Management Personnel and their related parties

No options were granted to KMPs during 2010 & 2011. Subsequent to year end, a total of 170,673 loan funded shares were issued to D. Bornor, C.J. Simkin, J.B. Wardell and M.J. Spurr. Shares issued to D. Bornor and C.J. Simkin vest over 3 years and expire in August 2016. Shares issued to J.B. Wardell and M.J. Spurr have no vesting conditions and expire in August 2016. The fair value of the loan funded shares at grant date is $42,535. In addition, J.B. Wardell is entitled to an option over 666,667 Countplus shares owned by Count, with an exercise price of $1.50 and expiring in December 2015. At balance date the option contract had not yet been entered into and, given the current trading price of Countplus shares, the Group considers the option to have immaterial value.

As part of his employment arrangements, A.C. Gale is entitled to 400,000 options with respect to the 2010/2011 financial year, or an equivalent loan funded share issue. This issue would normally occur in November 2011. In the event that shareholders vote in favour of the Scheme of Arrangement proposed for CBA to acquire all of the shares in Count Financial Limited, the issue of loan funded shares will not occur. In this case, a cash payment in lieu of the loan funded share issue will be made. It is not possible at this time to accurately estimate the financial effect of the cash payment, but it is expected to be no more than $150,000.

Key Management Personnel and their related parties – Directors

2011	Total	B.M. Lambert	A.C. Gale	A.W. Geddes	A.J. Halse	N.A. Davis	J.C. Morton
Options vested during the financial year	-	-	-	-	-	-	-

2010	Total	B.M. Lambert		M. Perkovic	A.W. Geddes	A.J. Halse	N.A. Davis	J.C. Morton
Options vested during the financial year	206,100	-	-	126,200	17,000	17,000	25,500	20,400

2011	Total	M.J. Spurr	R. Griffith	C.J. Simkin	J.B. Wardell	S.Aguilera-Mendoza	P.McFarlane	D. Bornor
Options vested during the financial year	260,300	53,400	50,000	36,800	35,050	40,000	36,800	8,250

2010	Total	M.J. Spurr	R. Griffith	C.J. Simkin	J.B. Wardell	S.Aguilera-Mendoza	P.McFarlane	D. Bornor
Options vested during the financial year	379,600	86,800	66,500	53,500	51,650	59,600	53,300	8,250

Equity instruments provided on exercise of options granted as compensation to Key Management Personnel – Directors

2011	Total	B.M. Lambert	A.C. Gale	A.W. Geddes	A.J. Halse	N.A. Davis	J.C. Morton
Shares issued	-	-	-	-	-	-	-

2010	Total	B.M. Lambert	A.C. Gale	M. Perkovic	A.W. Geddes	A.J. Halse	N.A. Davis	J.C. Morton
Shares issued	-	-	-	-	-	-	-	-

2011	Total	M.J. Spurr	R. Griffith	C.J. Simkin	J.B. Wardell	S.Aguilera-Mendoza	P.McFarlane	D. Bornor
Shares issued	-		-	-	-	-	-	-

2010	Total	M.J. Spurr	R. Griffith	C.J. Simkin	J.B. Wardell	S.Aguilera-Mendoza	P.McFarlane	D. Bornor
Shares issued - 2004 options exercised @ 84.7c	20,200	-	-	20,200	-	-	-	-

Shares and options are ordinary shares and unlisted options in Count Financial Limited. All options exercised are fully paid.

VALUE OF OPTIONS, GRANTED, EXERCISED AND LAPSED IN THE CURRENT FINANCIAL YEAR

	Value of options granted as part of remuneration during the current financial year	Value of options granted as part of remuneration and that are exercised during the current financial year	Value of options granted as part of remuneration and that lapse during the financial year	Aggregate
	$	$	$	$
A.C. Gale	-	-	-	-
C.J. Simkin	-	-	-	-
S. Aguilera-Mendoza	-	-	-	-
P.Y. McFarlane	-	-	-	-
R. Griffith	-	-	-	-
M.J. Spurr	-	-	-	-
A.M. Smith	-	-	-	-
B.R. Irwin	-	-	-	-
L.V. Tonitto	-	-	-	-
D.J. Bornor	-	-	-	-
J.B. Wardell	-	-	-	-

PERFORMANCE RELATED COMPONENTS AS A PROPORTION OF TOTAL REMUNERATION FOR THE FINANCIAL YEAR

	Performance related remuneration	Other	Total
A.C. Gale	33%	67%	100%
C.J. Simkin	21%	79%	100%
S. Aguilera-Mendoza	31%	69%	100%
P.Y. McFarlane	2%	98%	100%
R. Griffith	2%	98%	100%
M.J. Spurr	5%	95%	100%
A.M. Smith	31%	69%	100%
B.R. Irwin	29%	71%	100%
L.V. Tonitto	0%	100%	100%
D.J. Bornor	31%	69%	100%
J.B. Wardell	2%	98%	100%

Performance related remuneration consists of paid or accrued bonuses, the associated superannuation benefit and the amortised cost of options for the financial year.

The Non-Executive Directors do not have a performance related component as part of their remuneration.

ADDITIONAL INFORMATION ON PERFORMANCE REMUNERATION

Performance remuneration granted under the ESOP in previous years provides remuneration in 2011 and 2012 to key management personnel. The value has been determined at grant date and amortised over the vesting period. The options vest based on continuing employment criteria and with Board discretion.

	2012 ($)	2013 ($)	2014 ($)	2015 ($)
A.C. Gale	-	-	-	-
C.J. Simkin	3,738	1,884	772	62
S. Aguilera-Mendoza	439	-	-	-
P.Y. McFarlane	329	-	-	-
R. Griffith	549	-	-	-
M.J. Spurr	7,435	-	-	-
A.M Smith	-	-	-	-
B.R Irwin	-	-	-	-
L.V. Tonitto	-	-	-	-
D.J. Bornor	3,030	1,598	655	52
J.B. Wardell	24,682	-	-	-

Corporate structure

Count Financial Limited ("Count") is a Company limited by shares that is incorporated and domiciled in Australia. The Company has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, being Compound Investments Limited, Countplus Limited, Count Property Pty Ltd, Equity Loan Broking Pty Ltd, finconnect (australia) pty ltd, Count Finance Pty Ltd, Count Investments Pty Ltd and Count GPS Pty Ltd. Count Financial Limited and Compound Investments Limited are Australian Financial Services Licensees. During the year, Countplus Limited, Compound Investments Limited and Equity Loan Broking Pty Ltd exited the consolidated group.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Company's operation is not regulated by any significant environmental regulations under the Laws of the Commonwealth, State or Territory.

TAX CONSOLIDATION

Effective 1 July 2003, for the purposes of income taxation, Count Financial Limited and its 100% owned subsidiaries formed a tax consolidated group. Members of the group agreed to enter into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries on a pro-rata basis. In addition the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

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

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

AUDITOR'S INDEPENDENCE

1 AUDITOR'S INDEPENDENCE DECLARATION

Declaration of independence by Ernst & Young has been received and is set out on the attachment.

2 NON-AUDIT SERVICES

During the financial year ended 30 June 2011 and to the date of the report, the auditors, Ernst & Young did not provide any non-audit services to the Company.

3 DIRECTORSHIPS

During the financial year ended 30 June 2011 and to the date of this report, no Director or Officer of the Company is, or has been a Director or Partner of Ernst & Young, the Company's auditors.

ROUNDING

The amounts contained in this report and in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/0100. The Company is an entity to which the Class Order applies.

INCLUSION OF PARENT ENTITY FINANCIAL STATEMENTS

The financial report contains parent entity financial statements under the option available to the Group under ASIC Class Order 10/654. The Group is an entity to which the Class Order applies.

CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Count Financial Limited support and have adhered to the principles of corporate governance. The Company's Corporate Governance Statement can be found in the Annual Report.

Dated at Sydney this 20th of September 2011

Signed in accordance with a resolution of the Directors:

Barry M. Lambert
Executive Chairman

ERNST & YOUNG

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Auditor's Independence Declaration to the Directors of Count Financial Limited

In relation to our audit of the financial report of Count Financial Limited for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Mark Raumer
Partner
Sydney
20 September 2011

Statement of Comprehensive Income

for the year ended 30 June 2011

	Notes	CONSOLIDATED		COUNT FINANCIAL LIMITED	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
Revenue	2	**125,986**	123,820	**109,886**	110,288
Fees, commissions and related costs		**(81,553)**	(78,455)	**(69,143)**	(68,073)
GROSS PROFIT		**44,433**	45,365	**40,743**	42,215
Accounting revenue - Countplus	2	**37,927**	-	**-**	-
Other revenues	2	**7,905**	3,877	**3,966**	9,040
Interest on loans and advances	2	**172**	1,207	**604**	1,138
Share of profit of associates		**2,016**	2,249	**-**	-
Change in fair value of investments		**663**	2,167	**723**	1,135
Gain on disposal of assets		**86**	-	**86**	-
Fair value gain on Countplus deconsolidation	39	**34,187**	-	**-**	-
Fair value gain on acquisition of Countplus investees		**2,958**	-	**-**	-
Salaries and employee benefits expense	3(b)	**(31,533)**	(9,426)	**(8,856)**	(9,343)
Lease expenses		**(2,650)**	(696)	**(700)**	(696)
Depreciation and amortisation expenses	3(a)	**(1,290)**	(317)	**(260)**	(315)
Finance costs expensed	3(d)	**(2,268)**	(1,702)	**(1,172)**	(684)
Share based payments – FIOP		**(573)**	(2,195)	**(573)**	(2,195)
Other expenses from ordinary activities	3(c)	**(12,806)**	(6,497)	**(7,246)**	(5,933)
PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX		**79,227**	34,032	**27,315**	34,362
INCOME TAX EXPENSE	4	**(23,126)**	(9,825)	**(7,428)**	(8,235)
PROFIT FROM CONTINUING OPERATIONS AFTER INCOME TAX		**56,101**	24,207	**19,887**	26,127
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**-**	-	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**56,101**	24,207	**19,887**	26,127
Total comprehensive income for the period attributable to:					
Non-controlling interests	27	**4,541**	29	**-**	-
Owners of the parent		**51,560**	24,178	**19,887**	26,127
		56,101	24,207	**19,887**	26,127
Basic earnings per share (cents per share)	32	**19.72**	9.37		
Diluted earnings per share (cents per share)	32	**19.72**	9.36		

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

Statement of Financial Position

as at 30 June 2011

	Notes	CONSOLIDATED		COUNT FINANCIAL LIMITED	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	**6**	**3,714**	5,129	**3,275**	3,188
Trade and other receivables	**7**	**18,742**	17,657	**48,557**	37,344
Loans and advances	**8**	**1,262**	10,277	**747**	10,182
Investments held at fair value through profit or loss	**9**	**22,680**	14,923	**14,473**	14,642
Other current assets	**11**	**-**	50	**-**	50
TOTAL CURRENT ASSETS		**46,398**	48,036	**67,052**	65,406
NON-CURRENT ASSETS					
Trade and other receivables	**12**	**14,529**	14,030	**-**	-
Loans and advances	**13**	**2,083**	1,945	**825**	1,594
Investments held at fair value through profit or loss	**14**	**34,872**	29,440	**379**	398
Available for sale financial asset	**10**	**2,283**	1,662	**2,283**	1,662
Other financial assets	**15**	**-**	-	**22,095**	18,137
Investments in associates	**17**	**61,797**	15,789	**-**	-
Property, plant and equipment	**18**	**398**	583	**393**	577
Intangible assets	**19**	**55**	78	**55**	78
Deferred tax assets	**4(d)**	**-**	-	**607**	1,332
TOTAL NON-CURRENT ASSETS		**116,017**	63,527	**26,637**	23,778
TOTAL ASSETS		**162,415**	111,563	**93,689**	89,184
LIABILITIES					
CURRENT LIABILITIES					
Trade and other payables	**20**	**13,375**	13,047	**7,478**	11,165
Other liabilities	**21**	**7,592**	8,067	**7,334**	7,710
Current tax liabilities	**4(c)**	**3,589**	4,818	**3,589**	4,811
Provisions	**22**	**488**	627	**484**	627
Interest-bearing loans and borrowings	**23**	**18,508**	11,820	**18,508**	11,820
TOTAL CURRENT LIABILITIES		**43,552**	38,379	**37,393**	36,133
NON-CURRENT LIABILITIES					
Other payables	**24**	**11,106**	10,805	**-**	80
Provisions	**25**	**173**	349	**172**	349
Deferred tax liabilities	**4(d)**	**11,335**	883		-
TOTAL NON-CURRENT LIABILITIES		**22,614**	12,037	**172**	429
TOTAL LIABILITIES		**66,166**	50,416	**37,565**	36,562
NET ASSETS		**96,249**	61,147	**56,124**	52,622
EQUITY					
Issued capital	**26(a)**	**29,945**	26,063	**29,945**	26,063
Other reserves	**26(e)**	**14,619**	13,948	**14,619**	13,948
Retained Earnings		**51,685**	21,062	**11,560**	12,611
Parent Interest		**96,249**	61,073	**56,124**	52,622
Non Controlling Interest	**27**	**-**	74	**-**	-
TOTAL EQUITY		**96,249**	61,147	**56,124**	52,622

The Statement of Financial Position should be read in conjunction with the notes to the Financial Statements

Statement of Changes in Equity

for the year ended 30 June 2011

CONSOLIDATED

	Issued capital $'000	Retained earnings $'000	Share based payment reserve $'000	Total $'000	Non controlling interest $'000	Total equity $'000
At 1 July 2010	**26,063**	**21,062**	**13,948**	**61,073**	**74**	**61,147**
Profit for the period	-	51,560	-	51,560	4,541	56,101
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	51,560	-	51,560	4,541	56,101
Shares issued by Count in relation to acquisitions	3,524	-	-	3,524	-	3,524
Shares issued by Countplus in relation to acquisitions	-	-	-	-	6,555	6,555
Share options exercised	321	-	-	321	-	321
Employee share scheme issue	37	-	-	37	-	37
Cost of share-based payments	-	-	671	671	-	671
Equity dividends to members of parent	-	(20,937)	-	(20,937)	-	(20,937)
Equity dividends to non controlling interests	-	-	-	-	(3,776)	(3,776)
Equity recognised on consolidation	-	-	-	-	5,716	5,716
Equity derecognised on deconsolidation	-	-	-	-	(13,110)	(13,110)
At 30 June 2011	**29,945**	**51,685**	**14,619**	**96,249**	**-**	**96,249**

CONSOLIDATED

	Issued capital $'000	Retained earnings $'000	Share based payment reserve $'000	Total $'000	Non controlling interest $'000	Total equity $'000
At 1 July 2009	**24,682**	**11,858**	**11,438**	**47,978**	**65**	**48,043**
Adjustment to retained earnings*	-	3,123	-	3,123	-	3,123
Restated opening balance	24,682	14,981	11,438	51,101	65	51,166
Profit for the period	-	24,178	-	24,178	29	24,207
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	24,178	-	24,178	29	24,207
Shares bought back	(2,897)	-	-	(2,897)	-	(2,897)
Associated costs of on-market buy-back of ordinary share capital	(2)	-	-	(2)	-	(2)
Share options exercised	2,124	-	-	2,124	-	2,124
Shares issued to vendors of associates	2,156	-	-	2,156	-	2,156
Cost of share-based payments	-	-	2,510	2,510	-	2,510
Other shares issued	-	-	-	-	-	-
Equity dividends to members of parent	-	(18,097)	-	(18,097)	-	(18,097)
Equity dividends to non controlling interests	-	-	-	-	(20)	(20)
At 30 June 2010	**26,063**	**21,062**	**13,948**	**61,073**	**74**	**61,147**

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

*Refer to Note 1 (ee) for further information

Statement of Changes in Equity

for the year ended 30 June 2011

	Issued capital $'000	Retained earnings $'000	Share based payment reserve $'000	Total equity $'000
	COUNT FINANCIAL LIMITED			
At 1 July 2010	**26,063**	**12,611**	**13,948**	**52,622**
Profit for the period	-	19,887	-	19,887
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	19,887	-	19,887
Shares issued by Count in relation to acquisitions	3,524	-	-	3,524
Share options exercised	321	-	-	321
Shares issued to vendors of associates	-	-	-	-
Employee share scheme issue	37	-	-	37
Cost of share-based payments	-	-	671	671
Other shares issued	-	-	-	-
Equity dividends	-	(20,938)	-	(20,938)
At 30 June 2011	**29,945**	**11,560**	**14,619**	**56,124**

	Issued capital $'000	Retained earnings $'000	Share based payment reserve $'000	Total equity $'000
	COUNT FINANCIAL LIMITED			
At 1 July 2009	**24,682**	**4,560**	**11,438**	**40,680**
Profit for the period	-	26,127	-	26,127
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	26,127	-	26,127
Shares bought back	(2,897)	-	-	(2,897)
Associated costs of on-market buy-back of ordinary share capital	(2)	-	-	(2)
Share options exercised	2,124	-	-	2,124
Shares issued to vendors of associates	2,156	-	-	2,156
Cost of share-based payments	-	-	2,510	2,510
Other shares issued	-	-	-	-
Equity dividends	-	(18,076)	-	(18,076)
At 30 June 2010	**26,063**	**12,611**	**13,948**	**52,622**

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

CASH FLOW STATEMENT

for the year ended 30 June 2011

	Notes	CONSOLIDATED		COUNT FINANCIAL LIMITED	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers		**162,001**	125,224	**112,244**	111,352
Payments to suppliers and employees		**(123,716)**	(90,827)	**(85,615)**	(79,219)
Dividends received		**4,207**	2,968	**2,124**	488
Interest received – loans to franchisees		**169**	1,037	**599**	989
Interest received – other		**233**	210	**153**	180
Finance costs		**(854)**	(584)	**(1,123)**	(584)
Income tax paid		**(10,983)**	(8,924)	**(8,997)**	(8,919)
Goods and services tax paid		**(6,334)**	(3,840)	**(3,623)**	(3,546)
Donations collected on behalf of Count Charitable Foundation		**153**	261	**152**	261
Donations paid over to Count Charitable Foundation		**(420)**	(269)	**(399)**	(269)
NET CASH FLOWS GENERATED BY OPERATING ACTIVITIES	**28(a)**	**24,456**	25,256	**15,515**	20,733
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment		**117**	4	**85**	4
Purchase of property, plant and equipment		**(883)**	(85)	**(138)**	(80)
Proceeds from sale of securities		**1,184**	3,861	**1,876**	4,217
Purchase of securities		**(14,720)**	(12,798)	**(980)**	(4,765)
Purchase of other financial assets		**(232)**	-	**-**	-
Loans and advances made		**(1,547)**	(450)	**-**	-
Loans to related parties		**-**	(5,029)	**(6,785)**	(5,029)
Repayment of loans		**15,707**	7,662	**16,994**	6,751
Payment for shares in associate entities		**(1,419)**	(1,477)	**(1,419)**	-
Payment for intangible assets		**-**	(50)	**-**	(50)
Loans to subsidiaries		**-**	-	**(11,120)**	(7,119)
Loans from subsidiaries		**-**	-	**-**	2,693
Inflow from consolidation of controlled entities net of cash divested		**3,282**	-	**-**	-
Outflow from deconsolidation of controlled entities net of cash divested		**(7,158)**	-	**-**	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES		**(5,669)**	(8,362)	**(1,487)**	(3,378)
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends from associate entities		**-**	1,114	**-**	-
Proceeds from issues of shares		**422**	2,124	**358**	2,124
On-market buy-back of ordinary share capital		**-**	(2,897)	**-**	(2,897)
Associated costs of on-market buy-back of ordinary share capital		**-**	(2)	**-**	(2)
Proceeds from borrowings other		**17,850**	23,600	**17,786**	23,600
Repayments of borrowings other		**(12,321)**	(21,200)	**(11,147)**	(21,199)
Payment of non-controlling interest dividends		**(5,145)**	-	**-**	-
Payment of dividends on ordinary shares		**(21,008)**	(18,116)	**(20,938)**	(18,076)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(20,202)**	(15,377)	**(13,941)**	(16,450)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**(1,415)**	1,517	**87**	905
Cash and cash equivalents brought forward		**5,129**	3,612	**3,188**	2,283
CASH AND CASH EQUIVALENTS CARRIED FORWARD	**28(b)**	**3,714**	5,129	**3,275**	3,188

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

Notes to the Consolidated Financial Statements

for the year ended 30 June 2011

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for Count Financial Limited as an individual entity and the consolidated entity consisting of Count Financial Limited and its subsidiaries. The financial report was authorised for issue in accordance with a resolution of the directors on 26 August 2011, whereby responsibility was delegated to the Executive Chairman and Chief Executive Officer to supervise the final preparation and signing of the financial report of Count Financial Limited for the year ended 30 June 2011.

(a) Basis of accounting

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

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

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

(b) Statement of compliance

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

Since 1 July 2010, the Group has adopted AASB 3 'Business Combinations' which is mandatory for annual periods beginning on or after 1 January 2011. Adoption of this Standard has not had any material effect on the financial position or performance of the Group. This revised standard introduces significant changes to accounting for business combinations. The major impact is the requirement for acquisition costs to be expensed at the time they are incurred. This change only impacts business combination transactions which occurred on or after 1 July 2010.

A number of new accounting standards have been issued but are not yet effective during this financial year. The Group has not elected to early adopt any of these new standards or amendments in this financial report. These new standards, when applied in future periods, are not expected to have a material impact on the financial position or performance of the Group other than the following:

- AASB 9 'Financial instruments: Classification and measurement': The amending standard specifies new recognition and measurement requirements for financial assets within the scope of AASB 139 requiring financial assets to be measured at fair value through the profit and loss unless the criteria for amortised cost measurement are met or the entity qualifies and elects to recognise gains and losses on equity securities that are not held for trading directly in other comprehensive income. AASB 9 is mandatory for adoption by the Group in the year ending 30 June 2014. These changes are not likely to have a material impact on the Group's financial statements.
- AASB 10 'Consolidated Financial Statements': This standard establishes a new control model that applies to all new entities. It replaces parts of AASB 127 and Interpretation 112. The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. AASB 10 is mandatory for adoption by the Group in the year ending 30 June 2014. The financial impact to the Group of adopting this standard is in the process of being ascertained.
- AASB 12 'Disclosure of Interests in Other Entities': New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. AASB 12 is mandatory for adoption by the Group in the year ending 30 June 2014. These changes are not likely to have a material impact on the Group's financial statements.
- AASB 13 'Fair Value Measurement': This standard establishes a single source of guidance under AIFRS for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under AIFRS when fair value is required or permitted by AIFRS. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about assumptions made and the qualitative impact of those assumptions on the fair value determined. AASB 13 is mandatory for adoption by the Group in the ending 30 June 2014. These changes are not likely to have a material impact on the Group's financial statements.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(c) Basis of consolidation

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

Transactions and balances of subsidiaries are included from the date the parent company obtains control until such time as control ceases. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which the parent company has control.

Subsidiary acquisitions are accounted for using the purchase method of accounting.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies, which may exist.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full.

Non-controlling interests represent the outside interests in Equity Loan Broking Pty Ltd and Count GPS Pty Ltd.

Controlled entities are carried at the lower of cost and recoverable amount in the consolidated statement of financial position. Any impairment is recognised in the statement of comprehensive income.

The financial report contains parent entity financial statements under the option available to the Group under ASIC Class Order 10/654. The Group is an entity to which the Class Order applies.

(d) Financial instruments

Financial instruments are initially measured at fair value (on trade date), when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

The Group assesses at each Statement of Financial Position date whether there is objective evidence that a financial asset is impaired. An impairment test is carried out where such an indication exists, and if a financial asset is found to be impaired, the impairment loss is recognised in the statement of comprehensive income.

Financial instruments are de-recognised when for assets, the Company's rights to the cash flows expire or are transferred to another party and for liabilities, the entity's obligations are discharged, cancelled or expire.

On de-recognition, a gain (loss) is recorded in income (expense) as the excess of the consideration over the sum of the carrying amount of the asset and any amount held in equity in respect of that asset.

(e) Finance costs

Finance costs are recognised as an expense based on the effective interest method.

(f) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand and in banks, and money market investments with an original maturity of less than 3 months and which are subject to an insignificant risk of changes in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents are defined above, net of outstanding bank overdrafts.

(g) Trade and other receivables

Trade receivables are recognised and carried at amortised cost. An estimate for doubtful debts is made against the provision account when collection of the full amount is no longer probable. Bad debts are written-off and recognised in the Statement of Comprehensive Income as incurred.

Interest received is recognised on an accrual basis.

Receivables relating to trailing commission are initially recognised at fair value being the net present value of the expected future trailing commissions to be received. Subsequent to initial recognition and measurement trailing commission receivables are recognised at amortised cost.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(h) Security and term deposits

Security and term deposits are included under 'Trade and other receivables' and recognised at amortised cost. These deposits are part of the company's requirements under the ASIC licensing and operating rental guarantees.

(i) Loans and advances

Loans and advances are initially recognised at fair value, being the consideration issued. After initial recognition loans and advances are carried at amortised cost using the effective interest method and the receivables are split between current and non-current assets. Interest income is recognised in the statement of comprehensive income when receivable. All loans and advances are subject to strict assessment according to the economic entity's credit risk grading systems. All loans and advances are kept under regular review and provisions are made for all identified doubtful debts as and when they arise.

(j) Investments classified as 'Financial assets at fair value through profit or loss'

These investments are held at fair value, with realised and unrealised gains arising from the change in fair value being recognised in the Statement of Comprehensive Income in the period in which they arise. Trade date accounting has been used, and fair value is determined based on the bid price.

For financial instruments traded in organised financial markets, fair value is the current quoted market bid price for an asset at the close of business on the balance sheet date. The fair value of units held in unlisted unit trusts is determined by reference to published bid prices at the close of business on the Statement of Financial Position date, being the redemption price as established by the unit trust's Responsible Entity.

Investments that have been designated as at fair value through profit and loss include shares in listed corporations, and units in unlisted unit trusts. These investments have been designated as at fair value through profit or loss as doing so results in more relevant information. These investments are part of the full group of financial assets, which are managed and have their performance evaluated on a fair value basis in accordance with the risk management strategies of the Group, as disclosed in Note 37.

(k) Available-for-sale financial assets

Assets classified as being available-for sale are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in the investments revaluation reserve with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the investments revaluation reserve is included in profit or loss for the period.

(l) Investments in associates

Investments in associates are accounted for using the equity method of accounting in the consolidated financial statements. The associates are entities over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

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

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

The reporting dates of the associates and the Group are identical and the associates' accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(m) Financial liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal repayments and amortisation using the effective interest method of any transaction costs.

(n) Payables

Liabilities for trade creditors and other amounts are carried at amortised cost.

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

(o) Property, plant and equipment

Plant and equipment

Cost and valuation
Plant and equipment are carried at cost, less accumulated depreciation and any applicable impairment losses.
The assets' depreciation methods, and useful lives, are reviewed on an annual basis, and any adjustments for a revision of estimates are accounted for prospectively.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at the rates shown below:

Major depreciation periods are:	2011	2010
Leasehold improvements:	7 – 40 years	7 - 40 years
Plant and equipment	2.5 – 20 years	2.5 - 20 years

Leasehold improvements

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to the consolidated entity. Included in the cost of leasehold improvements is a provision for decommissioning costs to be incurred at the end of the lease period, based on an estimate of the expenditure discounted at an appropriate rate.

De-recognition and disposal

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is recognised.

(p) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases
The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis over the period of the lease.

The lease incentive liability in relation to the non-cancellable operating lease is being reduced on an effective interest basis over the lease term (7 years) at the rate implicit in the lease.
Contingent rentals are recognised as an expense in the financial year in which they are incurred.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(q) Intangible assets

Research and development costs
Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and those benefits can be reliably measured.

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

Software

Depreciation is calculated on software and programming costs on a systematic basis over the assets' useful lives.

Major depreciation periods are:	2011	2010
Development costs:	2.5 years	2.5 years
Software:	2.5 years	2.5 years

Acquired Client Relationships
The acquired client relationship is amortised over the period the benefit is received.

(r) Impairment

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(s) Unearned revenue

Unearned income is recognised upon charging the annual membership fee. Revenue is recognised and brought to account over the period it is earned.

(t) Provisions

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

(u) Contributed equity

Issued and paid-up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received (net of tax)

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(v) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Retail fees and commissions
As an Australian Financial Services Licensee, Count's revenue is mainly derived from fees and commissions from investments and other financial services provided for clients of the Count network. The revenue is recognised when services are rendered and to the extent that the amount can be reliably measured.

Investment review fees
Investment review fees are Count's share of review fees charged to clients by franchisees. The fee is based on each franchisee's funds under advice and is recognised when services are rendered.

Platform fees

The recommended platforms are internet-based portfolio administration services provided by BT Financial Group (Wrap Essentials, wealth-e-account® and platform2), IOOF (IPS), Colonial First State (Colonial FirstChoice), and Perpetual Investments (WealthFocus) to clients of the Count network. The revenue comprises commissions received from recommended platforms and is based on the level of Funds Under Administration. The fee is recognised when services are rendered and to the extent that the amount can be reliably measured.

Other commissions
Other commissions are derived from Count's range of products and services which include: My Net Wealth®, life insurance product and leasing and asset purchase facilities. In addition, other products and services offered include the finconnect network (which allows non-franchisees to access some of Count's products and services. The commissions are recognised when services are rendered.

Trailing commissions on loan book
The Group receives trailing commissions from lenders over the life of the settled loans in its loan book based on outstanding balance and pays commissions to franchisees.

On initial recognition at settlement, trailing commission revenue and the related receivable are recognised at fair value being the net present value of the expected future trailing commissions to be received. An associated expense and payable to the franchisees are also recognised.

Subsequent to initial recognition and measurement, both the trailing commission receivable and payable are measured at amortised cost. The carrying amounts of the receivable and payable are adjusted to reflect actual and revised estimated cash flows by recalculating the net present value of estimated future cash flows at the original effective interest rate. Any resulting adjustment to the carrying value is recognised as income or expense in the income statement.

Franchisee fees and other income
Membership fees, training, seminar and other franchisee charges are recognised on an accrual basis upon billing of services provided. Sale of merchandise, promotional material and stationery is recognised when control of the goods has passed to the franchisee.

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

Dividends
Dividend revenue is recognised when there is control of the right to receive the dividend payment.

(w) Borrowings

Borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(x) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowable items. It is calculated using the tax rates that have been enacted or substantially enacted at balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is calculated at rates that are expected to apply when the asset is realised or the liability settled. Deferred tax is recognised in the comprehensive income statement, except for temporary differences relating to items recognised directly in equity, in which case the deferred tax is recognised directly in equity.

Deferred tax assets are recognised to the extent that it is probable that they will be recovered.

Deferred tax liabilities are recognised in respect of all taxable temporary differences that are applicable.

Count Financial Limited and its subsidiaries have formed a tax consolidated group under the tax consolidation regime.

Current income tax expense is recognised by each entity in the group. The parent company is responsible for recognising the current tax assets and liabilities both for itself and its underlying subsidiaries. Therefore any current tax assets or liabilities recognised by the underlying subsidiaries are assumed by the parent company.

Deferred tax is recognised by each entity within the group, with the exception of deferred tax assets arising from available tax losses, which are assumed by the parent company.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

All the wholly-owned Australian controlled entities in the group have entered into a tax funding agreement, which requires that all balances assumed by the head entity are settled in full. Furthermore, in the event that the head entity defaults in its obligation under the tax consolidation system, each entity in the group is limited in its obligation to fund the income tax obligation of the head entity to the proportion that the tax liability to which that entity would have been liable had the group not elected to become a tax consolidated entity bears to the total taxation liability of the head entity.

(y) Other taxes

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(z) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefit expenses arise in respect of the following categories:

- wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits;
- and other types of employee benefits are charged against profits on a net basis in their respective categories.

The group offers a share based compensation scheme. The total amount expensed over the vesting period is determined by reference to the fair value of the options granted. Please refer to Note 1(cc) for more information

(aa) Earnings per share

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

Diluted EPS is calculated as net profit attributable to members, adjusted for:

- costs of servicing equity (other than dividends);
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(bb) Critical accounting estimates and judgements

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

(a) Critical accounting estimates

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

(i) Share-based payment

The value of options granted in terms of the consolidated entity's share-based payment schemes are estimated in accordance with the method as disclosed in Note 26(c). These calculations require the use of assumptions, which have been disclosed. Were any of the assumptions to change significantly this could have an impact on the amounts recognised for share-based payments.

(ii) Trailing commissions on loan book

The fair value of trailing commissions receivable and the corresponding payable to franchisees is determined by using the discounted cash flow valuation technique, which requires the use of assumptions. The key assumptions to determine the fair value at balance sheet date are the future run-off rate of the underlying loan portfolio and the discount rate.

The determination of the assumptions to be used in the valuation has been made based on historical information by Management with the assistance of external actuaries. The factors considered in determining the assumptions are complex and require a high degree of judgement.

The significant assumptions used in the valuation are listed below:

Weighted average loan life	3.9 years
Average discount rate	7.365%

If the series of run-off rates used in the valuation of trailing commissions receivable and payable were to differ by +/- 2.5% from Management's estimates, the impact on the balance sheet would be:

- an increase in net assets after tax of $0.30m if favourable; or
- a decrease in net assets after tax of $0.27m if unfavourable

If the discount rate used in the valuation of trailing commissions receivable and payable were to differ by +/- 1.5% from Management's estimates, the impact on the balance sheet would be:

- an increase in net assets after tax of $0.13m if favourable; or
- a decrease in net assets after tax of $0.12m if unfavourable

(iii) Investment in associate – Countplus

In determining the fair value of the Investment in associate (Countplus Limited), consideration was given to any observable data of potential loss events, the price at which shares have been traded as part of the IPO and post-listing, the post-listing trading volumes and price to earnings ratios of comparable companies. It was determined that the fair value of the holding at deconsolidation was $1.50 per share and that no impairment has occurred in the period up to balance date.

(b) Critical judgements in applying the accounting policies

In applying the entity's accounting policies, management have made a judgements which, if different, could have an impact on the consolidated entity's financial report. One such judgement made is the classification of investments as designated as at fair value through profit or loss. Management have designated them into this category as they believe this provides relevant information regarding the investments.

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)

(bb) Critical accounting estimates and judgements (continued)

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of shares of Count Financial Limited.

(cc) Share-based payment

The economic entity provides benefits to the employees and franchisees in the form of share-based payment transactions, whereby employees and franchisees render services in exchange for shares or rights over shares ("equity –settled transactions").

There are currently two plans in place to provide these benefits:

(i) Employee Share Option Plan
(ii) Franchisee Incentive Option Plan

The cost of these equity-settled transactions with employees and franchisees is measured by reference to the fair value of the instruments at the date at which they were granted. The fair value is determined using the Cox, Ross and Rubinstein American option binomial model.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees or franchisees become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the Directors of the group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of the modification.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

For further information refer to Note 26

(dd) Key accounting policies which are relevant for the period due to consolidation of Countplus member firms and deconsolidation of Countplus are provided below:

(i) Accounting revenue

Revenue from the provision of accounting and related services is recognised on an accrual basis in the period in which the service or advice is provided. Revenue from the provision of services (where fee for service is charged) is calculated with a reference to the professional staff hours incurred on each assignment adjusted for any time that may not be recoverable.

(ii) Business combination

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquire and the equity issued by the acquirer, and the amount of any non-controlling interest.

In the acquiree, for each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition related costs are expensed as incurred, and included in administrative expenses.

1. **BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (CONTINUED)**

(dd) Key accounting policies which are relevant for the period due to consolidation of Countplus member firms and deconsolidation of Countplus are provided below: (continued)

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

(iii) Consolidation

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Recognises the fair value of consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in the profit or loss
- Reclassifies the parent's share of components previously recognised on other comprehensive income to profit or loss, or retained earnings, as appropriate

(ee) Change in accounting policy for the period relevant to the recognition of future trail commissions

The Group has recognised the present value of the future trail commissions expected to be received and paid from the Group's mortgage broking activities on balance sheet. Previously, trail commissions were recognised when received and when paid. This change in accounting policy will provide more relevant and reliable financial information as it is in line with industry practice for mortgage brokers and therefore increases the comparability of the Group's financial statements with other mortgage broking participants. The impact on the profit and loss of recognising the net present value of future trail commissions receivable and payable is such that it better reflects the economic substance of the Group's mortgage broking activity, as the broking service is effectively completed on settlement of the mortgage.

The impact of this change in accounting policy on the Group and the Company was:

For the year ended 30 June 2009:

	2009		2009
	Original Balance	Adjustment Amount	Restated Balance
Balance Sheet Classification	**$'000**	**$'000**	**$'000**
Trade and other receivables current	**12,914**	**5,741**	18,655
Trade and other receivables non-current	**-**	**13,133**	13,133
Deferred tax assets	**1,146**	**(1,146)**	-
Trade and other payables current	**(8,053)**	**(4,373)**	(12,426)
Trade and other payables non-current	**(217)**	**(10,039)**	(10,256)
Deferred tax liabilities	**-**	**(193)**	(193)
Opening retained earnings	**11,858**	**3,123**	14,981

For the year ended 30 June 2010

- profit for the financial year increased by $213 thousand
- financial assets and associated deferred tax liabilities were higher by $20,163 thousand and $6,049 thousand respectively
- financial liabilities and associated deferred tax assets were higher by $15,397 thousand and $4,619 thousand respectively
- earnings per share and diluted earnings per share were only minimally impacted

For the year ended 30 June 2011

- profit for the financial year increased by $119 thousand
- earnings per share and diluted earnings per share were only minimally impacted

	CONSOLIDATED		COUNT FINANCIAL LIMITED	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
2. REVENUE				
Revenues				
Retail fees and commissions (including franchisee share)*	**48,226**	50,685	**38,051**	38,386
Investment review fee	**766**	934	**766**	934
Platform fees and commissions (including franchisee share)*	**66,074**	65,685	**66,074**	65,685
Franchisee fees and other income	**6,077**	6,516	**4,995**	5,283
	121,143	123,820	**109,886**	110,288
Retail fees and commissions - Countplus	**4,843**	-	**-**	-
Fees, commissions and related income	**125,986**	123,820	**109,886**	110,288
Accounting revenue - Countplus	**37,927**	-	**-**	-
Interest on loans and advances	**172**	1,207	**604**	1,138
Other revenues				
Realised gains / (losses) on investment	**90**	(666)	**(93)**	(666)
Other revenue - Countplus	**2,446**	-	**-**	-
Dividends - other corporations	**3,832**	3,007	**3,906**	9,526
Interest - other persons/corporations#	**1,537**	1,536	**153**	180
Total other revenues	**7,905**	3,877	**3,966**	9,040
Total revenues	**171,990**	128,904	**114,456**	120,466

*These fees and commissions are gross payments, consisting of both amounts paid on to franchisees and amounts retained by Count Financial Limited.
Interest – other person/corporations includes interest from the unwinding of discount in relation to the receipt of trailing commission and interest earned on deposits and loans

3. EXPENSES

	CONSOLIDATED 2011	CONSOLIDATED 2010	COUNT FINANCIAL LIMITED 2011	COUNT FINANCIAL LIMITED 2010
(a) Depreciation and amortisation				
Depreciation and amortisation expense includes the following:				
Plant and equipment	**85**	100	**82**	98
Software	**23**	62	**23**	62
Development	**-**	-	**-**	-
Leasehold improvements	**137**	137	**137**	137
Decommissioning costs (Goldfields House)	**18**	18	**18**	18
Depreciation and amortisation - Countplus	**1,027**	-	**-**	-
Total depreciation of non current assets	**1,290**	317	**260**	315
(b) Salaries and employee benefits expense				
Employee benefits expense includes the following:				
Superannuation and salary on costs	**1,554**	1,595	**1,549**	1,595
Salaries and employee benefits expense - Countplus	**22,600**	-	**-**	-
Other employee benefits expense	**7,281**	7,515	**7,209**	7,432
Share-based payments – ESOP	**98**	316	**98**	316
Total salaries and employee benefits expense	**31,533**	9,426	**8,856**	9,343
(c) Other expenses				
Other expenses from operating activities include the following:				
Bad and doubtful debts – trade debtors	**(1)**	35	**(4)**	27
Sales and marketing expenses	**1,467**	1,306	**1,448**	1,299
Administration expenses	**6,031**	5,156	**5,802**	4,607
Administration expense - Countplus	**5,309**	-	**-**	-
Total other expenses	**12,806**	6,497	**7,246**	5,933
(d) Finance expenses				
Finance expenses from operating activities include the following:				
Interest expense#	**2,268**	1,702	**1,172**	684

Interest expense includes interest from the unwinding of discount in relation to the payment of trailing commission to franchisees.

	Notes	CONSOLIDATED		COUNT FINANCIAL LIMITED	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
4. INCOME TAX					
(a) Income Tax Expense					
The major components of income tax expense are:					
Income Statement					
Current income tax					
- Current income tax charge		**12,070**	9,135	**6,703**	8,286
- Adjustments in respect of current income tax of previous years		**-**	-	**-**	-
Deferred income tax					
- Relating to origination and reversal of timing differences	**4(d)**	**11,056**	690	**725**	(51)
Income tax expense reported in the income statement	**4(b)**	**23,126**	9,825	**7,428**	8,235
(b) Reconciliation of accounting profit to tax expense					
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:					
Accounting profit before income tax		**79,227**	34,032	**27,531**	34,362
At the group's statutory income tax rate of 30% (2010: 30%)		**23,768**	10,210	**8,259**	10,309
Franked dividend rebates		**(1,519)**	(1,264)	**(745)**	(154)
Share-based payments		**201**	753	**201**	753
Non deductible items		**135**	226	**135**	121
Other items		**541**	(100)	**2**	(94)
Non assessable dividends from subsidiaries		**-**	-	**(424)**	(2,700)
		23,126	9,825	**7,428**	8,235
(c) Reconciliation of current tax liability					
Opening balance		**4,818**	4,607		
Tax instalments paid relating to prior year*		**(4,908)**	(4,688)		
Tax instalments paid relating to current year*		**(4,089)**	(4,236)		
Tax exit payments of former subsidiaries		**160**	-		
Current tax provision*		**7,608**	9,135		
Closing balance		**3,589**	4,818		

* Tax instalments and current provision shown are for the Count tax consolidated group. The consolidated tax expense includes tax payable by Countplus subsidiaries whilst they were part of the consolidated group, but were not part of the Count tax consolidated group.

	Notes	STATEMENT OF FINANCIAL POSITION		STATEMENT OF COMPREHENSIVE INCOME	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
4. INCOME TAX continued					
(d) Deferred Income Tax - Consolidated					
Deferred Tax Assets					
Provision for employee entitlements- Annual leave		**108**	151	**(43)**	(6)
Provision for employee entitlements- Long service leave		**52**	105	**(53)**	(1)
Provision for bad debts		**3**	5	**(2)**	1
Revaluation of investments to fair value		**139**	338	**(199)**	(649)
Capital losses		**315**	286	**29**	200
Valuation costs		**-**	-	**-**	(1)
Countplus costs		**-**	17	**(17)**	(17)
Provision for rent/storage fees		**12**	29	**(17)**	(9)
Amortisation of decommissioning costs		**34**	29	**5**	5
Bonus payable		**314**	208	**106**	202
		977	1,168	**(191)**	(275)
Deferred Tax Liabilities					
Revaluation of investments to fair value		**(10,256)**	-	**(10,256)**	-
Net present value of future trail commission		**(1,481)**	(1,430)	**(51)**	(91)
Research and development costs		**-**	-	**-**	1
Accrued Dividends		**(13)**	(103)	**90**	(76)
Investment in associates		**(518)**	(518)	**(604)**	(249)
Other		**(44)**	-	**(44)**	-
Net deferred tax assets		**(11,335)**	(883)		
Deferred tax income	**4(a)**			**(11,056)**	(690)

	Notes	STATEMENT OF FINANCIAL POSITION 2011 $'000	STATEMENT OF FINANCIAL POSITION 2010 $'000	STATEMENT OF COMPREHENSIVE INCOME 2011 $'000	STATEMENT OF COMPREHENSIVE INCOME 2010 $'000
4. INCOME TAX continued					
(d) Deferred Income Tax - Parent					
Deferred Tax Assets					
Provision for employee entitlements- Annual leave		**108**	151	**(43)**	(6)
Provision for employee entitlements- Long service leave		**52**	105	**(53)**	(1)
Provision for bad debts		**3**	5	**(2)**	1
Revaluation of investments to fair value		**297**	514	**(217)**	(340)
Capital losses		**315**	286	**29**	200
Valuation costs		**-**	-	**-**	(1)
Countplus costs		**-**	17	**(17)**	(17)
Amortisation of lease incentive		**41**	-	**41**	-
Provision for rent/storage fees		**12**	29	**(17)**	(9)
Amortisation of decommissioning costs		**34**	29	**5**	5
Bonus payable		**249**	208	**41**	202
		1,111	1,344	**(233)**	34
Deferred Tax Liabilities					
Accrued Dividends		**(504)**	(12)	**(492)**	16
Net deferred tax assets		**607**	1,332		
Deferred tax income	4(a)			**(725)**	51

Tax consolidation

Effective 1 July 2003, for the purposes of income taxation, Count Financial Limited and its 100% owned subsidiaries formed a tax consolidated group. Members of the group have agreed to enter into a tax sharing arrangement in order to allocate income tax expense to the wholly-owned subsidiaries on a pro-rata basis. In addition, the agreement provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. At the balance sheet date, the possibility of default is remote. The head entity of the tax consolidated group is Count Financial Limited.

Count Financial Limited and its controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. In addition to its own current and deferred tax amounts, Count Financial Limited also recognises the current tax liabilities and deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group. The standalone allocation method has been used.

Countplus Limited exited the tax consolidated group on 5 November 2010 as from this date it was no longer a 100% owned subsidiary of Count Financial Limited.

Tax effect accounting by members of the tax consolidated group

Members of the tax consolidated group have entered into a tax funding agreement. The funding arrangement provides for the allocation of current and deferred taxes to members of the tax consolidated group using a group allocation approach in accordance with UIG 1052 and applying the principles of AASB 112 *Income Taxes.*

The allocation of taxes under the tax funding agreement is recognised as an increase / decrease in the subsidiaries' inter-company accounts with the tax consolidated group head company, Count Financial Limited.

In preparing the accounts of Count Financial Limited for the current year, the following amounts have been recognised as tax consolidation adjustments:

	COUNT FINANCIAL LIMITED 2011 $'000	COUNT FINANCIAL LIMITED 2010 $'000
Total increase/(reduction) to inter-company assets of Count Financial Limited	**912**	825

	CONSOLIDATED		COUNT FINANCIAL LIMITED	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
5. DIVIDENDS PAID OR PROPOSED ON ORDINARY SHARES				
(a) Dividends proposed and recognised as a liability				
Interim franked dividend for 2011: 2.0 cents (2010: 2.0 cents)	**5,244**	5,165	**5,244**	5,165
(b) Dividends paid during the period				
Interim franked dividend for 2011: 4.0 cents (2010: 4.0 cents)	**10,489**	10,337	**10,489**	10,337
Final franked dividend for 2010: 2.0 cents (2009: 1.0 cents)	**5,205**	2,574	**5,205**	2,574
	20,938	18,076	**20,938**	18,076
(c) Dividends proposed and not recognised as a liability				
Final franked dividend for 2011: 4.0 cents (2010: 2.0 cents)	**10,490**	5,165	**10,490**	5,165
(d) Franking credit balance				
The amount of franking credits available for the subsequent financial year are:				
– franking account balance as at the end of the financial year at 30% (2010: 30%) tax rate.			**9,207**	9,150
– franking credits that will arise from the payment of income tax payable as at the end of the financial year			**3,500**	4,927
– franking debits that will arise from the payment of dividends as at the end of the financial year			**(2,248)**	(2,214)
			10,459	11,863
The amount of franking credits available for future reporting periods:				
– impact on the franking account of dividends proposed or declared before the financial report was authorised for issue but not recognised as a distribution to equity holders during the period.			**(4,496)**	(2,214)
			5,963	9,649

The tax rate at which paid dividends have been franked is 30% (2010: 30%). Dividends proposed will be franked at the rate of 30% (2010: 30%). Franking credits were transferred from the wholly-owned entities to the parent entity on 1 July 2003 on entering the tax consolidated group.

Franked dividends paid during the financial year - 8c per share (2010:7c)

	CONSOLIDATED 2011 $'000	CONSOLIDATED 2010 $'000	COUNT FINANCIAL LIMITED 2011 $'000	COUNT FINANCIAL LIMITED 2010 $'000
6. CASH AND CASH EQUIVALENTS				
Cash at bank and in hand	**3,714**	4,829	**3,275**	3,188
Short-term deposits	**-**	300	**-**	-
	3,714	5,129	**3,275**	3,188

For cash and cash equivalents, the carrying value is assumed to approximate their fair value.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods up to 3 months, depending on the immediate cash requirements of the entity, and earn interest at the respective short-term deposit rates.

	Notes	CONSOLIDATED		COUNT FINANCIAL LIMITED	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
7. TRADE AND OTHER RECEIVABLES (CURRENT)					
Trade receivables	7(a)(i)	**1,236**	1,591	**1,390**	1,563
Allowance for doubtful debts		**(10)**	(17)	**(10)**	(17)
		1,226	1,574	**1,380**	1,546
Net present value of future trail commission*		**6,351**	6,133	**-**	-
Sundry receivables	7(a)(ii)	**2,729**	1,158	**2,728**	1,353
Other receivables	7(a)(iii)	**23**	22	**23**	22
Security deposits	29(d)	**384**	424	**384**	404
Accrued income		**8,029**	8,346	**6,971**	7,401
Amounts other than trade receivables from related parties:					
Wholly owned group controlled entities	16	**-**	-	**37,071**	26,618
		18,742	17,657	**48,557**	37,344

*Future trail commission has been accounted for at amortised cost. Refer to Note 1(bb) (ii) for key assumptions used and further details. Also refer to Note 37 for an assessment of risks affecting future trail commission including credit risk.

(a) Terms and conditions

(i) Trade receivables are non-interest bearing and generally on 30-60 day terms. An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired.

(ii) Sundry receivables and other receivables are non-interest bearing and are generally on 30 day terms.

(iii) Other receivables will mature within 12 months with an effective interest rate of 6.40% (2010: 6.25%) per annum.

(iv) Security deposits will mature within 12 months with an effective interest rate of 4.00% (2010: 3.75% - 5.00%) per annum.

Due to the short term nature of these receivables, their carrying value approximates their fair value.

Details regarding the effective interest rate and credit risk of current receivables are disclosed in Note 37.

	Consolidated 2011	Consolidated 2010	Count Financial Limited 2011	Count Financial Limited 2010
8. LOANS AND ADVANCES (CURRENT)				
Loans to franchisees	**1,262**	1,193	**747**	1,098
Loans to related parties	**-**	9,084	**-**	9,084
	1,262	10,277	**747**	10,182

Loans to franchisees due within 12 months with a fixed interest rate of 5%-10% (2010: 5%-10%) per annum, reset each year. The carrying value of loans to franchisees & related parties approximate their fair values given the expected short term maturity. The related party loan refers to loans given to Countplus member firms which were not part of the consolidated group at 30 June 2010. As part of the listing of Countplus Limited in December 2010, these loans were fully settled by Countplus. The loans were originally made on normal commercial terms and carried an interest rate of 10% with the exception of stamp duty loans of $1.5m which was provided on an interest free basis.

	Consolidated 2011	Consolidated 2010	Count Financial Limited 2011	Count Financial Limited 2010
9. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (CURRENT)				
Listed securities				
- DKN Financial Group Limited	**8,206**	-	**-**	-
- Other	**14,474**	14,923	**14,474**	14,642
	22,680	14,923	**14,473**	14,642

The fair value of the listed securities has been based on the bid price at the end of the financial year. The movement in fair value has been recognised in profit or loss for the year. The only individually material investment is DKN Financial Group Limited which has been reclassified from non-current to current as it is currently the subject of a takeover offer which is likely to succeed and complete within the next 12 months.

	Notes	CONSOLIDATED		COUNT FINANCIAL LIMITED	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
10. AVAILABLE FOR SALE FINANCIAL ASSETS (NON CURRENT)					
At fair value:					
Unlisted Shares: Super-IP		**2,283**	1,662	**2,283**	1,662
		2,283	1,662	**2,283**	1,662

Valuation Assumptions & Sensitivity
The investment in Super-IP is carried at fair value. A discounted cash flow model was used to confirm this valuation using a pre-tax discount rate of 16% and terminal value of 5x. A sensitivity analysis of these inputs does not result in a significantly different fair value. Increasing the discount rate by 200 basis points results in a reduction in value of $209,000 and decreasing the terminal value to 4x reduces the value by $358,000.

A reconciliation of the movement during the year is as follows:

	2011	2010
	$'000	$'000
Opening balance	**1,662**	1,363
Net valuation gains	**-**	-
Additions	**621**	299
Closing Balance	**2,283**	1,662

	CONSOLIDATED 2011	CONSOLIDATED 2010	COUNT FINANCIAL LIMITED 2011	COUNT FINANCIAL LIMITED 2010
11. OTHER CURRENT ASSETS				
Prepayments	**-**	50	**-**	50
	-	50	**-**	50
12. TRADE AND OTHER RECEIVABLES (NON-CURRENT)				
Net present value of future trail commission	**14,529**	14,030	**-**	-
	14,529	14,030	**-**	-

*Future trail commission has been accounted for at amortised cost. Refer to Note 1(bb) (ii) for key assumptions used and further details. Also refer to Note 37 for an assessment of risks affecting future trail commission including credit risk.

	CONSOLIDATED 2011	CONSOLIDATED 2010	COUNT FINANCIAL LIMITED 2011	COUNT FINANCIAL LIMITED 2010
13. LOANS AND ADVANCES (NON CURRENT)				
Loans to franchisees	**2,083**	1,945	**825**	1,594
	2,083	1,945	**825**	1,594

Loans and advances are payable by monthly instalments for a period of up to 10 years with an interest rate of 5%-10% (2010: 5% -10%) per annum, reset each year. The carrying value of loans approximate their fair values.

	CONSOLIDATED 2011	CONSOLIDATED 2010	COUNT FINANCIAL LIMITED 2011	COUNT FINANCIAL LIMITED 2010
14. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS (NON CURRENT)				
Listed securities:				
- Mortgage Choice Limited	**25,455**	23,188	**-**	-
- DKN Financial Group Limited	**-**	5,854	**-**	-
- Centrepoint Alliance Limited	**9,038**	-	**-**	-
Units in unit trusts	**379**	398	**379**	398
	34,872	29,440	**379**	398

The fair value of the listed securities has been based on the bid price at the end of the financial year. The movement in fair value has been recognised in profit or loss for the year. The fair value of the unlisted units has been based on the redemption price at the end of the financial year. The movement in fair value has been recognised in profit or loss for the year. DKN Financial Group Limited has been reclassified from non-current to current as it is currently the subject of a takeover offer which is likely to succeed and complete within the next 12 months.

15. OTHER FINANCIAL ASSETS

The consolidated financial statements include the financial statements of the ultimate parent entity Count Financial Limited, and the subsidiaries listed in the following table:

Name	Country of incorporation	Percentage of equity interest held 2011 %	Percentage of equity interest held 2010 %	Investment 2011 $'000	Investment 2010 $'000
Compound Investments Ltd#	Australia	-	100	**-**	500
Count Property Pty Ltd	Australia	100	100	**100**	100
Less impairment^		-	-	**(19)**	(18)
Equity Loan Broking Pty Ltd#	Australia	-	50	**-**	10
Finconnect (Australia) Pty Ltd	Australia	100	100	**-**	-
Countplus Limited@	Australia	39	100	**22,014**	17,545
Count GPS Pty Ltd*	Australia	50	50	**-**	-
Count Finance Pty Ltd	Australia	100	100	**-**	-
Count Investments Pty Ltd	Australia	100	100	**-**	-
				22,095	18,137

^Impairment relates to losses incurred to date.
* Count Financial Limited holds a 2/3 Board majority in Count GPS Pty Ltd.
#Compound Investments Ltd and Equity Loan Broking Pty Ltd were sold during the year.
@ In addition to the above subsidiaries the group through Countplus Limited controlled various entities for part of the year 2010-2011. The details of such controlled subsidiaries are provided in Note 38. On 16 December 2010 Count lost control over Countplus Limited and the subsidiaries Countplus controlled. The details of deconsolidation are provided in Note 39.

	Notes	COUNT FINANCIAL LIMITED 2011 $'000	2010 $'000
16. RELATED PARTY DISCLOSURES			
The following balances are outstanding at the reporting date in relation to transactions with related parties:			
(a) Subsidiaries			
Current receivables			
finconnect (Australia) Pty Ltd		**14,522**	18,762
Count Finance Pty Ltd		**1,656**	367
Compound Investments Ltd		**-**	4
Count Investments Pty Ltd		**20,893**	7,485
		37,071	26,618
Current payables			
Count Property Pty Ltd		**-**	-
Countplus Limited		**-**	3,653
Count GPS Pty Ltd		**647**	469
		647	4,122

The ultimate parent and ultimate controlling party is Count Financial Limited.
During the year Count Financial Limited paid for certain expenses on behalf of Countplus Pty Limited such as legal and start-up costs. The total amount of these costs was $372,732 (2010: $194,474). There is no intention to have these costs reimbursed.
Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash.
No guarantees were provided or received for any subsidiary.

		2011 $'000	2010 $'000
(b) Other related parties			
Loans to employees		**-**	27
		-	27

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16. RELATED PARTY DISCOLSURES (continued)

(c) Terms and conditions of transaction with related parties

Any transactions with related parties are made on normal commercial terms and conditions with the exception of arrangement in relation to legal and start-up costs referred to in Note 16(a). No provision for doubtful debts has been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad and doubtful debts due from related parties (2010: $Nil).

An impairment assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates to determine whether there is objective evidence that a related party receivable is impaired. When such evidence exists, the Company recognises an allowance for an impairment loss. In considering impairment of related party receivables during the period, particular attention was placed on Count Investments Pty Ltd, a subsidiary which holds investments in ASX-listed companies. Whilst a deficit exists between the value of the investments and the receivable from the subsidiary, given the short-term volatility evident in investment markets generally and the shares held specifically towards the end of the period, the Company concluded that this deficit was not significant nor prolonged enough to constitute objective evidence of impairment in the receivable.

Refer to note 34 for further related party disclosures.

Related party transactions with Countplus

During the period, Countplus Pty Ltd converted to a public company (Countplus Limited) and ceased to be a subsidiary of Count Financial Limited. Count retained an ownership interest in Countplus Limited of 39.8% at the time of deconsolidation.

Countplus entered into a 'Relationship Deed' agreement with Count Financial Limited on 4 November 2010. Count granted Countplus "Most Favoured Nation Status" (MFN Status). This means that in relation to an existing or new Count Product or Service, except for Platform and Asset Financing Revenue, Count will offer the Countplus Group the best terms for the existing or new Count Product or Service which is available by the Count Group to any other member of the Count Group. Count will pay Countplus 50% of the Platform Revenue received by Count from a Preferred Platform Provider in respect of Countplus FUM with that Platform Provider. Count will pay Countplus 50% of any revenue received from an Asset Financier in relation to Asset Financing for Countplus' clients, customers and associates. Due to this agreement, Fees, commissions and related costs include $1.03m paid to Countplus during the period.

Countplus entered into a 'Bilateral Funding Agreement' with Count Financial on 4 November 2010. In the first 12 months following the listing of Countplus, Count must advance a loan to Countplus for the amount specified in the request notice, up to a limit of $10m. After the first 12 months following the Countplus listing, Count Financial & Countplus can refuse any request for funds. Either party can borrow up to $10m and must pay back the loan before the termination date, which is 5 years from the date of the agreement, or a later date as agreed between the parties. Interest on any loan is charged at 10%. No amount has been borrowed under this agreement as at 30 June 2011.

Countplus Limited listed on the Australian Securities Exchange on 22 December 2010. As part of the listing process, Countplus issued a prospectus for an initial public offering (IPO) for $20M, for which Count was the underwriter. Count earned no fees in relation to the underwriting of the Countplus IPO. As part of its underwriting agreement, Count purchased 945,747 shares to complete the $20M fund raising. As part of the Countplus IPO, Count shared 50% of the float costs with Countplus amounting to $456,061 which are included in Note 3(c) Administrative expenses.

17. INVESTMENTS IN ASSOCIATES

	CONSOLIDATED	
	2011 $'000	**2010 $'000**
Opening balance in investment in associates	**15,789**	11,296
Interests acquired in associates	**-**	3,636
Interest free loans	**-**	30
Consolidation of Countplus subsidiaries and derecognition of Investment in associates at 1 July 2010	**(15,789)**	-
Deconsolidation of Countplus and recognition as Investment in associate at fair value at 16 December 2010	**60,000**	-
Purchase of Countplus shares through the Public Offer at 16 December 2010	**1,419**	-
Share of profit of associates	**2,016**	2,249
Dividends from associates	**(1,638)**	(1,422)
Closing balance in investment in associates	**61,797**	15,789

	CONSOLIDATED	
	2011 $'000	**2010 $'000**
Total current assets	**30,126**	18,751
Total non-current assets	**56,931**	62,522
Total current liabilities	**29,512**	12,361
Total non-current liabilities	**8,498**	11,329
Net assets	**49,047**	57,583
Share of associates' net assets	**19,177**	15,789
Share of associates' revenues	**18,999**	15,119
Share of associates' profit after income tax	**2,016**	2,249

For 2011 the amounts reflect share of revenues and profits post deconsolidation of Countplus.

17. INVESTMENTS IN ASSOCIATES (CONTINUED)

As detailed in Note 38 Business Combinations, Count controlled the Countplus investee businesses from 1 July 2010 and has therefore consolidated these investees from 1 July 2010. On 16 December, Countplus issued shares to the vendors of its investees and the public, diluting Count's shareholding to 39.8% and requiring Count to deconsolidate its investment in Countplus, recognise its remaining interest at fair value and account for its investment in Countplus using the equity accounting method from that date.

On deconsolidation the directors assessed the fair value of Count's interest in Countplus as $60.0M (40,000,000 shares at $1.50 per share). This was based on several factors, including the pricing of the IPO at $1.50 per share, over 90% of the IPO being subscribed to by the public and the post-float trading in the shares being within a 10c range of the IPO price.

The gain on deconsolidation of $34.2m, being difference between the fair value of the retained investment in Countplus Limited and the net assets, is recognised in Income Statement.

32 million of the 40.9 million Countplus shares owned by Count are escrowed, with one third released from escrow in each of December 2011, December 2012 and December 2013.

Fair value of investment in listed associate

At 30 June 2011 the Group held a 39.1% interest in Countplus Limited listed on the ASX. The value of the Group's investment in Countplus Limited, based on the last sale price on 30 June 2011, is $53.2m (2010: Nil). Given a significant portion of Countplus shares are under escrow and there was no update to market guidance at 30 June 2011, the directors are of the view, having assessed the investment for impairment, that the market value does not reflect the fair value of the investment and instead the carrying value reflects the investment's fair value.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2011

	Notes	CONSOLIDATED		COUNT FINANCIAL LIMITED	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
18. PROPERTY, PLANT AND EQUIPMENT					
Leasehold improvements					
Cost		**1,129**	1,085	**1,129**	1,085
Accumulated amortisation		**(997)**	(842)	**(997)**	(842)
		132	243	**132**	243
Plant & equipment					
Cost		**1,099**	1,157	**1,089**	1,147
Accumulated depreciation		**(833)**	(817)	**(828)**	(813)
		266	340	**261**	334
Total property, plant and equipment					
Cost		**2,228**	2,242	**2,218**	2,232
Accumulated depreciation and amortisation		**(1,830)**	(1,659)	**(1,825)**	(1,655)
Net carrying amount		**398**	583	**393**	577

(a) Reconciliations

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

Leasehold Improvements				
Carrying amount at beginning	**243**	398	**243**	398
Additions	**44**	-	**44**	-
Decommissioning costs	**-**	-	**-**	-
Amortisation of decommissioning costs	**(18)**	(18)	**(18)**	(18)
Amortisation of leasehold improvements	**(137)**	(137)	**(137)**	(137)
	132	243	**132**	243
Plant & equipment				
Carrying amount at beginning	**340**	355	**334**	352
Additions	**839**	92	**25**	87
Plant & Equipment acquired on consolidation	**5,228**	-	**-**	-
Reduce Plant & Equipment on deconsolidation	**(5,421)**	-	**-**	-
Disposals/Write-off	**(45)**	(7)	**(17)**	(7)
Depreciation expense	**(675)**	(100)	**(82)**	(98)
	266	340	**260**	334
Net carrying amount	**398**	583	**392**	577

19. INTANGIBLE ASSETS				
Development				
Cost	**78**	2,332	**78**	2,332
Accumulated amortisation	**(78)**	(2,332)	**(78)**	(2,332)
	-	-	**-**	-
Computer Software				
Cost	**642**	642	**642**	642
Accumulated amortisation	**(587)**	(564)	**(587)**	(564)
	55	78	**55**	78
Total intangible assets				
Cost	**720**	2,974	**720**	2,974
Accumulated amortisation	**(665)**	(2,896)	**(665)**	(2,896)
Net carrying amount	**55**	78	**55**	78

	Notes	CONSOLIDATED		COUNT FINANCIAL LIMITED	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
19. INTANGIBLE ASSETS continued					
(a) Reconciliations					
Reconciliations of the carrying amounts of intangibles at the beginning and end of the current financial year.					
Acquired Client Relationships					
Carrying amount at beginning		**-**	-	**-**	-
Additions		**-**	-	**-**	-
ACR acquired on consolidation		**6,943**	-	**-**	-
ACR acquired on deconsolidation		**(6,506)**	-	**-**	-
Amortisation expense		**(437)**	-	**-**	-
		-	-	**-**	-
Computer software					
Carrying amount at beginning		**78**	90	**78**	90
Additions		**-**	50	**-**	50
Amortisation expense		**(23)**	(62)	**(23)**	(62)
		55	78	**55**	78
Net carrying amount		**55**	78	**55**	78

	Notes	CONSOLIDATED 2011 $'000	CONSOLIDATED 2010 $'000	COUNT FINANCIAL LIMITED 2011 $'000	COUNT FINANCIAL LIMITED 2010 $'000
20. TRADE AND OTHER PAYABLES (CURRENT)					
Trade payables	**20(a)**	**6,690**	6,700	**5,043**	5,399
Other payables:					
Net present value of future trail commission		**4,838**	4,672	**-**	-
Employee bonuses		**1,047**	695	**1,047**	694
Other payables	**20(a)**	**320**	274	**326**	280
Lease incentives		**80**	137	**80**	137
Goods and services tax		**400**	569	**335**	534
		13,375	13,047	**6,831**	7,044
Aggregate amounts payable to related parties:					
- wholly owned entities		**-**	-	**-**	3,652
- majority owned entities		**-**	-	**647**	469
		13,375	13,047	**7,478**	11,165

(a) Terms and conditions relating to the above financial instruments:

(i) Trade payables are non-interest bearing and are normally payable 30 days from the end of the month of the purchase date.

(ii) Other payables are non-interest bearing and have an average term of 7 to 21 days.

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value with the exception of net present value of future trailing commission which is accounted for at amortised cost.

	Notes	CONSOLIDATED 2011 $'000	CONSOLIDATED 2010 $'000	COUNT FINANCIAL LIMITED 2011 $'000	COUNT FINANCIAL LIMITED 2010 $'000
21. OTHER CURRENT LIABILITIES					
Unearned revenue		**2,075**	2,725	**1,817**	2,359
Dividends on ordinary shares		**5,244**	5,165	**5,244**	5,165
Other liabilities		**273**	177	**273**	186
		7,592	8,067	**7,334**	7,710

(a) Ordinary share dividends

An interim dividend of 2.00 cents per share has been provided for the year ended 30 June 2011 (2010: 2.00 cents). The dividend was declared on 16 June 2010 and paid on 15 July 2011. Count Financial Limited will continue to pay its dividend quarterly. The extent to which dividends were franked, details of franking account balance at balance date and franking credits available for subsequent financial years are disclosed in note 5(d).

	Notes	CONSOLIDATED		COUNT FINANCIAL LIMITED	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
22. PROVISIONS (CURRENT)					
Employee benefits*		**364**	503	**360**	503
Decommissioning costs#		**124**	124	**124**	124
		488	627	**484**	627

* Employee benefits is comprised of annual leave liability
# Decommissioning costs is the estimate of the amount it would take to restore the leased premises (Goldfields House) to its original condition at the end of the lease term in 2012.

23. INTEREST-BEARING LOANS AND BORROWINGS (CURRENT)				
Interest-bearing loans and borrowings (current)	**18,508**	11,820	**18,508**	11,820
	18,508	11,820	**18,508**	11,820

The consolidated entity has a line of credit facility from the Commonwealth Bank of Australia for $20,000,000, which is currently drawn to $18,507,997.52. The facility matures on 15 January 2012 and interest is payable monthly at the Bank Bill Swap Rate plus a margin. In addition to the line of credit facility, the consolidated entity maintains a margin lending facility, secured against its investment portfolio, with nil owing at balance date.

24. OTHER PAYABLES (NON-CURRENT)				
Net present value of future trail commission	**11,106**	10,725	**-**	-
Other payables - Lease incentives	**-**	80	**-**	80
	11,106	10,805	**-**	80

25. PROVISIONS (NON-CURRENT)				
Employee benefits*	**173**	349	**172**	349
	173	349	**172**	349

* Employee benefits is comprised of long service leave liability

26. ISSUED CAPITAL				
(a) Ordinary Shares	**29,945**	26,063	**29,945**	26,063
Issued and paid-up capital	**29,945**	26,063	**29,945**	26,063

26. ISSUED CAPITAL (continued)

	Notes	2011 Number of Shares	2011 $	2010 Number of Shares	2010 $
Beginning of the financial year		**258,835,269**	**26,062,731**	256,846,852	24,681,812
Issued during the year as a result of exercise of options					
− Franchisee share incentive scheme	**(ii)**				
− FIOP 2004 at 78.1 cents per share		**-**	**-**	1,866,325	1,456,306
− FIOP 2005 at 131.4 cents per share		**244,234**	**320,923**	419,660	551,433
− Employee share incentive scheme:	**(ii)**				
– ESOP 2004 at 84.7 cents per share		**-**	**-**	135,500	114,851
– ESOP 2008 at 154.2 cents per share		**-**	**-**	648	999
Shares issued for Countplus investments		**3,133,473**	**3,523,796**	1,612,318	2,156,131
Employee share scheme issue		**34,854**	**36,975**		
Associated costs of on-market buy-back of ordinary share capital		**-**	**-**	-	(2,028)
Bought back during the year	**(i)**	**-**	**-**	(2,046,034)	(2,896,773)
End of the financial year		**262,247,830**	**29,944,425**	258,835,269	26,062,731

(i) When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. As part of capital efficiency to manage the potential dilution of earnings per share of issuing new shares under the company option plans, Count Financial has periodically used share buyback schemes.

Management continually monitors the capital structure to ensure that Count Financial is positioned take advantage of favourable costs of capital or higher expected returns on assets. Having regard to economic and industry conditions, management may consider varying the amount of dividends paid to shareholders, future share buy-backs, or issue new capital. The parent Count Financial Limited is subject to certain capital requirements as Australian Financial Services Licence (AFSL) holders, specifically that assets must exceed liabilities at all times.

(ii) Please refer to note 26(c) and note 30(a) for further details regarding the issue of share options under ESOP and FIOP.

(c) Share options

Options over ordinary shares.

Employee Share Option Plan and Franchisee Incentive Option Plan

Count has issued options to its employees through the Employee Share Option Plan (ESOP) and to its franchisees through the Franchisee Incentive Option Plan (FIOP). The options are unlisted and non-transferable, and conditional upon the employees and franchisees remaining with Count Financial Limited on the vested date. The options were granted once per year since December 2000 until 2008 for no consideration and are to be exercised between the vested date and the expiry date. Due to legislative changes to the taxation treatment of options enacted in December 2009, no further options have been granted under either plan. The details of the FIOP option scheme are set out below. Refer to note 30(a) (share-based payments) for details of the ESOP scheme.

26. ISSUED CAPITAL (continued)

(c) Share options(continued)

DETAILS OF FRANCHISEE INCENTIVE OPTION PLAN (FIOP)

Scheme name	Total number of options	Weighted average exercise price ($)	FIOP 2004	FIOP 2005	FIOP 2006	FIOP 2007	FIOP 2008
Grant date			15-Jun-05	15-Dec-05	6-Feb-07	21-Dec-07	19-Dec-08
Exercise price^			78.05 cents	131.4 cents	193.70 cents	247.50 cents	142 cents
First exercise date *			15-Nov-07	15-Nov-08	15-Nov-09	15-Nov-10	15-Nov-11
Expiry date			15-Nov-09	15-Nov-10	15-Nov-11	15-Nov-12	15-Nov-13
Initial number of options granted			10,724,100	8,211,600	8,085,633	9,040,300	13,275,800
Fair value of options at grant			11.84c	45.68c	52.56c	69.13c	10.72c
For the year ended 30 June 2011							
Options held at 1 July 2010	**37,988,258**	**1.76**	**-**	**7,617,825**	**8,085,633**	**9,009,000**	**13,275,800**
Options granted during the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Options forfeited during the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Options expired during the year	**(7,373,591)**	**1.31**	**-**	**(7,373,591)**	**-**	**-**	**-**
Options exercised during the year	**(244,234)**	**1.31**	**-**	**(244,234)**	**-**	**-**	**-**
Unexercised options at 30 June 2011	**30,370,433**	**1.87**	**-**	**-**	**8,085,633**	**9,009,000**	**13,275,800**
Exercisable (vested) options at 30 June 2011	**10,638,778**	**2.17**	**-**	**-**	**6,040,678**	**4,598,100**	**-**
For the year ended 30 June 2010							
Options held at 1 July 2009	41,223,465	1.69	2,815,547	8,037,485	8,085,633	9,009,000	13,275,800
Options granted during the year	-	-	-	-	-	-	-
Options forfeited during the year	-	-	-	-	-	-	-
Options expired during the year	(949,222)	0.78	(949,222)	-	-	-	-
Options exercised during the year	(2,285,985)	0.88	(1,866,325)	(419,660)	-	-	-
Unexercised options at 30 June 2010	37,988,258	1.76	-	7,617,825	8,085,633	9,009,000	13,275,800
Exercisable (vested) options at 30 June 2010	12,013,283	1.58	-	6,791,605	5,221,678	-	-

* Subject to terms and conditions of the options offer.

^ The weighted average price at the date of exercise for FIOP is $1.30.

(d) Terms and conditions of issued capital

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares paid.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(e) Other reserves

Other reserves record the value of share-based payments provided to employees and franchisees.

	CONSOLIDATED	
	2011	**2010**
	$'000	**$'000**
27. NON CONTROLLING INTEREST		
Reconciliation of non controlling interest in controlled entities		
Opening balance	**74**	65
Add share of operating profit	**4,541**	29
Shares issued by Countplus in relation to acquisitions	**6,555**	-
Equity dividends to non controlling interests	**(3,776)**	(20)
Equity recognised on consolidation	**5,716**	-
Equity derecognised on deconsolidation	**(13,110)**	-
Closing balance	**-**	74

	Notes	CONSOLIDATED		COUNT FINANCIAL LIMITED	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
28. STATEMENT OF CASH FLOWS					
(a) Reconciliation of the net profit after tax to the net cash flows from operations					
Profit from continuing operations after tax		**56,101**	24,207	**19,887**	26,127
Non−Cash Items					
Provision Doubtful/Bad Debts		**2**	4	**(7)**	28
Capitalised interest		**49**	100	**49**	100
Depreciation of non current assets		**263**	317	**260**	317
Revaluation of financial assets		**(663)**	(2,163)	**(723)**	(1,135)
Net (profit)/loss on disposal of financial assets		**(86)**	662	**(86)**	666
Share of associates' profit		**(2,016)**	(2,249)	**-**	-
Share options expensed		**671**	2,510	**671**	2,510
Dividend income re-invested		**(9)**	(15)	**(9)**	(15)
Interest income from fair value adjustment		**55**	(170)	**(5)**	(242)
(Increase) in amount due under tax funding agreement		**-**	-	**(1,072)**	(825)
Lease incentive liability adjustment		**135**	137	**135**	137
Non-cash net present value of future trailing inflows		**(12,491)**	(12,591)	**-**	-
Non-cash net present value of future trailing outflows		**12,373**	12,378	**-**	-
Fair value gain on Countplus deconsolidation		**(34,187)**	-	**-**	-
Fair value gain on acquisition of Countplus investees		**(2,958)**	-	**-**	-
Dividends from subsidiaries		**-**	-	**(1,483)**	(9,000)
Changes in assets and liabilities					
(Increase)/decrease in trade and other receivables		**(1,584)**	1,390	**(760)**	1,064
(Increase)/decrease in deferred tax balances		**10,452**	599	**234**	(50)
(Increase)/decrease in prepayments		**50**	(35)	**50**	(34)
(Decrease)/increase in trade and other payables		**(629)**	185	**(213)**	1,176
(Decrease)/increase in tax provision		**(1,229)**	211	**(731)**	192
(Decrease)/increase in unearned revenue		**(650)**	(194)	**(542)**	(149)
(Decrease)/increase in provisions		**(315)**	(24)	**(320)**	(24)
(Decrease)/increase in other liabilities		**175**	(3)	**166**	(110)
(Increase)/decrease in net assets deconsolidated		**947**	-	**-**	-
Net cash flow from operating activities		**24,456**	25,256	**15,501**	20,733
(b) Reconciliation of cash					
Cash balance comprises:					
- Cash and cash equivalents	**6**	**3,714**	5,129	**3,275**	3,188
Cash and cash equivalents for the purposes of the Cash Flow Statement		**3,714**	5,129	**3,275**	3,188
(c) Financing facilities available					
At reporting date, the following financing facilities had been negotiated and were available:					
Total facilities					
- Margin equity lending facility		**15,000**	15,000	**15,000**	15,000
- Line of credit facility		**20,000**	20,000	**20,000**	20,000
Facilities unused at reporting date					
- Margin equity lending facility		**15,000**	15,000	**15,000**	15,000
- Line of credit facility		**1,492**	8,180	**1,492**	8,180
(d) Acquisitions and disposals of Controlled Entities					
Inflow from consolidation of controlled entities net of cash divested		**3,282**	-	**-**	-
Outflow from deconsolidation of controlled entities net of cash divested		**(7,158)**	-	**-**	-
(e) Non-cash financing and investing activities					
Share options expensed		**671**	2,510	**671**	2,510
Dividend income re-invested		**(9)**	(15)	**(9)**	(15)

29. COMMITMENTS AND CONTINGENCIES

(a) Capital expenditure commitments

There was no capital expenditure contracted for at reporting date, but not provided for.

(b) Lease expenditure commitments

Commitments in relation to leases on the rental premises contracted for at the reporting date but not recognised as liabilities.

	Notes	CONSOLIDATED		COUNT FINANCIAL LIMITED	
		2011	2010	2011	2010
		$'000	$'000	$'000	$'000
Operating leases (non cancellable):					
Minimum lease payments					
- Less than one year		**499**	848	**499**	848
- Later than one year and not later than five years		**-**	499	**-**	499
- Later than five years		**-**	-	**-**	-
		499	1,347	**499**	1,347

(c) The consolidated entity lease agreement for its Sydney office was due to terminate on 31 January 2012. The consolidated entity entered into a variation of the lease on the 29th July 2011 to extend the term by a further three years so that it will now terminate on 31 January 2015. The consolidated entity lease agreement for its Melbourne office will terminate on 7 December 2011 with an option to renew for two years. The property lease agreements have an average lease term of seven years and there are no assets subject to operating leases.

(d) Guarantees				
Bank guarantees by National Australia Bank				
− in relation to ASIC performance bond licences	-	20	-	20
Bank guarantees by Commonwealth Bank of Australia				
− in relation to ASIC performance bond licences	-	20	-	-
Bank guarantees by Adelaide Bank:				
- In relation to lease rental premises Sydney office	**380**	380	**380**	380
Rental bond for Melbourne office	**4**	4	**4**	4
	384	424	**384**	404

No material losses are anticipated in respect of any of the above guarantees

(e) Funding agreement with Countplus
As referred to in Note 16(c), Count Financial could be required to advance a loan of up to $10M to Countplus any time up to 22 December 2011. Any loan made will attract interest at 10% and must be repaid before the termination date which is no earlier than 4 November 2015.

30. EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS

Employee benefits

The aggregate employee benefit liability is comprised of:				
Provisions (current)	**364**	503	**360**	503
Provisions (non current)	**173**	349	**172**	349
	537	852	**532**	852

(a) Employee Share Option Plan

The Company's Employee Share Option Plan (ESOP) was established to attract, retain and motivate its employees. The options were issued over ordinary shares of Count Financial Limited and are not quoted on the ASX. The issue of the options is set in accordance with guidelines established by the Directors of the Company under the terms of the Options Offers. Due to legislative changes affecting the taxation treatment of options that were enacted in December 2009, no options have been granted under this plan during the year (2010: Nil).

30. EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS (continued)

(a) Employee Share Option Plan (continued)

ESOP Options	2004	2005	2005 [1]	2006	2006 [1]	2007	2007 [1]	2008	2008 [1]
Primary Grant Date	14-Oct-04	15-Sep-05	16-Nov-05	13-Oct-06	7-Nov-06	12-Oct-07	13-Nov-07	10-Nov-08	10-Nov-08
Exercise Price	84.74 cents	143 cents	143 cents	210.3 cents	210.3 cents	268.7 cents	268.7 cents	154.2 cents	154.2 cents
Expiry Date	15-Nov-09	15-Nov-10	15-Nov-10	15-Nov-11	15-Nov-11	15-Nov-12	15-Nov-12	15-Nov-13	15-Nov-13
Initial number of options granted	1,980,000	1,865,000	100,000	1,830,000	415,000	1,855,000	100,000	2,100,000	200,000
First exercise date [2]	15-Nov-05	15-Nov-06	15-Nov-06	15-Nov-07	15-Nov-07	15-Nov-08	15-Nov-08	15-Nov-09	15-Nov-09
Second exercise date [2]	15-Nov-06	15-Nov-07	15-Nov-07	15-Nov-08	15-Nov-08	15-Nov-09	15-Nov-09	15-Nov-10	15-Nov-10
Third exercise date [2]	15-Nov-07	15-Nov-08	15-Nov-08	15-Nov-09	15-Nov-09	15-Nov-10	15-Nov-10	15-Nov-11	15-Nov-11
Fair value at grant	27.50c	40.03c	54.49c	52.49c	64.82c	67.73c	53.89c	10.11c	10.11c

- Issued to Directors with shareholder approval at Annual General Meeting.

- Subject to the terms and conditions of the ESOP (2001 and subsequent) offer

ESOP Options	**Total**	**Weighted average exercise price ($)**	**2004**	**2005**	**2005 [1]**	**2006**	**2006 [1]**
Options held at 1 July 2010	5,692,971	1.96	-	809,300	67,000	1,141,619	398,500
Options granted during the year	-	-	-	-	-	-	-
Options forfeited during the year	-	-	-	-	-	-	-
Options expired during the year	(876,300)	1.43	-	(809,300)	(67,000)	-	-
Options exercised during the year	-	-	-	-	-	-	-
Unexercised options at 30 June 2011	4,816,671	2.06	-	-	-	1,141,619	398,500
Exercisable (vested) options at 30 June 2011	4,255,721	2.12	-	-	-	1,141,619	398,500
Options held at 1 July 2009	6,413,169	1.90	262,900	809,300	67,000	1,141,619	398,500
Options granted during the year	-	-	-	-	-	-	-
Options forfeited during the year	(456,650)	1.78	-	-	-	-	-
Options expired during the year	(127,400)	0.85	(127,400)	-	-	-	-
Options exercised during the year	(136,148)	0.85	(135,500)	-	-	-	-
Unexercised options at 30 June 2010	5,692,971	1.96	-	809,300	67,000	1,141,619	398,500
Exercisable (vested) options at 30 June 2010	4,052,895	2.00	-	809,300	67,000	1,141,619	398,500

ESOP Options Continued	**2007**	**2007 [1]**	**2008**	**2008 [1]**
Options held at 1 July 2010	1,359,400	66,000	1,785,152	66,000
Options granted during the year	-	-	-	-
Options forfeited during the year	-	-	-	-
Options expired during the year	-	-	-	-
Options exercised during the year	-	-	-	-
Unexercised options at 30 June 2011	1,359,400	66,000	1,785,152	66,000
Exercisable (vested) options at 30 June 2011	1,359,400	66,000	1,224,202	66,000
Options held at 1 July 2009	1,418,900	100,000	2,014,950	200,000
Options granted during the year	-	-	-	-
Options forfeited during the year	(59,500)	(34,000)	(229,150)	(134,000)
Options expired during the year	-	-	-	-
Options exercised during the year	-	-	(648)	-
Unexercised options at 30 June 2010	1,359,400	66,000	1,785,152	66,000
Exercisable (vested) options at 30 June 2010	880,000	66,000	624,476	66,000

As at 30 June 2011, the market price of Count Financial Limited ordinary shares was $0.99 per share

[1] Issued to Directors with Shareholder approval at Annual General Meeting.

30. EMPLOYEE BENEFITS AND SUPERANNUATION COMMITMENTS – CONTINUED

(b) Options exercised during the reporting period

No ESOP options were exercised during the year (2010: 136,148 options were exercised for a total dollar value of $115,850 relating to ESOP 2004 & ESOP 2008).

(c) Superannuation commitments

From 1 July 2005, all eligible employees had the right to choose which eligible choice fund will receive their superannuation guarantee contributions. Where the employee does not make a valid choice, the Company contributes to the BT Lifetime Superannuation Plan, which is an eligible choice fund and meets the requirements in the Superannuation Guarantee (Administration) Act 1992.

All employees of the Company are entitled to varying levels of benefits on retirement, disability or death from the specified eligible choice fund. The BT Lifetime Superannuation Plan is an accumulation type fund based on the employer's contribution of 11% (2010: 11%) of the employee's salary and wages, which is above the relevant Standards outlined in the Occupational Superannuation Standards Act, Superannuation Guarantee (Administration) Act and Superannuation Industry Supervision Act (S.I.S). Employees may also contribute to their eligible choice fund at various percentages of their remuneration. The contribution for the year was $778,344 (2010: $820,726). This amount does not include Countplus employees during the period that Countplus was consolidated as part of the Group.

31. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(a) Contingent liabilities

The Group has no contingent liabilities as at 30 June 2011. At 30 June 2010 the Group had no contingent liabilities.

(b) Contingent assets

The Group has no contingent assets as at 30 June 2011. At 30 June 2010 the Group had no contingent assets.

	CONSOLIDATED	
	2011 Thousands	2010 Thousands
32. EARNINGS PER SHARE		
The following reflects the income and share data used in the calculations of basic and diluted earnings per share:		
Earnings used in calculating basic and diluted earnings per share	**51,560**	24,178
Weighted average number of ordinary shares used in calculating basic earnings per share	**261,501**	258,022
Effect of dilutive securities:		
Share options	**-**	157
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share	**261,501**	258,179
Basic earnings per share (cents per share)	**19.72**	9.37
Diluted earnings per share (cents per share)	**19.72**	9.36

Options

Options and other distributions are considered to be potentially ordinary shares and have been included in the determination of diluted earnings per share. The diluted earnings per share calculations include all employee and franchisee options issued as at the date of signing the accounts; it excludes any options that may be issued in the future. The options have not been included in the determination of basic earnings per share.

Details relating to the options are set out in note 26.

During the financial year 244,234 ordinary shares have been issued for exercised options pursuant to ESOP and FIOP schemes.

	CONSOLIDATED		COUNT FINANCIAL LIMITED	
	2011	2010	2011	2010
	$	$	$	$
33. AUDITORS' REMUNERATION				
Amounts received or due and receivable by				
Ernst & Young (Australia) for:				
- an audit or review of the financial report of the entity and any other entity in the	**231,000**	183,200	**231,000**	151,500
Other services in relation to the entity and any other entity in the consolidated entity:				
Australian Financial Services Licence Audit	**22,000**	16,200	**22,000**	11,900
	253,000	199,400	**253,000**	163,400

The Board Audit Committee is satisfied that the services provided by the auditors during the year ended 30 June 2011 did not contravene the independence requirements as defined in the Corporations Act and has advised the Board accordingly.

34. KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

(i) Directors

B.M. Lambert	Executive Chairman
A.C Gale	Managing Director, Chief Executive Officer (Appointed March 2010)
M. Perkovic	Managing Director, Chief Executive Officer (Resigned November 2009)
A.W. Geddes	Non Executive Director
A.J. Halse	Non Executive Director
N.A. Davis	Non Executive Director
J.C. Morton	Non Executive Director

(ii) Other Key Management Personnel

M.J. Spurr	Chief Financial Officer (Resigned November 2010)
A. Smith	General Counsel, Senior Executive - Corporate Services, Company Secretary (Appointed August 2010)
B. Irwin	Senior Executive - Research, Product & Platforms (Appointed January 2011)
R. Griffith	Senior Executive – Research & Product, Company Secretary (Resigned November 2010)
C.J. Simkin	Senior Executive - National Network Development and Finconnect Operations
J.B. Wardell	Chief Executive Officer – Countplus Pty Limited (Resigned December 2010)
L Tonitto	Senior Executive - Business Development & Marketing (Appointed April 2011)
P. McFarlane	Senior Executive - Business Development & Marketing (Resigned February 2011)
S. Aguilera-Mendoza	Chief Financial Officer, Senior Executive – Finance
D. Bornor	Senior Executive - Advice
M. Lykouras	Senior Executive – Compliance, Risk and Legal (Resigned June 2010)

	CONSOLIDATED		COUNT FINANCIAL LIMITED	
	2011	2010	2011	2010
	$	$	$	$
(b) Key Management Personnel Compensation				
Short-term employee benefits	**2,416,796**	1,965,590	**2,416,796**	1,965,590
Post-employment benefits	**244,534**	290,987	**244,534**	290,987
Other long-term benefits	**(32,814)**	14,384	**(32,814)**	14,384
Termination benefits	**-**	-	**-**	-
Share-based payments	**19,439**	78,688	**19,439**	78,688
	2,647,955	2,349,649	**2,647,955**	2,349,649

Note that a new allocation of options to non-executive directors were approved for grant at the 2009 Annual General Meeting. Due to legislative changes affecting the taxation treatment of options that were enacted in December 2009, these options were not granted.

Notes to the Consolidated Financial Statements

for the year ended 30 June 2011

34. KEY MANAGEMENT PERSONNEL - continued

(c) Option holdings and shareholdings of Key Management Personnel and their related parties - Directors

2011	Total	B.M. Lambert	A.C Gale	M. Perkovic	A.W. Geddes	A.J. Halse	N.A. Davis	J.C Morton
Shares held at 30 June 2010	**92,684,538**	91,150,078	57,877	885,083	216,500	310,000	40,000	25,000
Shares bought / (sold)	**15,349**	-	110,000	(104,651)	-	-	-	10,000
Shares held at 30 June 2011	**92,699,887**	91,150,078	167,877	780,432	216,500	310,000	40,000	35,000
Options over Ordinary shares – 30 June 2010	**497,500**	-	-	279,000	33,500	50,000	75,000	60,000
Options forfeited during year	**-**	-	-	-	-	-	-	
Options expired during year	**(67,000)**	-	-	(67,000)	-	-	-	-
Options exercised during the financial year	**-**	-	-	-	-	-	-	-
Options over Ordinary shares – 30 June 2011	**430,500**	-	-	212,000	33,500	50,000	75,000	60,000
Options vested during the financial year	**-**	-	-	-	-	-	-	-
Vested (exercisable) options as at 30 June 2011	**-**	-	-	212,000	33,500	50,000	75,000	60,000
Unvested options as at 30 June 2011	**-**	-	-	-	-	-	-	-
Fair value (per option) at grant date	**-**	-	-	-	-	-	-	-

Shares and options are ordinary shares and unlisted options in Count Financial Limited

2010	Total	B.M. Lambert	A.C Gale	M. Perkovic	A.W. Geddes	A.J. Halse	N.A. Davis	J.C Morton
Shares held at 30 June 2009	**92,626,661**	91,150,078	-	885,083	216,500	310,000	40,000	25,000
Shares bought / (sold)	**57,877**	-	57,877	-	-	-	-	-
Shares held at 30 June 2010	**92,684,538**	91,150,078	57,877	885,083	216,500	310,000	40,000	25,000
Options over Ordinary shares – 30 June 2009	**665,500**	-	-	447,000	33,500	50,000	75,000	60,000
Options forfeited during year	**(168,000)**	-	-	(168,000)	-	-	-	
Options expired during year	**-**	-	-	-	-	-	-	-
Options exercised during the financial year	**-**	-	-	-	-	-	-	-
Options over Ordinary shares – 30 June 2010	**497,500**	-	-	279,000	33,500	50,000	75,000	60,000
Options vested during the financial year	**206,100**	-	-	126,200	17,000	17,000	25,500	20,400
Vested (exercisable) options as at 30 June 2010	**497,500**	-	-	279,000	33,500	50,000	75,000	60,000
Unvested options as at 30 June 2010	**-**	-	-	-	-	-	-	-
Fair value (per option) at grant date	**-**	-	-	-	-	-	-	-

Shares and options are ordinary shares and unlisted options in Count Financial Limited

34. KEY MANAGEMENT PERSONNEL - continued

(d) Option holdings and shareholdings of Key Management Personnel and their related parties - Other

2011	Total	M.J. Spurr	R. Griffith	C.J. Simkin	J.B. Wardell	P. McFarlane	S. Aguilera -Mendoza	D. Bornor
Shares held at 30 June 2010	**1,766,834**	224,100	346,300	928,100	-	255,000	-	13,334
Shares issued	**-**	-	-	-		-	-	-
Shares bought / (sold)	**(263,334)**	-	-	(250,000)	-	-	-	(13,334)
Shares held at 30 June 2011	**1,503,500**	224,100	346,300	678,100	-	255,000	-	-
Options over Ordinary shares – 30 June 2010	**1,400,800**	306,900	233,700	200,200	155,000	220,000	177,000	108,000
Options expired during year	**(231,300)**	(46,900)	(33,700)	(40,200)	-	(60,000)	(17,000)	(33,500)
Options exercised during the financial year	**-**	-	-	-	-	-	-	-
Options over Ordinary shares – 30 June 2011	**1,169,500**	260,000	200,000	160,000	155,000	160,000	160,000	74,500
Options vested during the financial year	**260,300**	53,400	50,000	36,800	35,050	36,800	40,000	8,250
Vested (exercisable) options as at 30 June 2011	**1,002,900**	226,000	166,000	139,600	132,900	139,600	132,800	66,000
Unvested options as at 30 June 2011	**166,600**	34,000	34,000	20,400	22,100	20,400	27,200	8,500
Fair value (per option) at grant date	**-**	-	-	-	-	-	-	-

2011 continued	A. Smith	B. Irwin	L. Tonitto
Shares held at 30 June 2010	-	-	-
Shares issued	-	-	-
Shares bought / (sold)	-	-	-
Shares held at 30 June 2011	-	-	-
Options over Ordinary shares – 30 June 2010	-	-	-
Options expired during year	-	-	-
Options exercised during the financial year	-	-	-
Options over Ordinary shares – 30 June 2011	-	-	-
Options vested during the financial year	-	-	-
Vested (exercisable) options as at 30 June 2011	-	-	-
Unvested options as at 30 June 2011	-	-	-
Fair value (per option) at grant date	-	-	-

Shares and options are ordinary shares and unlisted options in Count Financial Limited

In addition to the above option holdings, Jeremy Wardell is entitled to an option over 666,667 Countplus shares owned by Count, with an exercise price of $1.50 and expiring in December 2015. At balance date the option contract had not yet been entered into and, given the current trading price of Countplus shares, the Group considers the option to have immaterial value.

34. KEY MANAGEMENT PERSONNEL - continued

(d) Option holdings and shareholdings of Key Management Personnel and their related parties – Other (continued)

2010	**Total**	**M.J. Spurr**	**R. Griffith**	**C.J. Simkin**	**J.B. Wardell**	**P. McFarlane**	**S. Aguilera -Mendoza**	**D. Bornor**
Shares held at 30 June 2009	**2,105,734**	274,100	346,300	1,217,000	-	255,000	-	13,334
Shares issued - Options 2004 exercised @ 84.74c	**20,200**	-	-	20,200		-	-	-
Shares bought / (sold)	**(359,100)**	(50,000)	-	(309,100)	-	-	-	-
Shares held at 30 June 2010	**1,766,834**	224,100	346,300	928,100	-	255,000	-	13,334
Options over Ordinary shares – 30 June 2009	**1,421,000**	306,900	233,700	220,400	155,000	220,000	177,000	108,000
Options expired during year	**-**	-	-	-	-	-	-	-
Options exercised during the financial year	**(20,200)**	-	-	(20,200)	-	-	-	-
Options over Ordinary shares – 30 June 2010	**1,400,800**	306,900	233,700	200,200	155,000	220,000	177,000	108,000
Options vested during the financial year	**379,600**	86,800	66,500	53,500	51,650	53,300	59,600	8,250
Vested (exercisable) options as at 30 June 2010	**995,350**	219,500	149,700	143,000	119,300	162,800	109,800	91,250
Unvested options as at 30 June 2010	**405,450**	87,400	84,000	57,200	35,700	57,200	67,200	16,750
Fair value (per option) at grant date	**-**	-	-	-	-	-	-	-

Shares and options are ordinary shares and unlisted options in Count Financial Limited

(e) Loans to key management personnel

i) Details of aggregates of loans to key management personnel

Total	**Balance at beginning of period $000**	**Interest charged $000**	**Interest not charged $000**	**Write-off $000**	**Balance at end of period $000**	**Number in group**
2011	-	-	-	-	-	-
2010	192	-	3	-	-	-

ii) Details of key management personnel with loans above $100,000 in the reporting period are as follows:

Total	**Balance at beginning of period $000**	**Interest charged $000**	**Interest not charged $000**	**Write-off $000**	**Balance at end of period $000**	**Highest balance during period $000**
Executives						
2011						
CJ Simkin	-	-	-	-	-	-
2010						
CJ Simkin	192	-	3	-	-	192

iii) Terms and conditions of loans to key management personnel

Loans made to executives prior to 31 December 2008 were interest free.

Loans made from 1 January 2008 incur an interest rate of 10%pa.

10%pa is the standard commercial rate used by the company.

(f) Other transactions and balances with key management personnel

No other transactions were involved with key management personnel during the financial year 2011 (2010:Nil).

35. SHARE-BASED PAYMENT PLANS

The Company has granted options annually to all full-time employees via the Employee Share Option Plan (ESOP) and to franchisees via the Franchisee Incentive Option Plan (FIOP). Directors have also been granted options via ESOP subject to approval at an Annual General Meeting. Due to legislative changes first proposed in the Federal Budget in May 2009 to the taxation treatment of options, which were enacted in December 2009, no options have been granted under either plan since 2009.

There were no options granted during the year (2010: Nil).

Share awards granted during the year

In June 2011 the Company made an issue of shares under a Staff Equity Plan. The Company issued 34,854 shares to employees at a price of $1.06. The shares are restricted for 3 years unless the employee ceases to be employed, in which case the shares immediately become unrestricted. The Board has discretion to lift the restriction on the shares in the event of a change of control in the Company.

Key terms of options issued in earlier years

The allocation of options under ESOP for senior executives was performance-based with remaining full-time staff receiving a fixed allocation.

Options under ESOP vest proportionally over a 3-year period subject to continuing employment (with Board discretion) and expire between 4 and 5 years. The exercise price is set at a 5% discount to the volume weighted average share price of the Company in the first full week of trading after the August meeting of the Board of Directors in the year of issue.

Franchisees qualified for options under FIOP by growing their contribution to the revenues of the Company each financial year by a set benchmark. These options may vest after 3 years subject to minimum business requirements and expire between 4 and 5 years. The exercise price was set at a 12.5% discount to the volume weighted average share price of the Company in the first full week of trading after the August meeting of the Board of Directors in the year of issue.

Options are granted under both the FIOP and ESOP plans at no cost.

The expense recognised in the income statement under Share based payments - FIOP is for FIOP, while the ESOP expense is disclosed in note 3(b).

Movements in share options, expiry dates and weighted average exercise prices are disclosed in note 26 for FIOP and note 30 for ESOP.

The weighted average remaining contractual life for the share options outstanding as at 30 June 2011 is between 5 months and 2.5 years (2009: 5 months and 3.5 years).

The range of exercise prices for options outstanding at the end of the year was $1.31 - $2.69 (2010: 78c - $2.69).

The fair value of share options granted under both ESOP and FIOP is estimated at the date of grant using a binomial model taking into account the terms and conditions upon which the options are granted. The value is recognised over the vesting period. Percentage estimates of options expected to vest are assessed at each reporting date with changes recognised in profit and loss.

36. SEGMENT INFORMATION

The group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of the services provided and country of origin. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the services provided, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, financial assets and plant and equipment net of related provisions. Segment liabilities consist primarily of trade and other creditors, employee benefits and provisions. Segment assets and liabilities do not include income taxes.

The financial planning and related activities business is the provider of financial planning services, investment reviews, and advice on personal insurance, superannuation, home and investment loans, business loans and leasing via its network of franchisees.

The Countplus business is the provider of accounting, tax and audit services, financial advice in relation to personal insurance, investment and superannuation, and broking services for home and investment loans, business loans and leasing/hire purchase.

Business segments	**FINANCIAL PLANNING AND RELATED ACTIVITIES**		**COUNTPLUS**		**UNALLOCATED ITEMS**		**CONSOLIDATED**	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue								
Sales to customers outside the consolidated entity	**122,507**	123,820	**47,232**	2,249	**-**	-	**169,739**	126,069
Total segment revenue	**122,507**	123,820	**47,232**	2,249	**-**	-	**169,739**	126,069
Non-segment revenues	**-**	-	**-**	-	**4,267**	5,084	**4,267**	5,084
Total consolidated revenue							**174,006**	131,153
Results								
Segment result*	**22,653**	31,783	**15,162**	2,249	**41,412**	5,084	**79,227**	34,032
Consolidated entity profit from continuing operations before income tax expense							**79,227**	34,032
Income tax expense							**(23,126)**	(9,825)
Consolidated entity profit from continuing operations							**56,101**	24,207
Net profit							**56,101**	24,207
Assets								
Segment assets	**100,618**	95,774	**61,797**	15,789	**-**	-	**162,415**	111,563
Non−segment assets								
Total assets							**162,415**	111,563
Liabilities								
Segment liabilities	**51,242**	44,715	**-**	-	**-**	-	**51,242**	44,715
Non−segment liabilities:								
Deferred tax liabilites							**11,335**	883
Tax liabilities							**3,589**	4,818
Total liabilities							**66,166**	50,416
Other segment information:								
Acquisition of property, plant and equipment, intangible assets and other non current assets	**69**	142	**-**	-	**-**	-	**69**	142
Depreciation	**85**	100	**-**	-	**-**	-	**85**	100
Amortisation and decommissioning costs	**263**	317	**1,027**	-	**-**	-	**1,290**	317

* Segment result for Unallocated items includes fair value gain on Countplus deconsolidation and fair value gain on acquisition of controlled entities by Countplus.

Payments from one platform provider represent 41% of sales (all others are below 10%). These are gross payments, consisting of both amounts paid on to franchisees and amounts retained by Count Financial Limited.

37. FINANCIAL INSTRUMENTS

(a) Financial Risk Management Policies and Objectives

The consolidated entity's principal financial instruments comprise cash and cash equivalents, loans to franchisees and investments including ASX-listed securities (primarily bank issued hybrid securities and listed investment companies) and unlisted managed funds.
The main purpose of the financial instruments is to generate a short or long term return on surplus cash and capital of the consolidated entity, as well as to provide funding to Count Franchisees under strict guidelines. The consolidated entity has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly out of its operations. The consolidated entity has not entered into any derivative contracts and does not hedge any of its risks. The consolidated entity does not undertake trading in any of its financial instruments. The main risks arising from the consolidated entity's financial instruments are interest rate risk, market risk and credit risk.
Details of the significant accounting policies and methods adopted for accounting for financial instruments can be found in Note 1.

(b) Risk Exposures and Responses

Interest rate risk
The consolidated entity's risk exposure to changes in market interest rates relates primarily to cash and cash equivalents, which are deposited at floating rates. The consolidated entity has not entered into any contracts to mitigate this risk.

Consolidated	**Floating interest rate**		**Fixed interest rate maturing in:**											
Financial Instruments	**1 year or less**		**1 year or less**		**Over 1 to 5 years**		**More than 5 years**		**Non interest bearing**		**Total carrying amount as per the Balance Sheet**		**Weighted average effective interest rate**	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**%**	%
Financial Assets														
Cash and cash equivalents	**3,714**	5,129	**-**	-	**-**	-	**-**	-	**-**	-	**3,714**	5,129	**3.68%**	4.10%
Trade and other receivables	**-**	-	**-**	-	**-**	-	**-**	-	**32,863**	31,687	**32,863**	31,687	**n/a**	n/a
Term deposits	**-**	-	**408**	446	**-**	-	**-**	-	**-**	-	**408**	446	**4.10%**	4.00%
Listed shares	**-**	-	**-**	-	**-**	-	**-**	-	**57,173**	43,965	**57,173**	43,965	**n/a**	n/a
Managed funds	**-**	-	**-**	-	**-**	-	**-**	-	**379**	398	**379**	398	**n/a**	n/a
Loans and advances	**-**	-	**1,262**	10,277	**2,083**	1,945	**-**	-	**-**	-	**3,345**	12,222	**9.20%**	9.51%
Total financial assets	**3,714**	5,129	**1,670**	10,723	**2,083**	1,945	**-**	-	**90,415**	76,050	**97,882**	93,847		
Financial Liabilities														
Trade and other payables	**-**	-	**-**	-	**-**	-	**-**	-	**24,481**	23,852	**24,481**	23,852	**n/a**	n/a
Interest-bearing loans and borrowings	**18,508**	11,820	**-**	-	**-**	-	**-**	**-**	**-**	**-**	**18,508**	11,820	**6.69%**	5.76%
Total financial liabilities	**18,508**	11,820	**-**	-	**-**	-	**-**	-	**24,481**	23,852	**42,989**	35,672		
Net financial instruments	**(14,794)**	(6,691)	**1,670**	10,723	**2,083**	1,945	-	-	**65,934**	52,198	**54,893**	58,175		

37. FINANCIAL INSTRUMENTS (continued)

(b) Risk Exposures and Responses (continued)

Parent	**Floating interest rate**		**Fixed interest rate maturing in:**											
Financial Instruments	**1 year or less**		**1 year or less**		**Over 1 to 5 years**		**More than 5 years**		**Non interest bearing**		**Total carrying amount as per the Balance Sheet**		**Weighted average effective interest rate**	
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**%**	%
Financial Assets														
Cash and cash equivalents	**3,275**	3,188	**-**	-	**-**	-	**-**	-	**-**	-	**3,275**	3,188	**3.82%**	4.10%
Trade and other receivables	**-**	-	**-**	-	**-**	-	**-**	-	**48,534**	37,322	**48,534**	37,322	**n/a**	n/a
Term deposits	**-**	-	**23**	22	**-**	-	**-**	-	**-**	-	**23**	22	**4.10%**	3.90%
Listed shares	**-**	-	**-**	-	**-**	-	**-**	-	**14,473**	14,642	**14,473**	14,642	**n/a**	n/a
Managed funds	**-**	-	**-**	-	**-**	-	**-**	-	**379**	398	**379**	398	**n/a**	n/a
Loans and advances	**-**	-	**747**	10,182	**825**	1,594	**-**	-	**-**	-	**1,572**	11,776	**9.20%**	9.51%
Total financial assets	**3,275**	3,188	**770**	10,204	**825**	1,594	**-**	-	**63,386**	52,362	**68,256**	67,348		
Financial Liabilities														
Trade and other payables	**-**	-	**-**	-	**-**	-	**-**	-	**7,478**	11,165	**7,478**	11,165	**n/a**	n/a
Interest-bearing loans and borrowings	**18,508**	11,820	**-**	-	**-**	-	**-**	**-**	**-**	**-**	**18,508**	11,820	**6.69%**	5.76%
Total financial liabilities	**18,508**	11,820	**-**	-	**-**	-	**-**	-	**7,478**	11,165	**25,986**	22,985		
Net financial instruments	**(15,233)**	(8,632)	**770**	10,204	**825**	1,594	**-**	-	**55,908**	41,197	**42,270**	44,363		

n/a: not applicable for non interest bearing financial instruments

37. FINANCIAL INSTRUMENTS (continued)

(b) Risk Exposures and Responses (continued)

The following sensitivity analysis has been based on the exposure to cash and cash equivalents and interest bearing loans and borrowings at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant through the reporting period.

At 30 June 2011, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)			
	CONSOLIDATED		COUNT FINANCIAL LIMITED	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
+2% (100 basis points)	**(207)**	(94)	**(213)**	(121)
-1% (100 basis points)	**104**	47	**107**	60

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

The movements in profit are due to higher/lower interest income and interest expense from cash balances and interest bearing liabilities. The loans to franchisees are at a fixed rate of interest. Loans earn 10%pa at inception and the interest rate is then reduced depending on the performance of the franchisee within the group to as low as 5%pa as per the loan policy. As at 30 June each year, rates applying to individual loans are reviewed for adjustment under the terms of the policy, effectively fixing the rate for 1 year. As per the accounting policy, loans to franchisees are initially recognised at fair value, being the consideration issued. After initial recognition, these loans are carried at amortised cost using the effective interest rate method and the receivables split between current and non-current assets. Based on this information, there is no exposure to interest rate risk on the balances of loans to franchisees; hence no sensitivity analysis has been performed.

Price risk

The consolidated entity's exposure to market risk relates to price risk associated with its investments in financial instruments. The Group's exposure to market price risk arises from its investments in shares in listed corporations and units held in unlisted unit trusts, both of which are subject to significant risk of changes in value from changing market prices. The risk is monitored and managed by having appropriate investment strategies in place.

To limit this risk the Group diversifies its portfolio, in accordance with limits set by the board, as well as biasing its equity investments to hybrid securities issued by Australian companies with high credit ratings.

All equity investments are publicly traded on the ASX.

The following sensitivity analysis is based on the equity securities price risk exposures in existence at the balance sheet date. A 10% movement in the relevant indices is used when reporting market price risk internally to key management personnel and represents management's assessment of the possible change in equity markets.

At 30 June 2011, if the Australian All Ordinaries Index (Australia) and MSCI World ex-Australia Index $A (International) had moved, as illustrated in the table below, with all other variables held constant, post tax profit would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)			
	CONSOLIDATED		COUNT FINANCIAL LIMITED	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
+10% - Australia	**1,570**	1,771	**86**	226
-10% - Australia	**(1,570)**	(1,771)	**(86)**	(226)

The movements in profit are due to adjustments in the carrying value of the portfolio reflected in the Income Statement.

The above sensitivity exclude impact of equity price risk attributable to Countplus Limited disclosed in Note 17. Countplus investment is tested for impairment as per the accounting policy disclosed in Note 1 and hence not considered in the sensitivity disclosure.

37. FINANCIAL INSTRUMENTS (continued)

(b) Risk Exposures and Responses (continued)

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables (including guarantees held by financial institutions, as described in Note 29(d) and future trail commissions) and loans and advances.

It is the Group's policy that all counterparties who wish to trade on credit terms are subject to credit verification procedures including an assessment of their financial position, past experience and industry reputation. Risk limits are set for each individual counterparty in accordance with parameters set by the board. These risk limits are regularly monitored.

There are no significant concentrations of credit risk within the Group and financial instruments are spread amongst a number of counterparties to minimize the risk of default of counterparties.

The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments as indicated in the Balance Sheet. The maximum credit risk exposure does not take into account the value of any collateral or other security held, in the event other entities/parties fail to perform their obligations under the financial instruments in question.

The Group has credit exposure to financial institutions on the Group's lender panel from which future trailing commissions are due. The majority of these financial institutions are Authorised Deposit-taking Institutions (ADIs) and therefore regulated by the Australian Prudential Regulation Authority (APRA) and are independently rated. If the lender has not been independently rated, credit risk is assessed taking into account its financial position, past experience and other factors. The Group is not obliged to pay out any trailing commissions that have not been received to brokers.

Movement in the provision for doubtful debts

	CONSOLIDATED		COUNT FINANCIAL LIMITED	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Balance at the beginning of the year	**17**	13	**17**	13
Impairment losses recognised on receivables	**58**	48	**58**	39
Amounts written off as uncollectable	**6**	(32)	**(2)**	(24)
Impairment losses reversed	**(71)**	(12)	**(63)**	(11)
Balance at the end of the year	**10**	17	**10**	17

Collateral is not held for trade or other receivables as the Group trades only with recognised, creditworthy third parties. Security is held for loans to franchisees, which generally consists of a first ranking charge over the franchisee business and personal guarantees from all partners/directors of the business.

The Company minimised concentration of credit risk in relation to trade account receivables by undertaking transactions with a large number of customers. Concentrations of credit risk on trade receivables is managed in the following ways:

- Payment terms are 30-60 days

- A business monitoring process is implemented for franchisees exceeding acceptable credit terms

- Collections are deducted from commissions payable to franchisees

Ageing analysis of receivables	**Less than 31 days**	**31 to 60 days**	**61 to 90 days**	**More than 91 days**	**More than 91 days**	**Total**
	$'000	**$'000**	**$'000**	**$'000 PDNI***	**$'000 PDI^**	**$'000**
Trade receivables - Consolidated 2011	**1,207**	**7**	**5**	**7**	**10**	**1,236**
Trade receivables - Consolidated 2010	1,476	4	36	58	17	1,591
Trade receivables - Parent 2011	**1,364**	**7**	**5**	**4**	**10**	**1,390**
Trade receivables - Parent 2010	1,459	4	36	47	17	1,563

* PDNI – Past due but not impaired.

^ PDI – Past due and impaired.
No loans to franchisees were past due or impaired at balance date.

37. FINANCIAL INSTRUMENTS (continued)

(b) Risk Exposures and Responses (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its debt obligations, or other cash outflows, as they fall due, because of lack of liquid assets or access to adequate funding on acceptable terms. The Group monitors rolling forecasts of liquidity reserves on at least a monthly basis to ensure there is adequacy to meet obligations as well as to ensure that requirements for the parent, Count Financial Limited, under the terms of their Australian Financial Services Licences (AFSL) are met.

Maturity analysis of financial assets and liabilities

Consolidated

Financial Instruments	Less than 6 months		6-12 months		1-5 years		More than 5 years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets										
Cash and cash equivalents	3,714	5,129	-	-	-	-	-	-	3,714	5,129
Trade and other receivables	16,265	15,291	3,101	3,009	14,051	13,543	4,702	4,532	38,119	36,375
Listed shares	57,173	43,965	-	-	-	-	-	-	57,173	43,965
Managed funds	379	398	-	-	-	-	-	-	379	398
Loans to franchisees	631	597	631	596	2,083	1,945	-	-	3,345	3,138
Loans to associates	-	1,486	-	-	-	7,598	-	-	-	9,084
Total financial assets	78,162	66,866	3,732	3,605	16,134	23,086	4,702	4,532	102,730	98,089
Financial Liabilities										
Trade and other payables	11,192	10,935	2,364	2,359	10,719	10,332	3,602	3,471	27,877	27,097
Dividend provisions	5,244	5,165	-	-	-	-	-	-	5,244	5,165
Interest bearing loans and borrowings	-	-	18,508	11,820	-	-	-	-	18,508	11,820
Total financial liabilities	16,436	16,100	20,872	14,179	10,719	10,332	3,602	3,471	51,629	44,082
Net liquidity position	61,726	50,766	(17,140)	(10,574)	5,415	12,754	1,100	1,061	51,101	54,007

Parent

Financial Instruments	Less than 6 months		6-12 months		1-5 years		More than 5 years		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Financial Assets										
Cash and cash equivalents	3,275	3,188	-	-	-	-	-	-	3,275	3,188
Trade and other receivables	48,534	37,322		-	23	22	-	-	48,557	37,344
Listed shares	14,473	14,642	-	-	-	-	-	-	14,473	14,642
Managed funds	379	398	-	-	-	-	-	-	379	398
Loans to franchisees	373	549	374	548	825	1,594	-	-	1,572	2,691
Loans to associates	-	1,486	-	-	-	7,598	-	-	-	9,084
Total financial assets	67,034	57,585	374	548	848	9,214	-	-	68,256	67,347
Financial Liabilities										
Trade and other payables	7,478	11,165	-	80	-	-	-	-	7,478	11,245
Dividend provisions	5,244	5,165	-	-	-	-	-	-	5,244	5,165
Interest bearing loans and borrowings	-	-	18,508	11,820	-	-	-	-	18,508	11,820
Total financial liabilities	12,722	16,330	18,508	11,900	-	-	-	-	31,230	28,230
Net liquidity position	54,312	41,255	(18,134)	(11,352)	848	9,214	-	-	37,026	39,117

Listed shares and managed funds include non-current holdings which the intention is to hold for more than 12 months but can be liquidated within 6 months. The balances of long term receivables & payables are disclosed on an undiscounted basis over maturity period.

Loans to associates: This loan book was sold to Countplus Limited in December 2010.

At balance date, in addition to its liquid assets, the Group has available approximately $11.5M of unused credit facilities, in the form of a margin loan and unused bank facility, for its immediate use.

37. FINANCIAL INSTRUMENTS (continued)

(b) Risk Exposures and Responses (continued)

Fair values

All financial assets and liabilities are included in the Balance Sheet at their fair value, or at amounts that approximate their fair values. Total fair values for loans and advances as disclosed in notes 8 and 12 are determined by discounting the value of the future loan cash flows to the reporting date by the applicable.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

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

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

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

The fair value of the financial instruments as well as the methods used to estimate the fair value is summarised in the table below:

	Year ended 30 June 2011				Year ended 30 June 2010			
	Quoted market price (Level 1)	Valuation Technique-market observable inputs (Level 2)	Valuation Technique-non market observable inputs (Level 3)	Total	Quoted market price (Level 1)	Valuation Technique-market observable inputs (Level 2)	Valuation Technique-non market observable inputs (Level 3)	Total
Consolidated	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets								
Financial assets at fair value through profit and loss								
- Listed Investments	**57,173**	**-**	**-**	**57,173**	43,966	-	-	**43,966**
- Managed Investments	**379**	**-**	**-**	**379**	398	-	-	**398**
Available-for-sale investments								
- Unlisted Investments	-	**-**	**2,283**	**2,283**	-	-	1,662	**1,662**
	57,552	**-**	**2,283**	**59,835**	44,364	-	1,662	**46,026**
Financial liabilities								
Trade and other payables	**-**	**-**	**-**	**-**	-	-	-	**-**
Interest bearing loans and borrowings	**-**	**-**	**-**	**-**	-	-	-	**-**
	-	**-**	**-**	**-**	-	-	-	**-**

	Year ended 30 June 2011				Year ended 30 June 2010			
	Quoted market price (Level 1)	Valuation Technique-market observable inputs (Level 2)	Valuation Technique-non market observable inputs (Level 3)	Total	Quoted market price (Level 1)	Valuation Technique-market observable inputs (Level 2)	Valuation Technique-non market observable inputs (Level 3)	Total
Parent	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Financial assets								
Financial assets at fair value through profit and loss								
- Listed Investments	**14,473**	**-**	**-**	**14,473**	14,642	-	-	**14,642**
- Managed Investments	**379**	**-**	**-**	**379**	398	-	-	**398**
Available-for-sale investments								
- Unlisted Investments	-	**-**	**2,283**	**2,283**	-	-	1,662	**1,662**
	14,852	**-**	**2,283**	**17,135**	15,040	-	1,662	**16,702**
Financial liabilities								
Trade and other payables	**-**	**-**	**-**	**-**	-	-	-	**-**
Interest bearing loans and borrowings	**-**	**-**	**-**	**-**	-	-	-	**-**
	-	**-**	**-**	**-**	-	-	-	**-**

37. FINANCIAL INSTRUMENTS (continued)

(b) Risk Exposures and Responses (continued)

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices.

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Financial instruments that use valuation techniques with only observable market inputs or unobservable inputs that are not significant to the overall valuation include loans and advances.

The fair value of unlisted debt and equity securities, as well as other investments that do not have an active market, are based on valuation techniques using market data that is not observable.

Transfer between categories

There were no transfers between Level 1 and Level 2 during the year.

	Consolidated and Count Financial Limited	
Reconciliation of Level 3 fair value movements	**2011**	**2010**
	$'000	**$'000**
Opening Balance	1,662	1,363
Total gains and losses	-	-
Other comprehensive income	-	-
Purchases	621	299
Sales	-	-
Transfers from other categories	-	-
Closing Balance	**2,283**	**1,662**

38. BUSINESS COMBINATIONS

Between 1 July 2010 and 16 December 2010, the Group through Countplus had an interest ranging from 24%-100% in the following investee firms:

The MBA Partnership Pty Ltd	36%	Acquired 1 July 2010
Lawrence Business Management Pty Ltd	24%	Acquired 1 July 2010
HMA Twomey Patterson Pty Ltd	25%	Acquired 1 July 2010
Bentleys (WA) Pty Ltd	27%	Acquired 1 July 2010
Beames and Associates Accounting and Financial Services Pty Ltd	25%	Acquired 1 July 2010
Specialised Business Solutions Pty Ltd	25%	Acquired 1 July 2010
Mogg Osborne Pty Ltd	25%	Acquired 1 July 2010
Crosby Dalwood Pty Ltd	25%	Acquired 1 July 2010
Cooper Reeves Pty Ltd	25%	Acquired 1 July 2010
Countplus MBT Pty Ltd	25%	Acquired 1 July 2010
Evolution Advisers Pty Ltd	25%	Acquired 1 July 2010
Robson Partners Pty Ltd	25%	Acquired 1 July 2010
Achieve Corporation Pty Ltd	25%	Acquired 1 July 2010
Kidmans Partners Pty Ltd	25%	Acquired 1 July 2010
360 Financial Vision Pty Ltd	25%	Acquired 1 July 2010
Wearne & Co Pty Ltd	100%	Acquired 16 August 2010
Cartwright Brown & Company Financial Planning Pty Ltd	25%	Acquired 31 August 2010
TFSA	100%	Acquired 30 September 2010

38. BUSINESS COMBINATIONS (continued)

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

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

	Acquisitions due to vesting of call options#	Other acquisitions
	Fair value at consolidation date $'000*	Fair value at acquisition date $'000*
Cash and cash equivalents	6,013	217
Trade and other receivables	10,174	1,186
Property, plant and equipment	4,714	514
Deferred tax assets	545	106
Acquired Goodwill	-	-
Acquired Client Relationships	6,943	-
Intangible Assets - other	123	-
Other assets	4,227	25
TOTAL ASSETS	**32,739**	**2,048**
Trade and other payables	4,367	262
Provisions	5,770	340
Borrowings	10,289	3,380
Taxation Liabilities	4,262	238
Other Liabilities	324	-
TOTAL LIABILITIES	**25,012**	**4,220**

Includes all investee firms except TFSA and Wearne & Co.
* The fair value on business combination was provisionally determined based on information available at the time of deconsolidation of Countplus group. In view of the deconsolidation of Countplus group as referred to in Note 39 any changes to provisional accounting will have no impact on the operating results or the statement of financial position at 30 June 2011.

	Acquisitions due to vesting of call options Fair value at consolidation date $'000	Other acquisitions Fair value at acquisition date $'000
Fair value of identifiable net assets	7,726	(2,172)
Non-controlling interest in acquired identifiable net assets^	5,716	-
Goodwill arising on consolidation^	17,402	18,401
Fair value of consideration transferred on consolidation for entities with call option vesting on 1 July 2010 (Existing investment carrying value including adjustment on re-measurement of existing interest at fair value $2.958m)	18,747	-

^AASB 3 'Business Combination' provided choice to measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The Company has elected to measure non-controlling interest at the acquirees' share of the identifiable net assets. Accordingly goodwill arising on consolidation represents only Count's proportionate share of goodwill at the date of acquisition.

38. BUSINESS COMBINATIONS (continued)

	Acquisitions due to vesting of call options	Other acquisitions
	Fair value at consolidation date $'000	Fair value at acquisition date $'000
Acquisition date fair value of consideration for CBCFP[1], Wearne[2] & TFSA[3]		
Shares issued at fair value (Count Financial Limited shares)	407	3,116
Shares issued at fair value (Countplus Limited shares)	-	6,555
Cash paid	258	2,690
Deferred cash consideration liability	-	3,868
Total Consideration	665	16,229

[1] On 31 August 2010, Countplus acquired 25% of the total issued share capital of Cartwright Brown & Company Financial Planning Pty Ltd (CBCFP) under the CBC Share Sale Deed. As a result of the existence of a call option over an additional 50% of CBCFP's shares as well as the 25% acquired, control was deemed to exist on 31 August 2010 and the group has recognised the consolidated fair values of the identifiable assets and liabilities of its subsidiaries from the 31 August 2011.

[2] On the 16 August 2010, the Countplus acquired 100% of the ordinary and voting shares of Wearne & Co Pty Ltd. The firm's core business is the provision of accounting and business services. Under the terms of the Wearne Share Sale Deed, the consideration for the acquisition of shares comprised of an initial payment of 40.23% of the purchase consideration which was paid in cash and by the issue of Count ordinary shares to the relevant vendors, and a deferred amount of approximately 59.77% of the purchase consideration.

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

Contribution of entities acquired during the period

The consolidated statement of comprehensive income includes revenue and net profit of $42.7m and $7.1m respectively, as a result of the above acquisitions. Had the acquisitions occurred at the beginning of the reporting period, the consolidated statement of comprehensive income would have included revenue and profit of $50.3m and $7.5m respectively. This information is provided only up to the date of deconsolidation of Countplus group.

39. DECONSOLIDATION OF COUNTPLUS GROUP

During the period Count has lost control over its subsidiary Countplus. This loss of control came about as a result of the issuance of shares to vendors of the member firms and an initial public offering.

Each of the selling Principals of Countplus investee firms that had entered into the Call Option Deeds were invited to offer to sell their remaining interest and voting class shares (voting shares) to Countplus on the terms of the Final Acquisition Agreement. Where a selling Principal entered into a Final Acquisition Agreement, that selling Principal and Countplus agreed to the termination of the Call Option Deed in respect of its Firm shares on completion of the Final Acquisition Agreement. Completion under the Final Acquisition Agreement occurred on 16 December 2010 for all Selling Principals of the above stated Firms. The purchase consideration for the Selling Principals' Firm Shares was satisfied by the issue of Countplus shares to the selling Principal, or the payment of up to 20% of the purchase consideration in cash and the remainder by the issue of Countplus shares.

Countplus issued shares to the vendors of its investee firms and the public, diluting Count's shareholding to 39.8%. Under the relevant Accounting Standard (AASB 127) Count no longer controlled Countplus and its subsidiaries from 16 December, as it does not control more than half the voting rights, nor hold the power to govern the financial and operating policies so as to obtain the benefits of activities, nor the composition or voting rights of the Board. This loss of control required Count to deconsolidate its investment in Countplus.

Details of assets and liabilities deconsolidated	**Deconsolidated carrying amount**
	$'000
Cash and cash equivalents	7,158
Trade and other receivables	10,938
Other current assets	8,669
Property, plant and equipment	5,421
Goodwill and intangibles	42,747
Deferred tax assets	1,147
Other non current assets	1,272
Trade and other payables	(5,351)
Provisions	(5,683)
Interest bearing loans and borrowings	(15,175)
Current tax liabilities	(4,312)
Deferred tax liabilities	(3,185)
Other liabilities	(4,723)
Non-controlling interest	(13,110)
Total carrying value of assets and liabilities deconsolidated	**25,813**

Fair value gain on Countplus deconsolidation	
	$'000
Deconsolidation of Countplus and recognition as Investment in associate at fair value at 16 December 2010	60,000
Net assets deconsolidated at 16 December 2010	(25,813)
Fair value gain on Countplus deconsolidation	**34,187**

40. EVENTS AFTER THE BALANCE DATE

On 2 August 2011, the Group granted shares to employees and franchisees under a loan funded share plan. The Company issued 316,506 shares to employees and 2,593,360 shares to franchisees at a price of $1.025. The shares are funded by an interest-free, non-recourse loan, and are restricted for 1-3 years in the case of employees and for 3-5 years in the case of franchisees. The Board has discretion to release the restriction on the shares in the event of a change of control in the Company.

On 15 August 2011 a final dividend for the year ended 30 June 2011 of 4c per share was declared.

On 30 August 2011, Count Financial Limited announced that it had entered into a Scheme Implementation Deed with the Commonwealth Bank of Australia Group (CBA), under which CBA proposes to acquire all the shares of Count via a Scheme of Arrangement. Under the terms of the Deed, CBA has agreed to pay $1.40 per Count share, payable in either cash or CBA shares. The Directors of Count have unanimously recommended that Count shareholders vote in favour of the Scheme, in the absence of a superior proposal emerging and subject to an Independent Expert concluding that the offer is in the best interests of Count shareholders. Subject to these conditions, each Director of Count who holds Count shares intends to vote their shares in favour of the Scheme.

The transaction is subject to certain conditions precedent including Count shareholder and Court approval of the Scheme, a merger clearance from the Australian Competition and Consumer Commission ("ACCC") and no material adverse change occurring. A Scheme booklet containing information relating to the proposed transaction, reasons for the Directors' unanimous recommendation, details of the Scheme meeting and an Independent Expert's report is expected to be sent to Count shareholders in October 2011, with a Count shareholder meeting to vote on the proposed Scheme expected to be held in November 2011. Subject to the approval of the Scheme by shareholders and the Court, ACCC informal clearance and the timely satisfaction of conditions, Count expects the transaction to be completed in December 2011.

It is the opinion of the directors that this is a non-adjusting subsequent event. However, if the scheme is approved, the options under FIOP and ESOP, and shares issued under the loan funded share scheme, will immediately vest. This would have the effect of bringing forward any remaining expense of the fair value of share based payments to the change of control date. Approximately $0.7m remains to be expensed in relation to outstanding share based payment entitlements for the period up to the receipt of the offer. In addition, in the event of a change of control, the Chief Executive Officer is entitled to a Material Change Payment of $1m, in addition to any outstanding STI, LTI and share based payment entitlements.

Directors' Declaration

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

In the opinion of the directors:

(a) the financial statements and notes of the Company and the consolidated entity are in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1(b); and

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2011.

On behalf of the Board

B.M. Lambert
Executive Chairman
Sydney
20 September 2011

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Independent auditor's report to the members of Count Financial Limited

Report on the financial report

We have audited the accompanying financial report of Count Financial Limited, which comprises the statements of financial position as at 30 June 2011, the statements of comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(b), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

Independence

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

Opinion

In our opinion:

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

   i giving a true and fair view of the company's and consolidated entity's financial positions as at 30 June 2011 and of their performance for the year ended on that date; and

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

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

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Count Financial Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

Mark Raumer
Partner
Sydney
20 September 2011