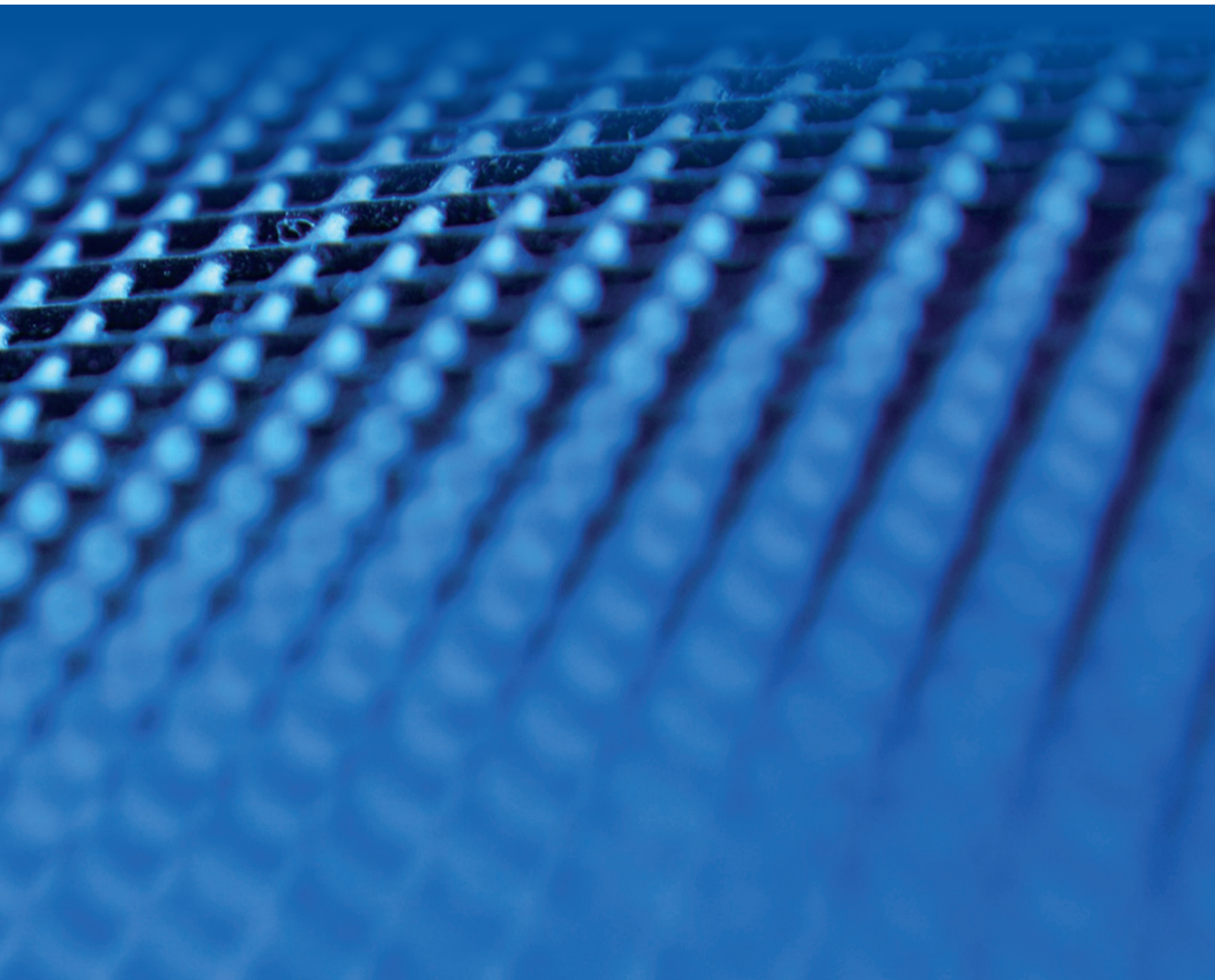




CENTREPOINT ALLIANCE LIMITED
AND ITS CONTROLLED ENTITIES

ANNUAL REPORT
30 JUNE 2011





CORPORATE INFORMATION

ABN 72 052 507 507

BOARD OF DIRECTORS

R J Nelson, Chairman & Non-executive Director

A D Robinson, Managing Director

N J Griffin, Non-executive Director

G D Evans, Executive Director

S J Murphy, Non-executive Director

C J Castles, Non-executive Director

I R Magee, Company Secretary

REGISTERED OFFICE

Level 2, 6 Thelma Street

West Perth WA 6005

SHARE REGISTRY

Computershare Investor Services Pty Ltd

Level 2, 45 St. George's Terrace

Perth WA 6000

Centrepoint Alliance Limited shares are listed on the Australian Stock Exchange (ASX code is 'CAF')

AUDITORS

Ernst & Young

Australia

PRINCIPAL LOCATIONS - HEAD OFFICES

Professional Investment Holdings Ltd

Level 14, Corporate Centre One

Cnr Bundall Rd & Slatyer Ave

Bundall 4217

T: 07 5574 0244

Centrepoint Alliance Premium Funding Pty Ltd

Level 1, Building 23

2404 Logan Road

Eight Mile Plains 4113

T: 07 3710 7100

PRINCIPAL LOCATIONS - STATE & REGIONAL OFFICES

QUEENSLAND

Level 14, 300 Adelaide Street

Brisbane 4000

T: 07 3221 9099

NEW SOUTH WALES

Level 6, 2 Elizabeth Plaza

North Sydney 2060

T: 02 9921 6900

WESTERN AUSTRALIA

Level 2, 6 Thelma Street

West Perth 6005

T: 08 9368 6333

VICTORIA

Level 2, Fawkner Centre

499 St Kilda Road

Melbourne 3004

T: 03 9864 6464

SOUTH AUSTRALIA

Level 1, 81 Fullarton Road

Kent Town 5067

T: 08 8373 0544

SUNSHINE COAST

Suite 5, Level 1

47 Brisbane Rd

Mooloolaba 4557

ANNUAL REPORT 2011

CONTENTS

Chairman's Report	2
Managing Director's Report	3
Corporate Governance Statement	7
Directors' Report	10
Auditor's Independence Declaration	30
Consolidated Statement of Comprehensive Income	31
Consolidated Statement of Financial Position	32
Consolidated Statement of Cash Flows	33
Consolidated Statement of Changes in Equity	34
Notes to the Consolidated Financial Statements	35
Directors' Declaration	82
ASX Additional Stock Exchange Information	83
Independent Auditor's Report	85

CHAIRMAN'S REPORT

Dear Fellow Shareholders,

In Financial Year 2011 the Centrepoint Alliance Limited Group ('CAF') completed a major transaction, which has had a significant impact on activities and financial performance during the twelve months since our last annual report.

The merger with Professional Investment Holdings Limited ('PIH') was completed in December 2010 and has resulted in a number of significant changes to the Company and the CAF Group, including:

- As part of the Merger, over 70 million new shares were issued and we welcomed almost 1,000 ex PIH shareholders onto the CAF share register;
- Our core business became the provision of financial advice and investment product solutions through one of the largest non institutionally-owned network of financial advisers and accountants in Australia;
- We welcomed Grahame Evans, Stephen Murphy and Chris Castles to the Board.

The integration of the two organisations has not been without some significant challenges and some unanticipated costs. The financial performance for financial year 2011 is clearly one reflection of this. The full year loss of \$13m is disappointing, but this is particularly true of the \$6m second half loss, which is essentially the post merger result. The loss in that period continued to reflect the consequences of pre-merger activity; in particular the continued losses of offshore activities, major provisioning for client claims (all emanating from advice provided pre-merger and often prior to the impact of the Global Financial Crisis) and some significant write-downs of assets included in the merger balance sheet, which have subsequently been identified as being impaired.

Notwithstanding these issues, I am pleased to advise that some excellent progress has been made and some significant achievements been accomplished in addressing these legacy issues and rebuilding internal capabilities in the advice and product operations and in initiating and completing a number of transactions to increase ownership of core businesses and to rationalise and simplify the PIH Group structure.

I would like to thank the staff of CAF and PIH, together with my fellow directors, who have worked constructively and co-operatively throughout the year to overcome and resolve many of the challenges, to ensure that the Merger has been completed successfully and to progress the restructuring and rebuilding of the businesses.

I would also like to thank our customers of both the PIH Group and the premium funding business, who have worked with us through this period of change. The advisers working with PIH have been particularly supportive through the merger period and as we work through a number of issues such as the Enforceable Undertaking and management changes, which have required the organisation to temporarily be more inwardly focused.

In addition to the Merger, three significant equity capital transactions were completed during the year, namely a 1 for 7 consolidation of CAF's share capital, a 17.5 cents return of capital (post consolidation) to our pre-merger shareholders, which was paid on 4 February 2011, and a placement of 3,500,000 shares at a price of \$1.15 in March 2011.

Finally I would like to extend a special vote of thanks to the directors of both CAF and PIH, who stepped down from the respective Boards as a consequence of the Merger and in particular Martin Kane and Robbie Bennetts, who are the respective founders of CAF and PIH. Martin Kane has left the Group with our best wishes for the future, while Robbie Bennetts continues to be involved with the Group in his role consulting to both our business and our advisers to help them build their businesses.

Yours sincerely,



Rick Nelson
Chairman

MANAGING DIRECTOR'S REPORT

MERGER WITH PIH

On 13 December 2010 a merger was completed with Professional Investment Holdings Ltd (PIH), whereby CAF acquired 100% of the issued shares in PIH in return for the issue of 70,250,605 shares in CAF. The PIH Group is therefore now a wholly owned subsidiary group of CAF.

PIH owns Professional Investment Services (PIS), which is one of Australia's leading providers of financial advice and product solutions, which are distributed through one of the largest non institutionally-owned financial advice networks in Australia. The PIH Group also encompasses funds management operations, administration platform services and lending & financing services. The PIH Group also holds investments in related operations in New Zealand, Singapore and Malaysia.

REVERSE ACQUISITION ACCOUNTING

One of the outcomes of the Merger was that, upon completion, former PIH shareholders held a majority (approximately 75%) of the issued shares in CAF. Therefore, although from a legal and taxation perspective, CAF is considered to be the acquiring entity, the Australian Accounting Standards required that the transaction be reflected in the financial statements as a 'reverse acquisition', whereby PIH is deemed to be the acquirer and CAF the acquiree.

As a consequence the Statement of Comprehensive Income in these Financial Accounts comprises the financial performance of the PIH Group for the full twelve months (even though it was not a subsidiary of CAF until December 2010) and includes only the six months of post-merger trading results of the pre-merger CAF business. Furthermore it is important to note that all comparative figures are those pertaining to the PIH Group and do not include any of CAF's prior period figures.

FINANCIAL PERFORMANCE

The Financial Accounts show a net loss after tax for the year ended 30 June 2011 of \$13,125,000 (2010: a net profit after tax of \$1,315,000). As stated above, this is comprised of the full twelve months of trading results for the original PIH Group but only six months and 19 days of post-merger trading performance for the pre-merger CAF businesses.

It should be noted that the FY 2010 comparative result benefitted from a favourable adjustment of \$3,991,000, resulting from the reversal of impairments made in earlier years to the Brandsmart (Riverbank) property project, based on the anticipated sale of the property which was settled in December 2010.

This FY 2011 loss reflects the performance of the PIH Group both pre and post merger, where the result has been at variance to pre-merger expectations reflecting higher than anticipated client claims, further impairments of certain balance sheet items and greater than expected losses from overseas operations.

The reported loss after tax, but before adjustment for non-controlling interests was contributed as follows:

Segment	\$
Australian Advice and Investment Products & Services	(9,090,000)
International Advice and Investment Products & Services	(3,197,000)
Insurance Premium Funding (post merger portion only)	415,000
Corporate & Other	(1,253,000)
Total	(13,125,000)

The FY 2011 result from the Australian Advice and Investment Products & Services businesses was impacted by several large non-recurring costs and adjustments, some of which are merger-related. The major costs in these categories are as follows:

Item	\$
Provisions for client claims (in excess of post-merger forecasts)	(6,062,000)
Impairments to intangible assets	(1,797,000)
Merger related expenses	(1,382,000)
Redundancies and termination costs	(1,120,000)
Professional fees for ASIC Enforceable Undertaking	(530,000)
Professional fees on agri-business product actions	(1,778,000)
Total	(12,669,000)

Recent global investment and share market volatility and uncertainty resulted in lower than anticipated advice and product margin revenues in FY 2011, which were down almost 11% on FY 2010 figures. These market conditions will continue to impact the Group's revenues from the perspective of both new investment activity and product and service commission which is primarily based on asset values.

Similarly, overseas Advice businesses were affected by conditions in the global economy, by the costs associated with building new businesses in new markets, and the impact of a goodwill impairment of the Singapore business of \$1,300,000.

The cost of PIH Group adviser client claims, at almost \$12 million, far exceeded expectations, being more than double the FY 2010 figure. As stated in the Chairman's comments this represents provisions and/or settlements of claims, which all emanated from advice provided pre-merger and primarily from advice given prior to the impact of the Global Financial Crisis. In many cases the claims have resulted from recent failures in investment products or schemes. As a consequence, over the last nine months, a considerable amount of work has been done and investment made in addressing and resolving outstanding claims and improving the Group's structure and processes for managing client claims.

The impact of claims and associated litigation is also clearly reflected in the cash flows for the year. However, on a positive note, the Statement of Cash Flows shows that, despite settling \$19,522,000 in claims and related cash payments, the Group generated a positive cash flow in FY 2011. Indeed it is significant that, after adjustment for the claims payments and the sale of Brandsmart, the net cash generated from operations exceeded \$9 million, even after absorbing the other large non-recurring cash costs identified above.

The Insurance Premium Funding business has traded profitably over the financial year, showing good growth in revenue in its core markets in comparison with the previous year. These results only include the period from the merger with PIH (13 December 2010) until 30 June 2011, which is traditionally the quieter period because of the seasonality of the insurance business.

The Corporate and Other segment result includes the costs since the merger of operating the listed public entity and the results from finance broking and small lending businesses and also incorporates a net impairment loss of \$607,000.

OPERATIONS

Advice & Investment products (PIH)

In December 2010 the principal operating entity in the PIH business, Professional Investment Services Pty Ltd (PIS), agreed the terms of an Enforceable Undertaking ('EU') with the Australian Securities & Investments Commission ('ASIC'), which is expected to be completed in early 2012. Ernst & Young are acting as Independent Experts to monitor the progress and results of implementation. Completion of the EU will strengthen the internal processes and address the issues raised by ASIC.

In December 2010 the merged CAF Group acquired the 10% of specialist funds management company, All Star Funds Management Pty Ltd (ASFM) not already owned by the PIH Group.

Subsequent to balance date on 16 August 2011, CAF completed the acquisition of the 83% of Ventura Investment Management Limited not already held by the PIH Group through a scheme of arrangement. Ventura is a special purpose funds management company and a responsible entity for a number of investment funds. Following these transactions, both ASFM and Ventura are now 100% subsidiaries of the CAF Group.

With regard to the Group's international advice businesses, Financial Year 2011 saw the sale in October 2010 of the Group's New Zealand operations into a local business in return for an equity interest, resulting in PIH Group effectively owning a 14% share in a larger business.

Subsequent to the financial year-end the Group disposed of or ceased its Advice and Investments businesses in Hong Kong and China, but it continues to hold investments in businesses in Singapore, Malaysia and New Zealand.

Insurance Premium Funding

During the year CAF's insurance premium funding (IPF) business continued to trade profitably with growth in the volume of loans written and net interest revenues in comparison to the core business figures for the previous year.

A restructure of the IPF banking facilities was also completed, which involved the termination of the Group's securitisation facility and a move to a simpler and more cost-effective receivables finance facility. In addition, in order to simplify the Group structure and to segregate operating businesses for ease of management and better monitoring, the insurance premium funding business was transferred from the listed parent entity Centrepoint Alliance Limited to a wholly owned subsidiary Centrepoint Alliance Premium Funding Pty Ltd.

Office relocations in Brisbane and Melbourne did however adversely impact expenses during the year.

Corporate & Other

Activities associated with preparation for and completion of the Merger, and the subsequent successful integration of the two organisations, dominated corporate operations for FY 2011.

CAF implemented three significant equity capital transactions, namely a 1 for 7 consolidation of its share capital, a 17.5 cents return of capital (post consolidation) to its pre-merger shareholders, which was paid on 4 February 2011, and a placement of 3,500,000 shares at a price of \$1.15 in March 2011.

A significant transaction completed during the period was the sale of PIH Group's Riverbank (Brandsmart) investment property for \$36,500,000. The sale was settled on 13 December 2010 and the majority of the cash consideration was applied to repay in full the associated debt financing this asset.

A considerable amount of work has also been completed on an ongoing project to simplify and rationalise the PIH Group corporate structure, with the sale of some non-core operations, the purchase of several minority interests and the closure of dormant entities.

OUTLOOK

The outlook for the Advice and Investment Products & Services businesses of the PIH Group is linked to a significant degree with the fortunes of the global economy and resulting asset and stock market values. There are also significant challenges being faced in the financial services sector with the imminent introduction of the current Government's Future of Financial Advice (FOFA) reforms and the uncertainty and volatility that this is creating.

Claims related to advice provided in previous financial years are anticipated to continue to trouble the PIH Group in the forthcoming year. They impact directly on performance results through increased provisioning, and indirectly through higher professional fees and insurance costs and requirements for increased internal resources. Near-term costs will also be impacted by the costs of implementing the Enforceable Undertaking.

Nevertheless the CAF Group is well prepared and well positioned to build on PIH's current position as one of the largest non institutionally-owned network of advisers and accountants in Australia. A well-qualified and experienced CEO of the Professional Investment Services (PIS) business has recently been appointed, internal processes and management continue to be restructured and strengthened.

In the area of Products and Services, CAF through PIH has increased its ownership in a number of its funds management and platform businesses and continues to explore opportunities for further acquisition in these areas. It has expanded its range of products and services on offer and has strengthened existing ones through achieving investment ratings and improving quality.

CAF continues to reduce the exposure to international advice activities of the PIH Group and the remaining operations are expected to return to profitability in 2012.

Consequently, CAF through PIH is well positioned for the future and is expected to benefit strongly when investor confidence returns and asset values improve.

CAF's Insurance Premium Funding business is expected to continue to improve in FY 2012 as insurance premiums increase and the business rebuilds its former market strength.

CAF is confident, notwithstanding the general challenges in the market and the challenges specific to the business, that the Group should trade profitably in the 2011/12 Financial Year.

The Board has a stated goal of building a stable of businesses in the Finance sector. It has cash reserves and continues to evaluate suitable acquisition opportunities.

A handwritten signature in black ink, appearing to read 'Tony Robinson', with a stylized flourish extending to the right.

Tony Robinson
Managing Director
29 September 2011

CORPORATE GOVERNANCE STATEMENT

CORPORATE GOVERNANCE POLICIES AND PRACTICES

The Company's Board of directors is responsible for establishing the corporate governance framework of the Group having regard to the ASX Corporate Governance Council (CGC) published guidelines as well as its corporate governance principles and recommendations. The Board guides and monitors the business and affairs of Centrepoint Alliance Limited on behalf of the shareholders by whom they are elected and to whom they are accountable.

Key aspects of corporate governance in the Company are set out below and, with the exception of those matters specifically referred to, the Company has followed the Principles of Good Corporate Governance and Good Practice Recommendations (the recommendations) as issued by the CGC. For further information on Centrepoint Alliance's corporate governance policy, please go to www.cpal.com.au

BOARD OF DIRECTORS

All activities of the Board of directors are governed by a Board Charter that sets out requirements relating to membership, independence, operations and responsibilities of the Board. In addition to its various specific responsibilities, the Board has the following overall responsibilities:

- (a) determining the broad direction, strategies and financial objectives of the Company and overseeing and monitoring implementation of policies and resources to achieve those strategies and financial objectives; and
- (b) ensuring compliance with legal and regulatory requirements, ethical standards and the Company's constitution.

In performing its responsibilities the Board is required at all times:

- (a) to be guided by the objective of maintaining and building the Company's capacity to generate value for shareholders; and
- (b) to act in accordance with the duties and obligations imposed upon Board members by the Company's Constitution and by-laws.

The principles above have been applied continuously by the Board. The Board Charter document was comprehensively reviewed and revised following the merger with the PIH Group and continues to be reviewed at least annually.

The directors and their terms in office at the date of this report are:

R J Nelson

Chairman & Non-executive Director (6 years)

A D Robinson

Managing Director (2 years)

N J Griffin

Non-executive Director (6 years)

G D Evans

Executive Director (Appointed 22 December 2010)

S J Murphy

Non-executive Director (Appointed 22 December 2010)

C J Castles

Non-executive Director (Appointed 22 December 2010)

I R Magee

Company Secretary and Chief Financial Officer (8 years)

There are procedures in place, agreed by the Board to enable directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

NOMINATION, REMUNERATION AND GOVERNANCE COMMITTEE

The role of the Nomination, Remuneration & Governance Committee is to ensure that the Company has appropriate corporate governance measures in place and to set policy and strategy for the appointment, compensation and performance review of directors and executives, to approve senior executive service agreements and severance arrangements, to oversee use of equity-based compensation and to ensure appropriate communication and disclosure practices are in place.

The Committee consists of two independent non-executive directors and is chaired by Mr Noel Griffin.

The activities of the Committee are governed by the Nomination, Remuneration & Governance Charter, which was extensively reviewed and revised upon the merger with the PIH Group and which will continue to be reviewed at least annually.

Nomination duties and responsibilities include:

- Assisting and advising the Board with regard to appointments, terminations and succession planning of directors and senior executives;
- Assessing necessary competencies of directors and senior executives; and
- Reviewing the performance of directors in accordance with documented evaluation criteria.

Remuneration duties and responsibilities include:

- Assisting and advising the Board with regard to remuneration policies and strategy for the Company;
- Setting the framework for remuneration of the directors and senior executives; and
- Approving and monitoring company incentive schemes and equity based remuneration arrangements.

Governance duties and responsibilities include:

- Developing and reviewing corporate governance policies;
- Advising the Board on regulatory and compliance issues, with particular reference to ASX Listing Rules and Best Practice Recommendations.

AUDIT COMMITTEE

Upon completion of the merger with the PIH Group, the Board separated the Audit and Risk Committee into two separate committees. The Audit Committee is responsible for overseeing the integrity of the financial reporting process and financial statements, the appointment of independent and competent external auditors and performance and review of the external audit process.

In performing its duties, the Committee must maintain effective working relationships with the Board of directors, management and external auditors. Each committee member is required to obtain an understanding of the detailed responsibilities of committee membership and the Company's business, operations and risks. The Committee comprises two non-executive directors and one externally appointed member, an experienced chartered accountant, and is chaired by Mr Stephen Murphy.

The Committee operates under a Board Charter approved by the Board of directors, which was extensively reviewed and revised upon the merger with the PIH Group and which will continue to be reviewed at least annually.

RISK COMMITTEE

Upon completion of the merger with the PIH Group a separate Risk Committee was established, governed by its own Board Charter which will be reviewed annually.

The role of the Committee includes overseeing:

- The effectiveness of the Company's system of risk management and internal controls; and
- The Company's systems and procedures for compliance with applicable legal and regulatory requirements.

The Company's Risk Management Policy and Risk Management Framework has also been extensively reviewed and expanded since the merger with the PIH Group and an updated risk assessment exercise for the expanded Group is currently in progress and will be reviewed on an ongoing basis.

The Committee comprises two non-executive directors and is chaired by Mr Chris Castles.

SECURITIES TRADING

The Company has strict regulations governing any trading in company shares by directors or employees, which are set out in the Company's Securities Trading Policy, which was extensively reviewed as a consequence of the merger with the PIH Group and recent changes to ASX Listing requirements. Breaches of the policy are subject to disciplinary action that may result in termination of employment.

PERFORMANCE AND REMUNERATION

For details on performance measurement and remuneration of directors and specified executives, refer to the Remuneration Report incorporated in the Directors' Report. There is no scheme to provide retirement benefits, other than statutory superannuation, to non executive directors.

ETHICAL STANDARDS

The Board is committed to establishing and maintaining appropriate ethical standards to underpin the Company's operations and corporate practices. The Board has adopted the following codes of conduct governing the Company's activities:

- An overall corporate code of conduct;
- A code of conduct for directors; and
- A code of conduct for employees.

EXTERNAL COMMUNICATIONS

The Board aims to ensure shareholders, investors and all other appropriate parties are fully informed of any matters that may impact on the financial interests of the Company.

The Company's policies on these matters are set out in the Company's Disclosure & Communication Policy and Disclosure & Materiality Guidelines, which were reviewed and revised after the merger with the PIH Group and will continue to be reviewed annually.

Information is communicated to shareholders as follows:

- The Annual Report is distributed as required by law.
- The Board ensures the Annual Report includes relevant information about the operations of the Company during the year, changes in the state of affairs of the Company and details of future developments, and other disclosures required by the *Corporations Act 2001*.
- The Half Year Financial Report contains summarised financial information and a review of the operations of the Company during the period. The audit reviewed Half Year Financial Report is prepared in accordance with the requirements of applicable accounting standards and the *Corporations Act 2001* and is lodged with the Australian Securities and Investment Commission and the Australian Stock Exchange. The financial report is sent to any shareholder who requests it.
- Proposed major changes in the Company that may impact on share ownership rights are submitted to a vote of shareholders.
- Notices of all meetings of shareholders.

All documents that are released publicly are available on the company's website at www.cpal.com.au.

The Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals. Important issues are presented to shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, granting of options and shares to directors and changes to the Constitution. A copy of the Constitution is available to any shareholder who requests it.

DIRECTORS' REPORT – 30 JUNE 2011

Your directors present their report for the year ended 30 June 2011.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows:

- Rick Nelson, Noel Griffin and Tony Robinson were in office for the entire period.
- Martin Kane resigned as a director on 22 December 2010.
- Grahame Evans, Stephen Murphy and Chris Castles were appointed as directors on 22 December 2010.

Rick Nelson, FAICD – Chairman & Non-executive Director

Rick began his career in finance with the Australian Guarantee Corporation Ltd in 1972. After reaching the position of regional credit manager, he joined Australia's largest Ford truck and car dealer, Denmac Ford, in the role of General Manager – Finance.

In 1982, Rick founded the Centrepoint Finance Group, which grew rapidly and made two major acquisitions, resulting in the Group becoming one of Australia's largest commercial finance brokers. Centrepoint Finance merged with Alliance Finance in 2005 and Rick assumed the role of Managing Director of the merged Group. In 2007 he stepped aside to take on the position of Deputy Chairman and non-executive director. Rick was appointed chairman of the Company in June 2009.

Martin Kane, F Fin, FAIM, MAICD – Non-executive Director (Resigned 22 December 2010)

Martin has worked in the Financial Services sector for over 40 years serving at Branch, State and National levels. He was also involved as an executive member of the industry body of the Australian Finance Conference.

Under Martin's management, Alliance Finance developed from his initial start up of the company in 1991 to listing on the ASX in June 2002. Following the merger with Centrepoint in 2005, Martin became Executive Director - Group Services having served as Managing Director for 14 years. He held the position of Non-Executive Director from 2006 until the completion of the merger with the PIH Group.

Noel Griffin – Non-executive Director, Chairman of Nomination, Remuneration & Governance Committee

Noel has been involved in the refrigerated transport industry since 1966. He has had extensive experience in management, operation and ownership of transport and agri-businesses. From 1982 to 1995, Noel was managing director of Refrigerated Roadways Pty Ltd, which at one stage claimed status as the largest refrigerated carrier in Australia with assets of \$74 million, annual revenue of \$131 million, and 900 personnel. TNT acquired the company in 1995 and Noel served for two years on the executive council of TNT. In addition to his interests in the transport industry, Noel was managing director and a shareholder of Table Grape Growers Pty Ltd from 1997 to 2001. Noel is managing director of Prime Qld Pty Ltd, a member of the Pacca Advisory Council and a life member of the World Presidents' Organisation.

Tony Robinson, B.Com (Melb), ASA, MBA (Melb.) – Managing Director

Tony has extensive experience in senior roles in the financial services, insurance and telecommunications sectors. He is currently a director of the Bendigo & Adelaide Bank Limited and was previously executive director and CEO of IOOF Holdings Ltd. Prior to that he has held a number of senior executive roles including managing director and CEO of OAMPS Limited, director of VECCI, managing director of Falkiners Stockbroking, managing director of WealthPoint, chief financial officer of Link Telecommunications and general manager corporate services at Mayne Nickless.

During the past three years Tony has served as a director of the following other listed companies:

<i>Listed Company</i>	<i>Period of directorship</i>
Bendigo & Adelaide Bank Ltd	From April 2006 and continuing
IOOF Holdings Ltd	From April 2007 to April 2009

Grahame Evans, DIP SM MBA, MAICD – Executive Director, Managing Director of PIH Group

Grahame oversees the activities and operations of the Professional Investment Holdings (PIH) Group. The PIH adviser and accountant network provides support training, tools and resources to help network members remain competitive and deliver value-added services to their clients. Previously Grahame was CEO of Investments for Tower Australia and Head of Corporate and Employee Superannuation with AMP. At AMP, he was responsible for Australia's largest corporate superannuation portfolio with over 33,000 employees and \$11 billion under management. Prior to that, as Managing Director of AMP Consulting, he was responsible for the superannuation consulting division of AMP including actuarial, trustee services, information technology, asset consulting and communications for such clients as Optus and BHP Billiton.

Grahame, at the age of 32, became the youngest ever Australian to be appointed to the board of an Australian life insurance company and was recognised as one of Australia's leading experts on superannuation with regular appearances in a variety of media.

Stephen Murphy, B. Com., CA, MAICD – Non-executive Director, Chairman of Audit Committee

Stephen was Chairman of Professional Investment Holdings Ltd from inception to the merger with Centrepoint Alliance Limited. He is a prominent Chartered Accountant and has been a public practitioner since 1991. Stephen is also a Fellow of the Taxation Institute of Australia. He has a strong interest in small to medium enterprises, and specialises in family businesses. Over a number of years, he has also been an active and strong contributor to the affairs of The Institute of Chartered Accountants in Australia, and the broader accounting profession. Stephen has a long standing association with Rotary.

Christopher Castles, CPA, CFP, FAICD, B.Eng. (Electronics), Post-Graduate Dip. Management, Post-Graduate Dip. Business (Accounting), Dip. Financial Planning – Non-executive Director, Chairman of Risk Committee

Chris is a non-executive director and operates a financial planning practice with offices in both Townsville and Ingham in North Queensland. He is also a partner in the accounting firm Coscer Accountants Pty Ltd.

Chris currently holds, and has held, board positions with a number of funds management organisations and is the Group's board representative on the Professional Standards Council of Professional Investment Services Pty Ltd.

Prior to entering the financial services industry Chris spent 13 years in the Royal Australian Air Force as an engineer, rising to the rank of Squadron Leader prior to his resignation.

Ian Magee, B Sc (Hons), CA, FCIS, MAICD – Company Secretary & Chief Financial Officer

Ian is a chartered accountant who began his career in the accounting profession with Deloitte in London and subsequently with PricewaterhouseCoopers in Perth, Australia. He has more than 20 years' experience in CFO and company secretary roles in ASX listed, public and private Australian companies in a variety of industries. He is a Fellow of the Chartered Institute of Secretaries. Ian has held the position of CFO and Company Secretary with Centrepoint Alliance Limited since 2003.

DIRECTORS' INTERESTS IN SHARES

As at the date of this report, the interests of current directors in shares of the company were:

Director	Ordinary Shares Fully Paid	Ordinary Shares Partly Paid	Options over ordinary shares
Rick Nelson	2,466,150	-	-
Noel Griffin	1,207,957	-	-
Tony Robinson	928,572	428,572*	-
Grahame Evans	553,849	-	-
Stephen Murphy	853,712	-	-
Chris Castles	158,190	-	-
Total Directors' Shares	6,168,430	428,572	-

*Ordinary shares of \$1.085 each partly paid to \$0.210 per share.

No interests were held in other securities of the company or related bodies corporate.

MEETINGS OF DIRECTORS

During the financial year, 16 Directors' meetings, 2 Audit & Risk Committee meetings, 2 Nomination & Remuneration Committee meetings, 2 Audit Committee and 2 Risk Committee meetings were held. Attendances were as follows:

Director	Board Meetings		Audit & Risk Committee (Pre- Merger)		Nomination & Remuneration Committee (Pre Merger)	
	No. eligible to attend	Number attended	No. eligible to attend	Number Attended	No. eligible to attend	Number attended
Rick Nelson	16	16	-	-	2	2
Martin Kane	9	9	2	2	2	2
Noel Griffin	16	15	2	2	2	2
Tony Robinson	16	16	-	-	-	-
Grahame Evans	8	8	-	-	-	-
Stephen Murphy	8	8	-	-	-	-
Chris Castles	8	8	-	-	-	-

Director	Audit Committee (Post Merger)		Risk Committee (Post Merger)		Nomination, Remuneration & Governance Committee	
	No. eligible to attend	Number attended	No. eligible to attend	Number Attended	No. eligible to attend	Number attended
Rick Nelson	2	2	2	2	-	-
Martin Kane	-	-	-	-	-	-
Noel Griffin	-	-	2	2	-	-
Tony Robinson	-	-	2	2	-	-
Grahame Evans	-	-	2	2	-	-
Stephen Murphy	2	2	2	2	-	-
Chris Castles	-	-	2	2	-	-

CORPORATE INFORMATION

History

Centrepoint Alliance Limited (formerly Alliance Finance Corporation Limited) was founded in 1991 by Martin Kane. It was incorporated in Australia as a company limited by shares and was subsequently listed on the Australian Stock Exchange in June 2002.

On 30 September 2005, Centrepoint Alliance Limited merged with the Centrepoint Finance Pty Ltd Group, of which Rick Nelson was a co-founder.

During the year ended 30 June 2009, the Group ceased its commercial finance activities, which included the sale on 31 December 2008 of its finance broking businesses and one of its two small equipment finance operations (the other also ceased operations and its receivables fully collected).

On 13 December 2010 the Company acquired 100% of Professional Investment Holdings Limited and its controlled entities (PIH) through a scheme of arrangement.

Principal Activities

The principal activities of the Company and its related entities during the course of the financial year were:

- The funding of insurance premiums for both corporate and domestic clients through wholly-owned subsidiary Centrepoint Alliance Premium Funding Pty Ltd (CAPF); and
- The provision of financial advice and product solutions, which are distributed through PIH Group which controls one of the largest non institutionally-owned financial advice and accountant networks in Australia. The PIH Group also provides funds management, investment administration platform, finance broking and niche lending services. The PIH Group holds investments in related operations in New Zealand, Singapore and Malaysia.

Employees

As at 30 June 2011, the consolidated entity had 265 (2010: 264) full-time equivalent employees.

Corporate Structure

Centrepoint Alliance Limited is a company limited by shares that is incorporated and domiciled in Australia and listed on the Australian Stock Exchange. At the date of this report the Company had interests, either directly or indirectly, in the following entities:

Name	Country of Incorporation	Percentage Interest	Principal Activities
All Star Funds Management Ltd	Australia	100%	Funds management
Associated Advisory Practices Ltd	Australia	56%	AFSL licensee support services
Associated Advisory Practices (No 2) Ltd	Australia	78%	AFSL licensee support services
Australian Loan Company Ltd	Australia	50%	Mortgage broker/aggregator
Blueprint Investment Services Ltd	Australia	100%	Badged product distribution
Centrepoint Alliance Premium Funding Pty Ltd	Australia	100%	Insurance premium funding
Centrepoint Alliance Services Pty Ltd	Australia	100%	Trustee - Employee share plan
De Run Securities Pty Ltd	Australia	56%	Financial services
Discovery Investment Services Corporation Ltd	Australia	100%	Badged product distribution
Diversified Portfolio Managers Limited	Australia	100%	Badged product distribution
GPS Wealth Ltd (formerly Professional Private Advice Ltd)	Australia	100%	Financial services - dormant
IFMA Investment Services Pty Ltd	Australia	100%	Financial services - dormant
The IFMA Unit Trust	Australia	100%	Financial services - dormant
Imagine Your Lifestyle Pty Ltd (formerly Professional SMSF Services Pty Ltd)	Australia	50%	Lifestyle publication
Investment & Finance Managers of Australia Pty Ltd	Australia	100%	Trustee of the IFMA Unit Trust
Investment Diversity Limited	Australia	100%	Provision of white label investment platform
Mentor Investment Services Limited	Australia	38%	Badged product distribution
MI Professional Funding Pty Ltd	Australia	100%	MIS financing
OAMPS Premium Funding Pty Ltd	Australia	100%	Dormant
Parramatta Site Developments Pty Ltd	Australia	100%	Dormant
Professional Accountants Ltd	Australia	100%	Loans to adviser network
Professional Investment Asset Management Pty Ltd (formerly Professional SMSF Solutions Pty Ltd)	Australia	100%	Dormant
Professional Investment Holdings Ltd	Australia	100%	Holding company
Professional Investment Services Pty Ltd	Australia	100%	AFSL licensee support services
Step by Step Guide Pty Ltd (formerly PAL Sub Four Pty Ltd)	Australia	100%	Brochure distribution
Ventura Investment Management Ltd	Australia	100%	Responsible entity for managed investment funds
WealthInfoNet Admin Pty Ltd	Australia	50%	Dormant
Ausican Inc.	Canada	100%	Dormant
Professional Investment Holdings Inc.	Canada	100%	Dormant
Professional Investment Holdings (Canada) Inc.	Canada	100%	Dormant
Professional Investment Services (Beijing) Bo Jin	China	80%	Financial services

Name	Country of Incorporation	Percentage Interest	Principal Activities
Advisors Worldwide Ltd	Hong Kong	100%	Dormant
Alliance Finance Corporation (Hong Kong) Pty Ltd	Hong Kong	100%	Dormant
HFS Asset Management Limited (formerly Horwath Financial Services Limited)	Hong Kong	99%	Financial services
Professional Investment Services (HK) Ltd	Hong Kong	100%	Holding company
Professional Investment Services (Malaysia) Sdn. Bhd.	Malaysia	55%	Holding company
Standard Financial Planner Sdn Bhd	Malaysia	100%	Financial services
SFP Adviser Sdn Bhd	Malaysia	100%	Financial services
Advisors Worldwide (NZ) Ltd	New Zealand	100%	Financial services
Ausiwi Limited	New Zealand	100%	Holding company
Discovery Investment Corporation (NZ) Limited	New Zealand	100%	
Ginger Group Financial Services Corporation (NZ) Ltd	New Zealand	14%	Financial services
Minerva PIS (NZ) Limited	New Zealand	100%	Dormant
Professional Investment Holdings (NZ) Limited	New Zealand	43%	Holding company
Professional Investment Services (NZ) Limited	New Zealand	43%	Dormant
Professional Lending Services Limited	New Zealand	24%	Mortgage broker/aggregator
Fifth Floor Pte Limited	Singapore	100%	Holding company
Professional Advisory Holdings Pte Ltd	Singapore	90%	Holding company
Professional Investment Advisory Services Pte Ltd	Singapore	90%	Financial services

MERGER WITH PIH

On 13 December 2010 a merger was completed with Professional Investment Holdings Ltd Group (PIH), whereby CAF acquired 100% of the issued shares in PIH in return for the issue of 70,250,605 shares in CAF. In accordance with the terms of the Merger the composition of the Board of Directors was changed as shown above, with Tony Robinson continuing as Managing Director of the expanded Group.

PIH is one of Australia's leading providers of financial advice and product solutions, which are distributed through one of the largest non institutionally-owned financial advice networks in Australia. The PIH Group also encompasses funds management operations, administration platform services and lending & finance-broking services. The PIH Group also holds investments in related operations in New Zealand, Singapore and Malaysia.

REVERSE ACQUISITION ACCOUNTING

One of the outcomes of the Merger was that, upon completion, former PIH shareholders held a majority (approximately 75%) of the issued shares in CAF. Therefore, although from a legal and taxation perspective, CAF is considered to be the acquiring entity, the Australian Accounting Standards required that the transaction be reflected in the financial statements as a 'reverse acquisition', whereby PIH is deemed to be the acquirer and CAF the acquiree.

As a consequence the Statement of Comprehensive Income in these Financial Statements comprises the financial performance of the PIH Group for the full twelve months (even though it was not a subsidiary of CAF until December 2010) and includes only the six months and nineteen days of post-merger trading results for CAF. Furthermore it is important to note that all comparative figures are those pertaining to the PIH Group and do not include any of CAF's prior period figures.

FINANCIAL PERFORMANCE

The Financial Accounts show a net loss after tax for the year ended 30 June 2011 of \$13,125,000 (2010: a net profit after tax of \$1,315,000). As stated above, this is comprised of the full twelve months of trading results for the original PIH Group but only six months and 19 days of post-merger trading performance for the pre-merger CAF businesses.

This loss reflects the performance of the PIH Group both pre and post merger, where the result has been at variance to pre-merger expectations reflecting higher than anticipated client claims, further impairments of certain balance sheet items and greater than expected losses from overseas operations.

Recent global investment and share market volatility and uncertainty has also resulted in lower than anticipated revenues in FY 2011 and will continue to impact the Group's revenues from the perspective of both new investment activity and product and service fees which are primarily based on asset values.

Similarly, overseas Advice businesses were affected by conditions in the global economy, by the costs associated with building new businesses in new markets, and the impact of a goodwill impairment of the Singapore business of \$1,300,000.

The Insurance Premium Funding business has traded profitably over the financial year, showing good growth in revenue in its core markets in comparison with the previous year. These results only include the period from the merger with PIH (13 December 2010) until 30 June 2011, which is traditionally the quieter period because of the seasonality of the insurance business.

The Corporate and Other segment result includes the costs since the merger of operating the listed public entity and the results from the Brandsmart (Riverbank) property project, finance broking and small lending businesses and includes the cost of impairments to receivables of \$1,113,000, which is partially offset by an impairment reversal of \$506,000 on the disposal of the Brandsmart property.

FINANCIAL POSITION

The principle of 'reverse acquisition accounting' requires that the Statement of Financial Position be prepared on the basis that PIH is deemed to have acquired CAF on the Merger date. This means that a notional consideration figure was calculated for PIH to acquire CAF, which was then compared to the fair value of CAF's net assets (including any recognised intangibles) resulting in goodwill on merger consolidation of \$1,176,000.

All comparatives are those of the pre-merger PIH Group excluding CAF as at 30 June 2010.

The Group had net assets at 30 June 2011 of \$42,112,000 and net tangible assets per share of 36.54 cents.

CASH FLOWS

At 30 June 2011 the Group had cash and cash equivalents totalling \$20,420,000.

The Statement of Cash Flows reflects material transactions including both an inflow of cash (\$36,500,000) from the sale of the Riverbank property in Parramatta and the subsequent repayment of the associated debt (\$29,000,000) and the acquisition of CAF's pre-merger cash on hand (\$18,927,000) at merger date.

REVIEW OF OPERATIONS DURING THE FINANCIAL YEAR

Advice & Investment Products (PIH)

In December 2010 the principal operating entity in the PIH business, Professional Investment Services Pty Ltd (PIS), agreed the terms of an Enforceable Undertaking ('EU') with the Australian Securities & Investments Commission ('ASIC'), which is expected to be completed in early 2012. Ernst & Young are acting as Independent Experts to monitor the progress and results of implementation. Completion of the EU will strengthen the internal processes and should address the issues raised by ASIC.

In December 2010 CAF Group acquired the remaining 10% of specialist funds management company, All Star Funds Management Pty Ltd (ASFM) not already held by the PIH Group.

With regard to the Group's international advice businesses, Financial Year 2011 saw the sale in October 2010 of the Group's New Zealand operations into a local business in return for an equity interest, resulting in PIH Group effectively owning a 14% share in a larger business.

Insurance Premium Funding

A restructure of the IPF banking facilities was also completed, which involved the termination of the Group's securitisation facility and a move to a simpler and more cost-effective receivables finance facility. In addition, in order to simplify the Group structure and to segregate operating businesses for ease of management and better monitoring, the insurance premium funding business was transferred from the listed parent entity Centrepoint Alliance Limited to a wholly owned subsidiary Centrepoint Alliance Premium Funding Pty Ltd.

Office relocations in Brisbane and Melbourne adversely impacted expenses during the year.

Corporate & Other

Activities associated with preparation for and completion of the Merger, and the subsequent successful integration of the two organisations, dominated corporate operations for FY 2011.

CAF implemented three significant equity capital transactions, namely a 1 for 7 consolidation of its share capital, a 17.5 cents return of capital to its pre-merger shareholders, which was paid on 4 February 2011, and a placement of 3,500,000 shares at a price of \$1.15 in March 2011.

A significant transaction completed during the period was the sale of the PIH Group's Riverbank (Brandsmart) investment property for \$36,500,000. The sale was settled on 13 December 2010 and the majority of the cash consideration was applied to repay in full the associated debt financing this asset.

OUTLOOK

The outlook for the Advice and investment Products & Services businesses of the PIH Group is linked to a significant degree with the fortunes of the global economy and resulting asset and stock market values. There are also significant challenges being faced in the financial services sector with the imminent introduction of the current Government's Future of Financial Advice (FOFA) reforms and the uncertainty and volatility that this is creating.

Claims related to advice provided in previous financial years are anticipated to continue to trouble the PIH Group in the forthcoming year. They impact directly on performance results through increased provisioning, and indirectly through higher professional fees and insurance costs and requirements for increased internal resources. Near-term costs will also be impacted by the costs of implementing the Enforceable Undertaking.

Nevertheless the CAF Group is well prepared and well positioned to build on PIH's current position as one of the largest non institutionally-owned network of advisers and accountants in Australia. A well-qualified and experienced CEO of the Professional Investment Services (PIS) business has recently been appointed, internal processes and management continue to be restructured and strengthened.

In the area of Products and Services, CAF through PIH has increased its ownership in a number of its funds management and platform businesses and continues to explore opportunities for further acquisition in these areas. It has expanded its range of products and services on offer and has strengthened existing ones through achieving investment ratings and improving quality.

CAF continues to reduce the exposure to international advice activities of the PIH Group and the remaining operations are expected to return to profitability in 2012.

Consequently, CAF through PIH is well positioned for the future and is expected to benefit strongly when investor confidence returns and asset values improve.

CAF's Insurance Premium Funding business has recovered well from issues experienced in 2009 and has shown strong growth in 2011. Results are expected to continue to improve in FY 2012 as insurance premiums increase and the business rebuilds its former market strength.

CAF is confident, notwithstanding the general challenges in the market and the challenges specific to the business that the Group should trade profitably in the 2011/12 Financial Year.

The Board has a stated goal of building a stable of businesses in the Finance sector. It has cash reserves and continues to evaluate suitable acquisition opportunities.

DIVIDENDS

No ordinary or preference dividends have been declared or paid by the Company in respect of Financial Year 2011.

OPTIONS

Unissued shares

During the financial year 6,000,000 options over ordinary shares, issued to a former managing director of CAF, expired unexercised. Consequently at the date of this report there are no unissued ordinary shares subject to options.

Shares issued as a result of the exercise of options

No shares have been issued as a result of the exercise of options during the financial year and up to the reporting date.

RISK MANAGEMENT

The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board.

Risk management is the responsibility of the Risk Committee of the Board, which comprises two non-executive directors. The Chairman of the Board may not chair this committee. As detailed in the Corporate Governance Statement the Committee is governed by a charter and is responsible for overseeing:

- The effectiveness of the Company's system of risk management and internal controls; and
- The Company's systems and procedures for compliance with applicable legal and regulatory requirements.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Board approval of a strategic plan, which encompasses the Group's vision, mission and strategy statements, designed to meet stakeholders' needs and manage business risk.
- Implementation of Board approved operating plans and budgets and Board monitoring of progress against these budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.
- Board approved Risk Management Policy and Risk Framework to assist in the identification, analysis, evaluation and treatment of risks in the Group.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than disclosed above, there are no matters or events constituting a significant change in the state of affairs of the Company.

SIGNIFICANT EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to balance date on 16 August 2011, CAF completed the acquisition of the 83% of Ventura Investment Management Limited (Ventura) not already held by the PIH Group, through a scheme of arrangement. Ventura is a special purpose funds management company and a responsible entity for a number of investment funds. It is now a wholly-owned subsidiary of the CAF Group.

Subsequent to the year end, the Group has also disposed of its interests or ceased its business operations in Hong Kong and China and has also completed a transaction to sell its share of assets held in the De Run Financial Services Pty Ltd business in Australia. There was no material financial impact from these sale transactions.

There are no other matters or events which have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

LIKELY DEVELOPMENTS

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the directors believe on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the company.

ENVIRONMENTAL REGULATION

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the company paid a premium of \$44,840 for a policy insuring all directors of the company, the company secretary and all executive officers against any liability incurred by such director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*.

The policy does not allocate an identifiable part of the premium to specific directors or officers. Accordingly, the premium paid has not been apportioned to directors' remuneration.

The company has not otherwise during or since the end of the financial year, indemnified or agreed to indemnify any officer or auditor of the company against a liability incurred as such officer or 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.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The auditor, Ernst & Young, has provided a written independence declaration to the directors in relation to its audit of the financial report for the year ended 30 June 2011. The independence declaration which forms part of this report is on page 30.

The following non-audit services were provided by the entity's auditor, Ernst & Young.

Item	\$
Taxation services	54,925
Regulatory compliance - Enforceable Undertaking	530,000
Merger transaction advice	150,289
Merger due diligence services	101,284
Merger tax consolidation advice	31,390
Total non-audit services	867,888

The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of non-audit service provided means that auditor independence was not compromised.

REMUNERATION REPORT (AUDITED)

INTRODUCTION

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group in accordance with the requirements of the *Corporations Act 2001* and its Regulations. This information has been audited as required by section 308(3C) of the Act.

For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and/or the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes all executives of the Parent and the Group.

For the purposes of this report, the term 'executive' encompasses the chief executive officer, executive directors and senior executives of the Parent and the Group.

The remuneration report is presented under the following sections:

- Key management personnel
- Remuneration philosophy
- Group performance
- Nomination, Remuneration & Governance Committee
- Employment contracts
- Remuneration of Directors, Key Management Personnel and Executives
- Short term incentives
- Long term incentives

KEY MANAGEMENT PERSONNEL

The key management personnel of the Company during the financial year were as follows:

(i) Directors	
R.J. Nelson	Chairman & Director (non executive)
A.D. Robinson	Managing Director (executive)
G.D. Evans	Executive Director - appointed 22 December 2010
M.M. Kane	Director (non-executive) - resigned 22 December 2010
N.J. Griffin	Director (non-executive)
S.J. Murphy	Director (non-executive) - appointed 22 December 2010
C.J. Castles	Director (non-executive) - appointed 22 December 2010
(ii) Executives	
I.R. Magee	Chief Financial Officer & Company Secretary
R.M. Dodd	Chief Executive Officer (Insurance Premium Funding) - transferred to subsidiary 10 December 2010

REMUNERATION REPORT (AUDITED) (CONTINUED)

Key management personnel of the Group, which from a financial reporting perspective represents PIH personnel for the entire financial year and CAF personnel from 13 December 2010, were as follows:

(i) Directors

Name	Position	Period Remuneration included in Reported Result
R.J. Nelson	CAF Chairman & Director (non executive) PIH Chairman & Director (non-executive)	13 Dec 2010 – 30 Jun 2011 20 Dec 2010 – 30 Jun 2011
A.D. Robinson	CAF Managing Director PIH Director	13 Dec 2010 – 30 Jun 2011 21 Dec 2010 – 30 Jun 2011
G.D. Evans	PIH Managing Director CAF Executive Director	Full Year 22 Dec 2010 – 30 Jun 2011
M.M. Kane	CAF Director (non-executive)	13 Dec 2010 – 22 Dec 2010
N.J. Griffin	CAF Director (non-executive) PIH Director (non-executive)	13 Dec 2010 – 30 Jun 2011 15 Dec 2010 – 30 Jun 2011
S.J. Murphy	PIH Chairman (non-executive) PIH Director (non-executive) CAF Director (non-executive)	1 Jul 2010 – 19 Dec 2010 Full Year 22 Dec 2010 – 30 Jun 2011
C.J. Castles	PIH Director (non-executive) CAF Director (non-executive)	Full Year 22 Dec 2010 – 30 Jun 2011
R. Bennetts	PIH Executive Director – resigned 14 Dec 2010	1 Jul 2010 – 14 Dec 2010
K Butler	PIH Director (non-executive) – resigned 14 Dec 2010	1 Jul 2010 – 14 Dec 2010
G Whimp	PIH Director (non-executive) – resigned 14 Dec 2010 Professional Investment Services CEO – finite contract 10 Jan 2011 – 9 Jul 2011	1 Jul 2010 – 14 Dec 2010 10 Jan 2011 to 30 Jun 2011

(ii) Executives

I.R. Magee	Chief Financial Officer & Company Secretary	13 Dec 2010 – 30 Jun 2011
R.M. Dodd	Chief Executive Officer - Insurance Premium Funding	13 Dec 2010 – 30 Jun 2011

Peter Walther was appointed to the position of CEO Professional Investment Services on 22 August 2011. There were no other changes of KMP after the reporting date and before the signing of this Report.

REMUNERATION PHILOSOPHY

The performance of the Company depends on the quality of its directors, executives and employees. To prosper, the company must attract, motivate and retain skilled and highly capable individuals. Accordingly, the Company's remuneration framework is structured around the central principle and goal of providing competitive rewards to attract the highest calibre people.

The level of fixed remuneration is set to provide a base level of remuneration that is appropriate to the position and competitive in the market. It is not directly related to the performance of the Company. Fixed remuneration is reviewed annually and the process consists of a review of company-wide, business unit and individual performance, relevant comparative remuneration in the market and internal and, where appropriate, external advice on policies and practices.

Short term incentives in the form of potential cash bonuses are made available to selected employees. Any award is based on the achievement of certain pre-determined key result areas (KRA's).

Long term incentives are made available to certain key management personnel (KMP) in the form of shares or options through the Centrepoint Alliance Employee Share Plan or the Centrepoint Alliance Employee Share Option Plan. The Directors consider these to be the best means of aligning incentives of KMP with the interests of shareholders.

The remuneration of non-executive directors of the Company consists only of directors' fees and committee fees. Director fees were maintained at the same level as the prior year except for an increase to the Chairman's remuneration to reflect the additional responsibilities required for the new group.

RENUMERATION REPORT (AUDITED) (CONTINUED)

GROUP PERFORMANCE

Shareholder returns for the last five years have been as follows:

	2011	2010	2009	2008	2007
Company					
NPAT - Net Profit/(Loss) after tax (\$'000)	(1,189)*	6,119	(37,686)	(5,534)	2,964
Group**					
NPAT - Net Profit/(Loss) after tax (\$'000)	(13,125)	1,315	(21,061)	(2,812)	5,231
EPS (basic) - (Cents per share)	(16.21)	0.25	(31.89)	(5.50)	11.40
EPS (diluted) - (Cents per share)	(16.21)	0.25	(31.89)	(5.50)	10.98

*IPF business transferred to subsidiary December 2010

**Comparatives are PIH due to "reverse acquisition accounting"

NOMINATION, REMUNERATION & GOVERNANCE COMMITTEE

The role of the NRCG of the Board includes the setting of policy and strategy for the appointment, compensation and performance review of directors and executives, approves senior executive service agreements and severance arrangements, oversees the use of equity-based compensation and ensures appropriate communication and disclosure practices are in place.

Non-executive directors are not employed under specific employment contracts but are subject to provisions of the Corporations Law in terms of appointment and termination. The Company applies the ASX listing rules that specify that aggregate remuneration shall be determined from time to time by shareholders in a general meeting.

The remuneration of the non-executive directors does not currently incorporate a component based on performance. Within the limits approved by shareholders, individual remuneration levels are set by reference to market levels and consultation with independent advisers.

The executive directors and specified executives are employed under contracts or agreed employment arrangements that specify remuneration amounts and conditions.

The Board has introduced for executives and senior employees an incentive system based on issuing shares or options in the company.

The Company's Securities Trading Policy forbids directors from entering into margin lending arrangements and also forbids directors and senior executives from entering into hedging transactions, involving the Company's securities.

Details of current incentive arrangements for key management personnel, where they exist, are shown under the disclosure of their contracts below.

RENUMERATION REPORT (AUDITED) (CONTINUED)

EMPLOYMENT CONTRACTS

Details of the terms of employment of the Managing Director and the named Executives are set out below:

TONY ROBINSON - MANAGING DIRECTOR

Contract commencement date: 13 July 2009.

Term: No term specified.

Incentives:

Short term incentive - Consists of cash bonuses based on achieving certain criteria determined by the NRCG. The FY 2011 incentive consisted of a bonus of up to \$150,000 for the successful integration of the Group following the merger with Professional Investment Holdings Ltd and the achievement of several key corporate initiatives, including the rationalisation and simplification of the PIH Group, as measured by the NRCG during the period.

Long term incentive - (i) The contract contains a commitment to provide a long term incentive through the employee share or option plans. The current component consists of an entitlement to acquire 428,572 (pre-consolidation: 3,000,000) fully paid ordinary shares through the Employee Share Plan. The acquisition of the shares at \$1.23 each (pre-consolidation and pre return of capital: \$0.20 each), which vest in three equal tranches over three years ending 31 July 2012, is to be funded via an interest free limited recourse loan from the Share Plan Trust. Vesting is conditional upon remaining in the employment of the Company and shares may only be acquired by repayment of the loan.

(ii) During the year ended 30 June 2010 Mr Robinson was issued 428,572 (pre-consolidation: 3,000,000) shares at \$1.26 per share (pre-consolidation: \$0.18 per share), which was reduced to \$1.085 following the return of 17.5 cents of capital implemented during the year and which were partly paid to 21 cents (pre-consolidation: 3 cents) on issue with the balance payable in October 2012. There are no other performance conditions.

Required notice (Executive): 6 months

Required notice (Company): 6 months

Termination Entitlements: 6 months notice or equivalent salary in lieu of notice

GRAHAME EVANS - GROUP MANAGING DIRECTOR (PROFESSIONAL INVESTMENT HOLDINGS)

Contract commencement date: 16 August 2006 (updated 5 July 2010)

Term: No term specified.

Incentives: Short term incentive - In the form of 281,437 PIH shares awarded prior to the Merger for the successful negotiation of the Merger.

Long term incentive - Mr Evans is eligible to participate in the Centrepont Alliance Employee Share Plan subject to the discretion of the NRCG and the Centrepont Alliance Limited Board.

Required notice (Executive): 6 months

Required notice (Company): 6 months

Termination Entitlement: 6 months notice or equivalent salary in lieu of notice.

IAN MAGEE - CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Contract commencement date: 1 May 2003

Term: No term specified.

Incentives: Short term incentive - Consists of a cash bonus based on achieving certain criteria and determined by the NRCG. The FY 2011 incentive consisted of a potential bonus of \$65,000 if Mr Magee successfully completed certain key project responsibilities; including the completion of certain merger integration and business restructure tasks as measured by the NRCG.

Long term incentive - In the form of shares through the Centrepont Alliance Employee Share Plan. The current component consists of an entitlement to acquire 70,714 (pre-consolidation: 495,000) fully paid ordinary shares through the Employee Share Plan. The acquisition of the shares at \$1.23 each (pre-consolidation and pre return of capital: \$0.20 each), which vest in three equal tranches over three years ending 31 July 2012, is to be funded via an interest free limited recourse loan from the Share Plan Trust. Vesting is dependent on remaining in the employment of the Company and shares may only be acquired by repayment of the loan.

Required notice (Executive): 1 months

Required notice (Company): 3 months

Termination Entitlement: Termination payment at discretion of Board, but with a minimum of 6 months value of total fixed remuneration.

RENUMERATION REPORT (AUDITED) (CONTINUED)

BOB DODD - CHIEF EXECUTIVE OFFICER (INSURANCE PREMIUM FUNDING)

Contract commencement date: 1 December 2006

Term: 5 years with 5 year option (evergreen)

Incentives: Short term incentive - Consists of cash bonuses based on achieving certain criteria determined by the NRCG. The FY 2011 incentive consisted of a potential bonus of \$50,000 if Mr Dodd continued to be employed by the Group.

Long term incentive - In the form of shares through the Centrepoint Alliance Employee Share Plan. The current component consists of an entitlement to acquire 107,143 (pre-consolidation: 750,000) fully paid ordinary shares through the Employee Share Plan. The acquisition of the shares at \$1.23 each (pre-consolidation and pre return of capital: \$0.20 each), which vest in three equal tranches over three years ending 31 July 2012, is to be funded via an interest free limited recourse loan from the Share Plan Trust. Vesting is dependent on remaining in the employment of the Company and shares may only be acquired by repayment of the loan.

Required notice (Executive): 3 months

Required notice (Company): 3 months

Termination Entitlement: 9 months notice or equivalent salary in lieu of notice.

GREG WHIMP - CEO (PROFESSIONAL INVESTMENT SERVICES)

Contract commencement date: 10 January 2011

Term: 6 months to 9 July 2011

Incentives: Short term incentive - Potential cash bonus of \$30,000 based on achieving the successful appointment of a new Professional Investment Services CEO. As at the date of this report no bonus has been awarded by the Board.

Long term incentive - No long term incentives have been awarded.

Required notice (Executive): 1.5 months

Required notice (Company): 1.5 months

Termination Entitlement: 1.5 months notice or equivalent salary in lieu of notice.

PETER WALTHER - CHIEF EXECUTIVE OFFICER (PROFESSIONAL INVESTMENT SERVICES)

Contract commencement date: 22 August 2011

Term: No term specified

Incentives: Short term incentive - Consists of cash bonuses based on achieving certain criteria determined by the Professional Investment Holdings Board and as yet to be determined.

Long term incentive - Mr Walther is eligible to participate in the Centrepoint Alliance Employee Share Plan subject to the discretion of the NRCG and the Centrepoint Alliance Limited Board.

Required notice (Executive): 4 months

Required notice (Company): 12 months in year one, 9 months in year two and 6 months thereafter

Termination Entitlement: 12 months notice or equivalent salary in lieu of notice.

TABLE 1 - REMUNERATION OF DIRECTORS, KEY MANAGEMENT PERSONNEL AND EXECUTIVES FOR THE COMPANY (for the entire financial year)

30 June 2011	Short-Term			Post Employment	Long-Term	Share-based Payments	Total	Performance Related	Share Related
	Salary & Fees \$	Cash Bonus \$	Other \$	Superannuation \$	Incentive Plans \$	Shares \$	\$	%	%
Directors									
R.J. Nelson	84,404	30,000	-	7,596	-	-	122,000	24.6	-
A.D. Robinson	331,192	150,000	-	29,807	-	31,550	542,549	33.5	5.8
G.D. Evans ^{2,5}	-	-	-	-	-	-	-	-	-
M.M. Kane ^{1,3}	30,000	-	-	-	-	-	30,000	-	-
N.J. Griffin	60,550	-	-	5,450	-	-	66,000	-	-
S.J. Murphy ^{2,3}	33,000	-	-	-	-	-	33,000	-	-
C.J. Castles ^{2,3}	33,000	-	-	-	-	-	33,000	-	-
Executives									
I.R. Magee	211,009	55,000	-	18,991	-	5,932	290,932	20.9	2.0
R.M. Dodd ⁴	132,569	-	-	11,931	-	8,988	153,488	5.9	5.9
Total	915,724	235,000	-	73,775	-	46,470	1,270,969		

30 June 2010	Short-Term			Post Employment	Long-Term	Share-based Payments	Total	Performance Related	Share & Option Related
	Salary & Fees \$	Cash Bonus \$	Other \$	Superannuation \$	Incentive Plans \$	Shares \$	\$	%	%
Directors									
R.J. Nelson	75,229	-	-	6,771	-	-	82,000	-	-
A.D. Robinson	213,801	160,000	-	19,242	-	38,456	431,499	46.0	8.9
M.M. Kane ³	73,225	-	-	1,640	-	-	74,865	-	-
N.J. Griffin	60,550	-	-	5,450	-	-	66,000	-	-
Executives									
I.R. Magee	201,835	35,000	-	20,865	-	7,298	264,998	16.0	2.8
R.M. Dodd	265,138	107,800	-	30,162	-	11,058	414,158	28.7	2.7
Total	889,778	302,800	-	84,130	-	56,812	1,333,520		

1 Resigned during the year

2 Appointed during the year

3 Amounts are paid or payable to a director related entity

4 Transferred to a subsidiary entity December 2010

5 Paid by subsidiary

TABLE 2 - REMUNERATION OF DIRECTORS, KEY MANAGEMENT PERSONNEL AND EXECUTIVES FOR THE GROUP (includes only the post-merger portion for CAF personnel)

30 June 2011	Short-Term			Post Employment	Long-Term	Share-based Payments	Total	Performance Related	Share Related
Salary & Fees \$	Cash Bonus \$	Other \$	Superannuation \$	Incentive Plans \$	Shares \$	\$	%	%	
Directors									
R.J. Nelson	49,808	-	-	4,483	-	-	54,291	-	-
A.D. Robinson	200,207	150,000	-	18,019	-	16,581	384,807	43.3	4.3
G.D. Evans ⁶	426,779	-	17,035	15,200	-	500,000	959,014	52.1	52.1
M.M. Kane ¹³	2,273	-	-	-	-	-	2,273	-	-
N.J. Griffin	33,368	-	-	3,003	-	-	36,371	-	-
S.J. Murphy ³	70,500	-	-	-	-	-	70,500	-	-
C.J. Castles ³	61,000	-	-	-	-	-	61,000	-	-
R. Bennetts ^{4,5}	198,462	-	315,000	7,600	-	-	521,062	-	-
K. Butler ¹	22,670	-	-	-	-	-	22,670	-	-
G. Whimp ¹	284,000	-	-	-	-	-	284,000	-	-
Executives									
I.R. Magee	116,282	25,000	-	10,465	-	3,111	154,858	18.2	2.0
R.M. Dodd	146,111	50,000	-	13,150	-	4,714	213,975	25.6	2.2
Total	1,611,460	225,000	332,035	71,920	-	524,406	2,764,821		

30 June 2010	Short-Term			Post Employment	Long-Term	Share-based Payments	Total	Performance Related	Share & Option Related
Salary & Fees \$	Cash Bonus \$	Other \$	Superannuation \$	Incentive Plans \$	Shares \$	\$	%	%	
Directors									
S.J. Murphy ³	44,400	-	-	-	-	-	44,400	-	-
R. Bennetts	368,867	-	-	14,461	-	-	383,328	-	-
G.D. Evans	401,885	-	-	14,461	-	-	416,346	-	-
C.J. Castles ³	34,300	-	-	-	-	-	34,300	-	-
K. Butler	39,960	-	-	-	-	-	39,960	-	-
A. Mulligan ¹	8,100	-	-	-	-	-	8,100	-	-
B. Weinglass ¹	9,720	-	-	-	-	-	9,720	-	-
G. Whimp	17,100	-	-	-	-	-	17,100	-	-
Total	924,332	-	-	28,922	-	-	953,254		

¹ Resigned during the year

² Appointed during the year

³ Amounts are paid or payable to a director related entity

⁴ Amounts represent remuneration for the period recognised as Director/KMP.

⁵ Other represents payment on termination of employment

⁶ Other represents motor vehicle benefits

RENUMERATION REPORT (AUDITED) (CONTINUED)

SHORT TERM INCENTIVES

Objective

The objective of the STI program is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and such that the cost to the Group is reasonable in the circumstances.

Structure

Actual STI payments granted to each executive depend on the extent to which specific targets set at the beginning of the financial year are met. The targets consist of a number of key performance indicators (KPIs) covering financial and non-financial, corporate and individual measures of performance. Typically included are measures such as contribution to net profit after tax, customer service, risk management, product management, and leadership/team contribution. These measures were chosen as they represent the key drivers for the short term success of the business and provide a framework for delivering long term value.

On an annual basis, after consideration of performance against KPIs, the NRGC, in line with their responsibilities, determine the amount, if any, of the short term incentive to be paid to each executive. This process usually occurs within three months after the reporting date.

The aggregate of annual STI payments available for executives across the Group is subject to the approval of the NRGC. Payments made are delivered as a cash bonus in the following reporting period.

Awards

STI bonuses to KMP have been awarded in relation to the Financial Year 2011 by the Company and the Group. Details of those awards are as follows:

	Potential \$	Awarded \$	%	Forfeited \$
30 June 2011				
Company	245,000	235,000	95.9	10,000
Group	765,000	725,000*	94.8	40,000
30 June 2010				
Company	317,800	302,800	95.3	15,000
Group	-	-	-	-

**This includes a merger-related share based payment of \$500,000 to Grahame Evans paid prior to the Merger date.*

No amendments to STI bonus plans have been made since 30 June 2011.

LONG TERM INCENTIVES

Objective

The objective of the LTI plan is to reward executives in a manner that aligns remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives who are able to influence the generation of shareholder wealth and thus have an impact on the Group's performance against the relevant long term performance hurdle.

Structure

LTI grants to executives are delivered in the form of share options under the Centrepoint Alliance Employee Share Option Plan ('CAESOP') or in the form of an entitlement to acquire shares through the Centrepoint Alliance Employee Share Plan ('CAESP'). Under the rules of the Share Plan the acquisition of shares is funded via the provision of an interest free limited recourse loan (limited to the value of the shares at the time the loan is repaid), with the shares held in a Trust until the vesting conditions have been met and the loan is repaid. Both the options and the shares vest in tranches over a specified time period and may also have other performance hurdle requirements, typically related to shareholder return, as determined by the NRGC. During the year the company undertook a consolidation of its equity on a 1 for 7 basis and a capital return of 17.5cents per share both of which were applied to the existing awards.

RENUMERATION REPORT (AUDITED) (CONTINUED)

Awards

Prior to the merger with Centrepoint Alliance Limited, Professional Investment Holdings Ltd (PIH) had an employee share option plan (PIHESOP) that entitled eligible employees to purchase shares in PIH. No options under the PIHESOP were held by PIH executives during the year ended 30 June 2010 and the plan was cancelled on the 14th May 2010. Therefore the following detail (including comparatives) is for the legal entity (Centrepoint Alliance Limited) only.

Summary of all options and shares granted to KMP under the CAESOP and CAESP schemes

(i) Shares under CAESP

	2011		2010	
	No.	WAEP*	No.	WAEP*
Outstanding at beginning of period	5,245,000	\$0.22	1,000,000	\$0.30
Issued during period	-	-	3,804,000	\$0.20
Re-assigned during period	-	-	250,000	\$0.20
Purchased during period	-	-	191,000	\$0.20
Consolidation 1:7 November 2010	(4,495,714)	\$1.31	-	-
Capital Return December 2010	-	(0.17)	-	-
Outstanding at end of period	749,286	\$1.36	5,245,000	\$0.22

(ii) Options under CAESOP

Outstanding at beginning of period	6,000,000	\$1.25	6,000,000	\$1.25
Expired during the period	(6,000,000)	-	-	-
Outstanding at end of period	-	-	6,000,000	-

*WAEP is weighted average exercise price

The options, which were issued in FY 2009 to a former CAL managing director, were exercisable at a pre-consolidation price of \$1.25 per option, expired unexercised on 27 October 2010. The value of the options at grant date was \$316,000.

The shares awarded to a former CAL managing director under the CAESP in FY 2009 are fully vested. The share consolidation and return of capital have been applied and the award now stands at 142,857 shares at a price of \$1.93.

The CAESP shares, awarded to Messrs. Robinson, Magee and Dodd during FY 2010, are subject to vesting conditions in relation to continuation of employment. The share consolidation and return of capital have been applied and the total of the awards now stand at 606,429 shares at a price of \$1.22. As at reporting date 404,287 are fully vested. To date none of these shares have been purchased.

END OF REMUNERATION REPORT

Signed in accordance with a resolution of the directors



Tony Robinson
Managing Director
29 September 2011

Auditor's Independence Declaration to the Directors of Centrepoint Alliance Limited

In relation to our audit of the financial report of Centrepoint Alliance 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



P McIver
Partner
Perth
29 September 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$'000	2010 \$'000
CONTINUING OPERATIONS			
Revenue			
Advice and product margin revenue		184,869	212,200
Advice and product commissions paid		(141,609)	(163,664)
Advice and product margin revenue (net)		43,260	48,536
Interest revenue	6	9,075	2,396
Other revenue	7	5,983	8,412
		58,318	59,344
Expenses			
Borrowing expenses	8	4,718	3,609
Other general and administration expenses	9	65,881	52,181
Profit/(Loss) Before Tax		(12,281)	3,554
Income tax (expense)/credit	11	(844)	(2,239)
Net profit/(loss) from Continuing Operations after tax		(13,125)	1,315
OTHER COMPREHENSIVE INCOME			
Foreign currency translation		(587)	(738)
Change in fair value of investments		457	218
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(13,255)	795
Net (loss)/profit attributable to:			
Owners of the parent		(13,484)	175
Non-controlling interests		359	1,140
Net loss for the period		(13,125)	1,315
Total comprehensive (loss)/profit attributable to:			
Owners of the parent		(13,908)	(482)
Non-controlling interests		653	1,277
Total comprehensive loss for the period		(13,255)	795
(Loss)/Earnings per share for (loss)/profit attributable to the ordinary equity holders of the parent	13		
		Cents	Cents
Basic & Diluted (loss)/profit per share		(16.21)	0.25

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the attached notes included in pages 35 to 81

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Notes	2011 \$'000	2010 \$'000
ASSETS			
Current			
Cash and cash equivalents	26(a)	20,420	16,726
Trade and other receivables	14	26,184	29,310
Interest bearing receivables	15	88,562	3,629
Inventory	16	-	36,000
Other Assets	17	5,115	4,324
Total Current Assets		140,281	89,989
Non-Current			
Trade and other receivables	14	655	2,948
Interest bearing receivables	15	8,053	11,832
Other assets	17	1,810	1,832
Investments	18	1,425	2,831
Property, plant & equipment	19	2,546	2,406
Intangible assets & goodwill	20	6,332	9,087
Deferred tax assets	11(d)	9,801	9,224
Total Non-current Assets		30,622	40,160
TOTAL ASSETS		170,903	130,149
LIABILITIES			
Current			
Trade and other payables	21	43,414	43,712
Interest bearing liabilities	22	65,928	36,850
Provisions	23	9,191	7,169
Current tax liability		351	284
Total current liabilities		118,884	88,015
Non Current			
Trade and other payables	21	461	2,409
Interest bearing liabilities	22	1,114	4,771
Provision	23	8,332	3,799
Total non-current liabilities		9,907	10,979
TOTAL LIABILITIES		128,791	98,994
NET ASSETS		42,112	31,155
EQUITY			
Contributed equity	24	68,140	36,862
Reserves	25	(1,434)	(842)
Accumulated losses		(24,989)	(11,662)
Equity attributable to shareholders		41,717	24,358
Non-controlling interests		395	6,797
TOTAL EQUITY		42,112	31,155

The Consolidated Statement of Financial Position is to be read in conjunction with the attached notes included in pages 35 to 81.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$'000	2010 \$'000
Cash Flows From Operating Activities			
Cash receipts from customers		207,766	228,340
Cash paid to suppliers and employees		(197,777)	(213,082)
Cash (used in)/generated from operations		9,989	15,258
Claims and litigation settlements		(19,522)	(10,995)
Cash on sale of property inventory		36,500	-
Income tax (paid)/refunded		(653)	2,860
Net cash flows provided by operating activities	26(b)	26,314	7,123
Cash Flows from Investing Activities			
Interest received		2,850	2,148
Loans to advisers		(525)	(138)
Loans recognised on redesignation of subsidiaries to associates		(1,454)	-
Repayments from advisers		1,693	578
Proceeds from sale of investments		-	1,276
Proceeds from sale of property, plant and equipment		-	366
Cash acquired on acquisition	4	18,927	-
Cash disposed on redesignation of subsidiaries to associates		(3,006)	-
Acquisition of investments and intangible assets		-	(101)
Acquisition of property, plant & equipment		(390)	(668)
Net cash flows provided by investing activities		18,095	3,461
Cash Flows from Financing Activities			
Proceeds from issuance of share capital		4,120	22
Repayment of borrowings		(39,591)	(3,523)
Repayment from external borrowers		3,333	988
Interest and borrowing expenses paid		(4,874)	(3,082)
Return of capital		(3,873)	-
Net cash flows used in financing activities		(40,885)	(5,595)
Net increase in cash & cash equivalents		3,524	4,989
Cash & cash equivalents at the beginning of the year		16,726	11,676
Effect of exchange rate fluctuations on cash held		170	61
Cash & cash equivalents at the end of the financial year	26(a)	20,420	16,726

The Consolidated Statement of Financial Position is to be read in conjunction with the attached notes included in pages 35 to 81.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Ordinary shares \$'000	Reserves \$'000	Accum- ulated Losses \$'000	Total \$'000	Non- Controlling Interests \$'000	Total Equity \$'000
Balance at 1 July 2009		36,840	(240)	(11,816)	24,784	6,960	31,744
(Loss)/Profit for the period		-	-	175	175	1,140	1,315
Other comprehensive income							
Foreign currency translation differences		-	(695)	-	(695)	(43)	(738)
Net change in fair value of available for sale assets		-	37	-	37	181	218
Total comprehensive income for the year		-	(658)	175	(483)	1,278	795
Share-based payment	30	-	56	-	56	-	56
Dilution gains/(losses)		-	-	(21)	(21)	21	-
Issue of shares	24	22	-	-	22	-	22
Dividends paid	12	-	-	-	-	(1,462)	(1,462)
Balance at 30 June 2010		36,862	(842)	(11,662)	24,358	6,797	31,155
Balance at 1 July 2010		36,862	(842)	(11,662)	24,358	6,797	31,155
Profit for the period		-	-	(13,484)	(13,484)	359	(13,125)
Other comprehensive income							
Foreign currency translation differences		-	(387)	-	(387)	(200)	(587)
Net change in fair value of available for sale assets		-	(37)	-	(37)	494	457
Total comprehensive income for the year		-	(424)	(13,484)	(13,908)	653	(13,255)
Issue of share capital		750	-	-	750	-	750
Merger share issue	24	26,658	-	-	26,658	-	26,658
Share placement	24	3,870	-	-	3,870	-	3,870
Share based payment	30	-	28	-	28	-	28
Extinguishment of balance of share option reserve		-	(196)	196	-	-	-
Redesignation of subsidiaries to associates		-	-	-	-	(5,581)	(5,581)
Disposal or equity associate		-	-	-	-	306	306
Acquisition of additional non-controlling interest in subsidiary		-	-	(760)	(760)	-	(760)
Dilution gains/(losses)		-	-	721	721	(721)	-
Dividends paid	12	-	-	-	-	(1,059)	(1,059)
Balance at 30 June 2011		68,140	(1,434)	(24,989)	41,717	395	42,112

The Statement of Changes in Equity is to be read in conjunction with the attached notes included in pages 35 to 81.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1. CORPORATE INFORMATION

The financial report of Centrepoint Alliance Limited and its Controlled Entities (the Group) for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the directors on 29 September 2011.

Centrepoint Alliance Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian stock exchange.

The nature of the operations and principal activities of the Group are described in the Director's Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

General

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Account Standards Board. The financial report has also been prepared on a historical cost basis, except for available-for-sale assets and derivative financial assets held for trading that have been measured at fair value.

Reverse Acquisition Accounting

On 13 December 2010, Centrepoint Alliance Limited (CAF) acquired 100% of the issued capital of Professional Investment Holdings Ltd (PIH) and its subsidiaries. In accordance with AASB 3: *Business Combinations* this transaction has been treated as a reverse acquisition for accounting purposes whereby PIH has acquired CAF. PIH was recognised as the 'Accounting Acquirer' and as such this financial report is a continuation of PIH's financial statements and should be read in conjunction with the Annual Financial Report of Professional Investment Holdings Ltd as at 30 June 2010. Comparative information relates to the period 1 July 2009 to 30 June 2010 for the PIH Group.

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuation of normal business operations and the realisation of assets and settlement of liabilities in the normal course of business as and when they fall due.

The Group made a net loss after tax for the financial year of \$13,125,000. In the opinion of the directors and as noted in the directors' report, this was impacted by several large items, including losses from non-core operations, abnormally high client claims and merger-related costs and adjustments which are not expected to recur to the same extent in future periods with a net profit projected for financial year 2012.

In addition, at balance date the Group had net assets of \$42,112,000, net tangible assets of \$35,780,000 and its market capitalisation exceeded its net assets. The Group also holds \$20,420,000 in cash and cash equivalents at 30 June 2011 which is sufficient to meet its operational needs. The Group had a net increase in cash and cash equivalents for the financial year and is projecting a positive cash flow from operating activities in financial year 2012.

On 20 December 2010 the main operating entity of the Group, Professional Investment Services Pty Ltd (PIS), executed an Enforceable Undertaking (EU) with the Australian Investments and Securities Commission (ASIC). The EU, which commenced in late December 2010 and is scheduled to be completed in early 2012, will address the concerns raised by ASIC with regard to matters of compliance, documentation and systems within PIS. There is a risk that, if the EU is not successfully completed, ASIC may potentially suspend or even withdraw PIS's Australian Financial Services Licence which would mean that it would not be able to continue its operations. However management are confident that the EU is progressing satisfactorily and will be completed as required, which will not only satisfy ASIC's concerns but also strengthen and improve the business for the future.

The directors are of the view that each of the above assumptions can be achieved and accordingly the Group will be able to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Continuous Disclosure

It is also recommended that the financial report be considered together with any public announcements made by Centrepont Alliance Limited and its controlled entities during the year ended 30 June 2011 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

Rounding

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

Compliance with IFRS

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

New accounting standards and interpretations

Accounting Standards and Interpretations issued but not yet effective

Applicable Australian Accounting Standards and Interpretations, that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2011. The full impact of these standards has not yet been assessed.

Title	Application date of standard	Application date for Group
AASB 9 and AASB 2009-11: <i>AASB 9 Financial Instruments and Amendments to Australian Financial Instruments and Accounting Standards arising from AASB 9</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	1 January 2013	1 July 2013
AASB 124 (Revised): <i>Related Party Disclosures</i> (December 2009)	1 January 2011	1 July 2011
AASB 2009-12: <i>Amendments to Australian Accounting Standards</i> [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	1 January 2011	1 July 2011
AASB 1054: <i>Australian Additional Disclosures</i>	1 July 2011	1 July 2011
AASB 2010-4: <i>Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project</i> [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	1 January 2011	1 July 2011
AASB 2010-5: <i>Amendments to Australian Accounting Standards</i> [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	1 January 2011	1 July 2011
AASB 2010-6: <i>Amendments to Australian Accounting Standards - Disclosures on Transfers of Financial Assets</i> [AASB 1 & AASB 7]	1 July 2011	1 July 2011
AASB 2010-7: <i>Amendments to Australian Accounting Standards arising from AASB 9</i> (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]	1 January 2013	1 July 2013
AASB 2010-8: <i>Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets</i> [AASB 112]	1 January 2012	1 July 2012
AASB 10: <i>Consolidated Financial Statements</i>	1 January 2013	1 July 2013
AASB 12: <i>Disclosure of Interests in Other Entities</i>	1 January 2013	1 July 2013
AASB 2011-7: <i>Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangement Standards</i>	1 January 2013	1 July 2013
AASB 13: <i>Fair Value Measurement</i>	1 January 2013	1 July 2013
AASB 2011-8: <i>Amendments to Australian Accounting Standards arising from the Fair Value Measurement Standard</i>	1 January 2013	1 July 2013
AASB 2011-9: <i>Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income</i> [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	1 July 2012	1 July 2012
AASB 119 (Revised): <i>Employee Benefits</i>	1 January 2013	1 January 2013

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Changes in accounting policy and disclosures

(i) Changes to accounting policies

The following accounting policies have been adopted as a result of Professional Investment Holdings Ltd's (PIH) "reverse acquisition" of Centrepont Alliance Limited (CAL):

- Loan receivables – Insurance Premium Finance. Notes 2(h) and 15.
- Revenue recognition – in relation to the Insurance Premium Finance business. Notes 2(u) and 6.

The adoption of the new policies was required to recognise new categories of assets and revenue that were acquired in the "reverse acquisition" and have no impact on the recognition measurement and disclosure of any assets, liabilities or the statement of comprehensive income for the period except as disclosed in note 4.

The following accounting policies have been changed as a result of the "reverse acquisition":

- Share-based payment transactions. Notes 2(s) and 30.
- Income tax and other taxes – in relation to the tax consolidated group of Centrepont Alliance Limited. Notes 2(v) and 11.

The change to the above policies has had no impact on the recognition and measurement of any assets, liabilities or the statement of comprehensive income for the period. Disclosures have been updated to refer to CAL's employee share and option schemes and CAL's tax funding and sharing agreements.

(ii) New and amended Australian Accounting Standards and AASB interpretations

The Group has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2010:

- AASB 2009-5: *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 5, 8, 101, 107, 117, 118, 136 & 139] effective 1 January 2010.
- AASB 2009-8: *Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions* [AASB 2] effective 1 January 2010.
- AASB 2009-10: *Amendments to Australian Accounting Standards – Classification of Rights Issue* [AASB 132] effective 1 February 2010.
- AASB 2010-3: *Amendments to Australian Accounting Standards arising from the Annual Improvements Project* [AASB 3, AASB 7, AASB 121, AASB 128, AASB 131, AASB 132 & AASB 139] effective 1 July 2010.
- Interpretation 19: *Extinguishing Financial Liabilities with Equity Instruments* effective 1 July 2010.

The adoption of the new standards and interpretations has had no impact on the recognition, measurement and disclosure of any assets, liabilities or the statement of comprehensive income for the period.

The Group has not elected to early adopt any new standards or amendments that are issued but not yet effective.

(b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the legal parent entity, Centrepont Alliance Limited and its subsidiaries as at 30 June each year (the Group). Interests in associates are equity accounted and are not part of the consolidated Group.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity.

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

In preparing the consolidated financial statements, all inter-company balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. 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 Centrepont Alliance Limited has control.

Non-controlling interests not held by the Group are allocated their share of net profit after tax in the statement of comprehensive income and are presented within equity in the consolidated statement of financial position, separately from parent shareholders' equity.

(c) Significant accounting judgements, estimates and assumptions

(i) Significant accounting judgements

There were no significant judgements made by management in applying the Group's accounting policies.

(ii) Significant estimates and assumptions

The preparation of the financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expense. Actual results may differ from these estimates.

Accounting estimates with significant areas of uncertainty and critical judgements have been applied to the following;

- Business combinations - notes 2(d) and 4.
- Goodwill & intangible assets recoverable amounts - notes 2(n) and 20.
- Impairment of loan receivables - adviser loans - note 15.
- Provision for client claims - notes 2(r) and 23.
- Recognition of deferred tax assets - notes 2(v) and 11.
- Contingencies - note 32.

(d) Business combinations

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 acquiree 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.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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.

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

(e) Segment reporting

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the chief operating decision makers - being the executive management team.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of the products and services;
- Type or class of customer for the products and services;
- Methods used to distribute the products or provide the services; and if applicable
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 Operating Segments are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements.

Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for “other segments”.

(f) Foreign currency

Both the functional and presentation currency of Centrepoint Alliance Limited and its Australian subsidiaries is Australian dollars (A\$).

(i) Foreign currency transactions

Foreign currency items are translated to Australian currency on the following basis:

- Transactions are translated at exchange rates applicable at the date of each transaction;
- Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates applicable on the close of business at balance date; and
- Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction.

Exchange differences relating to monetary items are included in the statement of comprehensive income, as exchange gains or losses, in the period when the exchange rates change.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Australian dollars at annual average exchange rates.

Foreign currency differences are recognised in other comprehensive income. Since 1 July 2004, the Group’s date of transition to AIFRS, such differences have been recognised in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to profit or loss.

Foreign exchange gains and losses arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in the FCTR.

(g) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position are stated at nominal value and comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings as current liabilities on the statement of financial position.

(h) Loan receivables

Insurance Premium Finance

Loan receivables are comprised of finance provided to customers by way of insurance premium finance facilities. All insurance premiums receivable are for terms not exceeding twelve months.

Investment advisers

These are comprised of loans to advisers for terms varying from 1 to 5 years and attract interest at market rates. The majority of these loans are secured through charges over assets and/or by guarantees.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Others

These comprise loans to customers for onward investment in managed investment schemes. These loans are for terms varying from 1 and 10 years and attract interest between 10% and 13%. Security exists for these receivables in the form of a right to assume ownership of a defaulting investor's shares in the scheme and by the fact that the lending is funded to in excess of 70% by borrowings from the scheme managers.

All loan receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method.

Impairment of loan receivables

Impairment of a loan is recognised when there is objective evidence that not all the principal and interest can be collected in accordance with the terms of the loan agreement. Impairment is assessed by specific identification in relation to individual loans and by estimation of expected losses in relation to loan portfolios where specific identification is impracticable.

Bad debts are written off when identified. If a provision for impairment has been recognised in relation to a loan, write offs for bad debts are made against the provision. If no provision for impairment has previously been recognised, write offs for bad debts are recognised as expenses in the statement of comprehensive income.

(i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts.

Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt. The criterion for impairment is if the debt is 60 days overdue with no repayments or payment arrangement and/or the debtor is placed in administration or liquidation.

(j) Investments and other financial assets

All investments are initially recognised at cost, being the fair value of the consideration given and including acquisition charges associated with the investment.

After initial recognition, investments, which are classified as available for sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the statement of comprehensive income.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted market bid prices at the close of business on the balance date.

Financial assets are stated at cost where there is no quoted market price and the fair value cannot be reliably measured.

Financial assets excluding available for sale investments are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such indication exists, the asset's carrying amount is written down to the asset's estimated recoverable amount.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis and to realise the asset and settle the liability simultaneously.

(i) Recognition and derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Impairment

The Group assesses at each balance sheet date whether a financial asset or group of financial assets are impaired.

The Group considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together receivables with similar risk characteristics.

In assessing collective impairment the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by transferring the cumulative loss that has been recognised in other comprehensive income, and presented in the fair value reserve in equity, to profit or loss. The cumulative loss that is removed from other comprehensive income and recognised in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss previously recognised in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

(k) Inventory

Property development project

Property development projects are carried at the lower of cost and net realisable value. Property development projects include land and property at cost and development costs on those assets which have been or are in the process of being developed for sale. Cost includes the cost of acquisition and development, but excludes holding costs such as interest, rates and taxes. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and selling costs.

Property development projects which are not expected to be sold within 12 months are classified as non-current.

(l) Plant and equipment

Plant and equipment is carried at cost less accumulated depreciation and any impairment in value. The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. 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.

(i) Depreciation

Depreciation is calculated over the estimated useful life of the asset as follows:

Plant and equipment	2 - 7 years	Diminishing value
Leasehold improvements	3 - 7 years or lease term	Diminishing value
Motor vehicles	5 years	Diminishing value
Software	2.5 years	Straight line

(ii) De-recognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. 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 item) is included in the statement of comprehensive income in the period the item is derecognised.

(m) Impairment of non-financial assets other than goodwill

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the asset is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

(n) Goodwill and intangibles

(i) Goodwill

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable net assets, liabilities and contingent liabilities.

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

Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units which are expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in these circumstances is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for goodwill are not subsequently reversed.

(ii) Intangibles

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in an accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the statement of comprehensive income.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

The estimated useful lives in the current and comparative periods are as follows:

Software	2.5 years
Trademarks and advisor networks	10 – 15 years

(o) Trade and other payables

Liabilities for trade creditors and other amounts payable are carried at amortised cost which represents liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the economic entity.

Deferred cash settlements are recognised at the present value of the outstanding consideration payable on the acquisition of an asset discounted at prevailing commercial borrowing rates.

(p) Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being the fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Borrowing costs

Borrowing costs are recognised as an expense when incurred. They include interest on bank overdrafts, bills of exchange and other borrowings. The Group does not currently hold qualifying assets but, if it did, the borrowing costs directly associated with this asset would be capitalised (including any other associated costs directly attributable to the borrowing and temporary investment income earned on the borrowing).

(q) Leases

(i) Finance Leases

Finance leases, which transfer to the Group substantially all the risk and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are allocated between finance charges and reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

Assets acquired under finance leases are capitalized and amortised over the life of the relevant lease or, where ownership is likely to be obtained on expiration of the lease, over the expected useful life of the asset.

(ii) Operating Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease assets are not capitalised and rental payments are expensed on a straight line basis over the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Provisions and employee benefits

(i) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

A provision for claims is recognised when client claims received by advisers are notified to the Company or the Group expects to incur liabilities in the future as a result of past advice given. It is measured at the present value of the future costs that the Group expects to incur to settle the claims.

(ii) 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 and long service leave.

(a) Wages, salaries, annual leave and non-monetary benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave, and other benefits, due to be settled within 12 months of the reporting date are measured at the amounts due to be paid when the liability is settled.

(b) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(s) Share-based payment transactions

(i) Equity settled transactions:

The Group provides benefits to its employees, including key management personnel, in the form of share-based payments, whereby employees render services in exchange for rights over shares (equity-settled transactions).

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

- the Centrepoint Alliance Employee Share Option Plan, which provides benefits to employees by invitation from the Board.
- the Centrepoint Alliance Employee Share Plan, which provides benefits to employees by invitation from the Board.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a binomial model.

In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of Centrepoint Alliance Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions become fully entitled to the award (vesting date).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income is the product of:

- (i) the grant date fair value of the award;
- (ii) The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of non-market performance conditions being met; and
- (iii) The expired portion of the vesting period.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of the modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

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

Shares in the Group reacquired on market and held by the Employee Share Plan Trust are classified and disclosed as reserved shares and deducted from equity.

(ii) Reserved shares

The Group's own equity instruments, which are reacquired for later use in employee share-based payment arrangements (reserved shares), are deducted from equity. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(t) Issued capital

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction cost arising on the issue of ordinary shares is recognised, net of tax, directly in equity as a reduction of the share proceeds.

(u) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

(i) Financial advice and product margin revenue

Financial advice and product margin revenue is recorded at the time business is written as at this point all services have been provided to the customer.

(ii) Service revenue

Revenue for services provided is recognised at the point of delivery of the service to clients.

(iii) Ongoing revenue

Ongoing financial advice fee revenue is recorded monthly for ongoing services provided to clients.

(iv) Interest income - Insurance Premium Finance

Interest income from insurance premium funding and asset finance operations is brought to account using the effective interest rate method which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. Loan commission fees, commission costs and over-riding commission costs are amortised over the expected life of the loan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Document fees – Insurance Premium Finance

Fee income is recognised when services are rendered and the right to receive the payment is established.

(vi) Dividend and distribution income

Dividend and distribution revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting.

(v) Income tax and other taxes

(i) Income Tax

The income tax expense for the period represents the tax payable on the pre-tax accounting profit adjusted for changes in the deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit and loss.

(a) Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

(b) Deferred tax

Deferred income tax assets and liabilities are recognised for all deductible and taxable temporary differences at the tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at the balance sheet date.

Deferred income tax liabilities are recognised on all taxable temporary differences except:

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

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

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.

(c) Tax consolidation legislation

Centrepoint Alliance Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2007.

The head entity, Centrepoint Alliance Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the 'separate taxpayer within group' approach whereby the Company measures its current and deferred taxes as if it continued to be a separately taxable entity in its own right, with adjustments for its transactions that do not give rise to a tax consequence for the group or that have a different tax consequence at the level of the group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to its own current and deferred tax amounts, Centrepont Alliance Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the group. Details of the tax funding agreement are disclosed in note 11.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

(ii) Goods and Services Tax

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 Statement of Cash Flows 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.

(w) Earnings per share

Basic EPS is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference 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 of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share 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, and adjusted for any bonus element.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Risk exposures and responses

The Group's principal financial instruments comprise receivables, payables, bank and other loans, bank overdrafts, finance leases, available for sale investments, cash and short-term deposits.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are cash flow credit risk, interest rate risk, liquidity risk and foreign currency risk. The Group uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign currency risk and assessments of market forecasts for interest rate and foreign exchange. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk and liquidity risk is monitored through the development of regular short and long-term cash flow forecasts.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Primary responsibility for identification and control of financial risks rests with the Risk Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below.

(b) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, interest bearing receivables, trade and other receivables and available-for-sale financial assets. 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 assets (as outlined in each applicable note).

The Group's maximum exposure to credit risk for interest bearing receivables and trade receivables at the reporting date by geographic regions as follows.

	2011 \$'000	2010 \$'000
Australia	119,424	43,731
New Zealand	78	603
Singapore	3,729	2,928
Hong Kong	67	295
Malaysia	156	162
Total exposure	123,454	47,719

The Group has credit insurance cover for the majority of its insurance premium funding loan receivables but does not hold any credit derivatives to offset its other credit exposures.

The Group trades only with recognised, creditworthy third parties and the Group's majority cash balances are held with Australian authorised deposit-taking institutions with a S&P rating of 'A' or above.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, all receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is monitored and managed.

Outlined below are the requirements for collateral, credit quality and concentration levels for the various categories of receivables.

(i) Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the characteristic of each investment product provider. In excess of 50% of the Group's business partners have been transacting with the Group since inception and losses have occurred infrequently. The Group's trade and other receivables relate mainly to financial advice revenue and product margins earned as a financial dealer group and the majority is receivable from major financial institutions with S&P ratings of 'A' or above.

The Group does not require collateral in respect of trade and other receivables.

(ii) Loans receivable - insurance premium funding

Wherever possible, collateral is obtained on the insurance premium finance receivables in the form of cancellable insurance policies. In the majority of cases insurance policies can be cancelled or terminated in the event of loan default, and the Group is generally entitled to the proceeds from any returned premiums net of other costs.

A risk assessment process is used for new loan applications, which ranges from credit background checks to formal reviews by a credit committee and, where appropriate, the obtaining of guarantees from directors and/or related entities. Each new loan is assessed in terms of total exposure risk to the customer concerned and pre-determined limits are applied to ensure appropriate analysis and approval procedures are applied.

Concentration levels of loan assets are monitored continuously to ensure that there are no significant concentrations of credit risk within the Group. Loans are provided to a large number of customers who are generally not rated.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(iii) Loans receivable – investment advisers

Loans to advisers have terms ranging from 1 to 5 years. These loans are granted on a case by case basis and are advanced to assist in development of an adviser's business. Full credit submissions are prepared and reviewed and security is usually obtained in the form of charges over assets or guarantees.

In many cases repayments are deducted from monthly fee payments.

(iv) Loans receivable – other

Other loan receivables principally relate to finance provided to investors in two managed investment schemes and have terms ranging between 1 and 10 years. These receivables are closely managed and monitored.

Security exists for these receivables in the form of a right to assume ownership of a defaulting investor's shares in the scheme and by the fact that the lending is funded to in excess of 70% by borrowings from the scheme managers. These liabilities are not repayable in the event that borrowers default on loans to the company, hence a high and increasing proportion of the risk is passed on, with the portion funded by bank borrowings due to be fully repaid by December 2011.

(v) Ageing analysis

At balance date, the ageing analysis of receivables is as follows:

	Total	0-30 Days	31-60 Days	61-90 Days PDNI*	61-90 Days CI**	+91 days PDNI*	+91 days CI**
Trade receivables	24,310	23,612	241	457	-	-	-
Loan receivables - IPF	89,093	88,455	186	27	45	241	139
Loan receivables - Adviser	3,300	2,315	-	8	-	-	977
Loan receivables - Other	8,520	8,344	-	60	-	-	116

* Past due not impaired ('PDNI')

** Considered impaired ('CI')

Payment terms on PDNI amounts have not been re-negotiated however credit has been stopped until full payment is made. Each operating unit has been in direct contact with the relevant debtor and is satisfied that payment will be received in full.

Impairment analysis is included at note 15 and note 20.

(c) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations as disclosed in note 22. The Group adopts a policy to minimise exposure to interest rate risk by depositing excess funds in interest bearing accounts at a variable rate.

At balance date, the Group had the following mix of financial assets and liabilities exposed to interest rate risk:

	2011		2010	
	Fixed \$'000	Variable \$'000	Fixed \$'000	Variable \$'000
Financial Assets				
Cash	-	20,420	-	16,726
Loan receivables – insurance premium funding	84,795	-	-	-
Loan receivables – investment advisers	2,396	904	2,800	1,058
Loan receivables – other	8,270	250	11,603	-
Deposits	4,387	-	5,185	-
	99,848	21,574	19,588	17,784
Financial Liabilities				
Receivables finance facility – IPF	-	56,504	-	-
Loan facilities – managed investment schemes	5,912	3,696	6,066	6,554
Loan facility – development property project	-	-	-	29,000
Equipment hire and software finance	1	-	-	-
	5,913	60,200	6,066	35,554
Net exposure	93,935	(38,626)	13,522	(17,770)

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Group's objective is to minimise exposure to adverse risk and therefore continuously analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates. As demonstrated by the maturity analysis below, the majority of the Group's loan assets are short term. Furthermore the loans are at fixed interest rate and hence not subject to interest rate risk. Interest rate movements are monitored closely and movements in borrowing rates can be passed on quickly to new IPF borrowers with the result that a relatively small proportion of the book is at risk. A large proportion of the longer term fixed rate receivables are matched with finance on corresponding fixed rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the balance sheet date:

At balance date, if interest rates had moved, as illustrated in the table below, with all other variables held constant, consolidated post tax profit and equity would have been affected as follows:

Judgements of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
+1% (100 basis points)	173	-	173	-
-1% (100 basis points)	(173)	-	(173)	-

The movements in profit are due to higher/lower interest costs from variable rate debt and cash balances. The movement in other comprehensive income is the same because there are no cash flow hedges in use.

Significant assumptions used in the interest rate sensitivity analysis include:

- (a) Reasonably possible movements in interest rates were determined based on the Group's current credit rating and mix of debt, relationships with finance institutions
- (b) The level of debt that is expected to be renewed.
- (c) The net exposure at balance date is representative of what the Group is expecting to be exposed to in the next twelve months from balance date.

(d) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, subordinated debt, preference shares, finance leases and other committed available credit lines. The Group's unused facility limits are stated in note 22(b).

The Group's policy is to match debt with the nature and term of the underlying assets. At balance date over 90% of the Group's assets mature in less than 12 months and in excess of 85% of interest bearing receivables turn over every 3 to 4 months.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial liabilities. The respective undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial liabilities without fixed amount or timing are based on the conditions existing as at balance date.

Maturity analysis of financial assets and liability based on management's expectation:

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant, equipment and investments in working capital e.g. trade receivables. These assets are considered in the Group's overall liquidity risk. To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, the Group has established reporting requirements which monitor maturity profiles and anticipated cash flows from Group assets and liabilities.

The table following is based on the carrying values at the balance date and includes future interest receivable or payable.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

30 June 2011	≤6 months \$'000	6-12 months \$'000	1-5 years \$'000	Total \$'000
Financial assets				
Cash	20,579	-	-	20,579
Trade receivables	24,310	-	-	24,310
Loan receivables - insurance premium funding	51,544	33,251	-	84,795
Loan receivables - investment advisers	861	861	2,286	4,008
Loan receivables - other	1,684	1,683	8,053	11,420
Deposits	-	2,760	2,000	4,760
Investments	-	35	1,390	1,425
	98,978	38,590	13,729	151,297
Financial liabilities				
Trade and other payables	41,300	2,626	-	43,926
Receivables finance facility - IPF	34,347	23,831	-	58,178
Loan facilities - managed investment schemes	3,812	116	5,680	9,608
Equipment hire and software finance	159	158	613	930
	79,618	26,731	6,293	112,642
Net Maturity	19,360	11,859	7,436	38,655

30 June 2010	≤6 months \$'000	6-12 months \$'000	1-5 years \$'000	Total \$'000
Financial assets				
Cash	16,814	-	-	16,814
Trade receivables	28,530	-	-	28,530
Loan receivables - investment advisers	824	824	3,113	4,761
Loan receivables - other	2,247	2,247	11,823	16,317
Deposits	-	3,471	1,936	5,407
Investments available for sale	-	2,788	43	2,831
	48,415	9,330	16,915	74,660
Financial liabilities				
Trade and other payables	37,270	8,504	1,000	46,774
Loan facilities - managed investment schemes	2,001	1,213	9,406	12,620
Loan facility - development property project	-	29,000	-	29,000
Tax payable	-	284	-	284
	39,271	39,001	10,406	88,678
Net Maturity	9,144	(29,671)	6,509	(14,018)

The Group monitors forecasts of liquidity reserves on the basis of expected cash flow.

At balance date, the Group has available approximately \$39,119,000 (2010:\$Nil) of unused credit facilities available for immediate use.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(e) Foreign currency risk

The Group holds foreign currency denominated accounts to minimise foreign exchange risk. The foreign currency denominated balances are not significant and foreign exchange rates are monitored on a regular basis.

The Group's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

	NZD \$'000	SGD \$'000	HKD \$'000	MYR \$'000
30 June 2011				
Trade receivables	78	3,729	67	156
Trade payables	(78)	(4,353)	(73)	(187)
Net exposure	-	(624)	(6)	(31)

30 June 2010

Trade receivables	603	2,928	295	162
Trade payables	(658)	(3,001)	(281)	(237)
Net exposure	(55)	(73)	14	(75)

The following significant exchange rates applied during the year:

	Average Rate		Reporting date spot rate	
	2011	2010	2011	2010
NZD	0.7520	0.7800	0.7573	0.8114
SGD	0.7633	0.7800	0.7385	0.8114
HKD	0.1276	0.1433	0.1175	0.1484
MYR	0.3273	0.3341	0.3101	0.3589

A 10 percent strengthening of the Australian dollar against the above currencies at balance date would have varied the Group's profit or loss by an insignificant amount. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2010.

(f) Market and price risk

The Group's exposure to commodity and equity securities price risk is significant because a portion of the Group's net advice and investment products revenue is governed by the amount of funds under management or under advice, which is impacted by the market price of equities and other investment assets.

This risk is effectively a feature of the financial advice industry and cannot easily be managed. However, the increasing proportion of fee for service revenue and the ability of the Group to adjust resource inputs in relation to market movements decreases the level of risk.

Equity securities price risk is also in relation to the Group's available-for-sale investments. The level of investment in available-for-sale investments is determined by the Board. The price risk for both listed and unlisted securities is immaterial in terms of a possible impact on profit and loss or total equity and as such a sensitivity analysis has not been completed.

(g) Fair value

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 Group's financial instruments is assumed to be their carrying amounts except the available-for-sale investments which are valued at quoted market prices. Refer note 18.

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.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

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 interest rate swaps, forward commodity contracts and foreign exchange contracts not traded on a recognised exchange

There were no transfers between categories during the year.

4. BUSINESS COMBINATION

Merger of Centrepoint Alliance Limited with Professional Investment Holdings Ltd

On 13 December 2010, Centrepoint Alliance Limited (CAF) acquired 100% of the voting shares of Professional Investment Holdings Ltd (PIH), an unlisted public company based in Australia, which is a leading provider of financial planning advice and investment product solutions.

The consideration was \$84,300,726 in the form of an issue of equity instruments to the shareholders of PIH. The Company issued 70,250,605 ordinary shares with a value of \$1.20 each, based on the quoted price of the shares of CAF at the date of exchange and in accordance with the Merger Implementation Deed dated 25th August 2010.

In Accordance with AASB 3(B19) the transaction is considered to be a "reverse acquisition" and Professional Investment Holdings Ltd has been recognised as the "Accounting Acquirer" and the following is prepared in accordance with AASB 3(B19:B27)

The notional consideration transferred was \$26,658,794 calculated as follows:

CAF shares on issue prior to acquisition	No.	Fair Value	\$
Fully paid ordinary shares	22,132,713	1.20 ¹	26,559,255
Partly paid ordinary shares	428,572	0.23 ²	99,539
Net assets attributable to discontinued operations			26,658,794

1 The fair value of the fully paid shares is based on the quoted price of the shares of CAF at the date of exchange.

2 The fair value of the partly paid shares is based on the quoted price of the shares of CAF at the date of exchange and the percentage partly paid.

The fair values of the identifiable assets and liabilities of Centrepoint Alliance Limited as of the date of acquisition were:

	\$'000
Cash and cash equivalents	18,927
Interest bearing receivables	98,457
Current tax asset	349
Other assets	784
Plant and equipment	320
Investments	5,000
Deferred tax asset	320
	124,157
Trade and other payables	29,115
Interest bearing liabilities	69,088
Provisions	472
	98,675
Goodwill arising on acquisition (note 20)	1,176
Net assets acquired	26,658
Acquisition date fair value of consideration transferred:	
Shares issued (at fair value)	26,658

4. BUSINESS COMBINATION (CONTINUED)

The consolidated statement of comprehensive income for the year ended 30 June 2011 includes sales revenue of \$6,778,000 and net profit of \$9,000, as a result of the acquisition of Centrepoint Alliance Limited. Had the acquisition of Centrepoint Alliance Limited occurred at the beginning of the reporting period, the consolidated statement of comprehensive income would have included revenue of \$12,738,000 and a loss of \$351,000.

The consolidated statement of financial position includes the following significant assets and liabilities as a result of the acquisition of Centrepoint Alliance Limited:

(i) Intangible Assets and Goodwill

The reverse acquisition of CAF generated goodwill on acquisition of \$1,176,000 as detailed above. The key factor contributing to the goodwill is the synergy expected to be achieved as a result of combining the operations of Centrepoint Alliance Limited with PIH. None of the goodwill recognised is expected to be deductible for income tax purposes.

(ii) Loan receivables

Included in the business acquired was insurance premium funding loan receivables with a gross contractual value of \$99,140,000 and a fair value of \$98,457,000. Management expects the fair value amounts to be collected in full and converted to cash consistent with the standard terms of insurance premium funding loans, which require monthly payment of instalments over a period of 10 months.

(iii) Interest bearing liabilities

At acquisition the Company had a Multi Option Facility (including bank overdraft) and a Receivables Finance Facility of \$81,550,000 with the National Australia Bank Limited. These facilities were secured by a Registered Mortgage Debenture over all the assets and undertakings of Centrepoint Alliance Limited and its subsidiary Centrepoint Alliance Premium Funding Pty Ltd. In addition, amounts advanced under the Receivables Finance Facility are secured by the partial assignment to the National Australia Bank of loan contract receivables.

At acquisition date CAF had utilised \$68,407,000 of the facility.

5. SEGMENT INFORMATION

The Group has identified 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 manner in which the product is sold, whether retail or wholesale, and the nature of the services provided, the identity of service line manager 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 products produced and sold and/or the services provided or the country of origin, as these are the sources of the Group's major risks and have the most effect on the rates of return.

Based on these criteria, the Group has identified four reporting segments as follows:

- Provision of Financial Advice & Investment Products – Australian operations (AUST)
- Provision of Financial Advice & Investment Products – International operations (INTL)
- Insurance Premium Funding
- Other (this included the Group's investment in the Brandsmart Riverbank Centre)

5. SEGMENT INFORMATION (CONTINUED)

The following table presents revenue and profit information for reportable segments for the years ended 30 June 2011 and 30 June 2010.

30 June 2011	Advice & Products AUST \$'000	Advice & Products INTL \$'000	Insurance Premium Funding \$'000	Corporate & Other \$'000	Total \$'000
Advice and product margin revenue (net)	39,603	3,657	-	-	43,260
Interest income	597	2	6,307	2,169	9,075
Other revenue	3,808	123	-	2,052	5,983
Total net revenue	44,008	3,782	6,307	4,221	58,318
Borrowing expenses	(479)	(26)	(2,585)	(1,628)	(4,718)
Depreciation & amortisation	(1,377)	(261)	(45)	(2)	(1,685)
Impairment expense	(1,797)	(1,288)	(147)	(607)	(3,839)
Client claims	(11,766)	(149)	-	(21)	(11,936)
Income tax expense	(806)	(17)	(21)	-	(844)
Net profit/(loss) after tax	(9,090)	(3,197)	415	(1,253)	(13,125)

Total assets	49,595	7,890	88,178	25,240	170,903
---------------------	---------------	--------------	---------------	---------------	----------------

Non-current assets

Investment in associates	1,050	-	-	340	1,390
Property, plant and equipment	1,840	446	174	86	2,546
Goodwill and intangibles	3,789	1,367	1,176	-	6,332
Other	7,746	-	21	12,587	20,354

Total liabilities	(38,945)	(4,776)	(74,149)	(10,921)	(128,791)
--------------------------	-----------------	----------------	-----------------	-----------------	------------------

30 June 2011	Advice & Products AUST \$'000	Advice & Products INTL \$'000	Insurance Premium Funding \$'000	Corporate & Other \$'000	Total \$'000
Advice and product margin revenue (net)	41,866	4,920	-	1,750	48,536
Interest income	268	4	-	2,124	2,396
Other revenue	4,943	183	-	3,286	8,412
Total net revenue	47,077	5,107	-	7,160	59,344
Borrowing expenses	(724)	(51)	-	(2,834)	(3,609)
Depreciation & amortisation	(1,312)	(332)	-	(2)	(1,646)
Impairment reversal	-	-	-	3,703	3,703
Client claims	(5,537)	-	-	-	(5,537)
Income tax expense	(2,356)	(9)	-	126	(2,239)
Net profit/(loss) after tax	349	(3,054)	-	4,020	1,315

Total assets	66,596	10,757	-	52,796	130,149
---------------------	---------------	---------------	----------	---------------	----------------

Non-current assets

Investment in associates	43	-	-	-	43
Property, plant and equipment	1,619	776	-	11	2,406
Goodwill and intangibles	7,471	1,614	-	2	9,087
Other	14,745	2,178	-	11,701	28,624

Total liabilities	(50,979)	(4,434)	-	(43,581)	(98,994)
--------------------------	-----------------	----------------	----------	-----------------	-----------------

6. INTEREST REVENUE

	2011 \$'000	2010 \$'000
Interest income - Insurance premium funding*	6,307	-
Interest Income - Other	2,768	2,396
Total	9,075	2,396

*NOTE: In accordance with Accounting Standard AASB 139 Financial Instruments: Recognition and Measurement, the Company was required to adopt the effective interest rate method of disclosure, which means that commission expenses of \$3,240,000 (2010: \$Nil) on financing activities has been netted off against (i.e. deducted from) interest and fee income.

Rates of Interest

	Average Balance		Interest		Average Rate p.a.	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 %	2010 %
Loan receivables - Insurance Premium Funding (net)	61,033	-	6,307	-	10.33	-
Loan receivables - Investment advisers	3,921	4,185	349	370	8.90	8.84
Loan receivables - Other	9,876	13,569	1,193	1,488	12.08	10.97
Cash and deposits	26,387	17,081	1,226	538	4.65	3.15

7. OTHER REVENUE

	2011 \$'000	2010 \$'000
Retail and wholesale asset fees	2,062	2,362
Wholesale client and service fees	1,313	1,076
Rent received	1,275	3,187
Recoveries	1,228	1,340
Gain on sale of investments	6	362
Other	99	85
Total Other Revenue	5,983	8,412

8. BORROWING EXPENSES

	2011 \$'000	2010 \$'000
Interest expense	3,288	1,943
Bank fees & other	1,430	1,666
Total Borrowing Expenses	4,718	3,609

Rates of Interest

	Average Balance		Interest		Average Rate p.a.	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 %	2010 %
Interest expense	47,039	44,318	3,288	1,943	6.99	4.38

9. OTHER GENERAL AND ADMINISTRATION EXPENSES

	2011 \$'000	2010 \$'000
Audit fees	436	613
Client claims	11,936	5,537
Communication expenses	653	569
Computer expenses	986	629
Conference expenses	916	998
Depreciation and amortisation	1,685	1,646
Directors fees and expenses	472	380
Employee benefit expenses*	23,471	23,645
Entertainment	224	219
Foreign exchange gain/(loss)	160	(128)
Impairment of intangibles	3,085	-
Impairment of receivables	1,260	288
Impairment reversal of inventory	(506)	(3,991)
Insurance	3,697	4,360
Licensing, subscriptions and registrations	493	940
Marketing and promotion	1,158	960
Management fees	1,283	-
Other expenses	1,285	2,000
Printing, stationery and postage	571	591
Professional consulting fees	6,522	5,367
Property costs	5,121	6,324
Travel and accommodation	973	1,178
Total	65,881	52,181

*Employee benefit costs

Wages and salaries	18,128	19,292
Other associated personnel expenses	4,633	4,121
Share based compensation expense	528	56
Increase in liability for employee leave	182	176
Total	23,471	23,645

10. REMUNERATION OF AUDITORS

The primary auditor of Centrepoint Alliance Limited for the year ended 30 June 2011 was Ernst & Young, and for the year ended 30 June 2010 the primary auditor of the PIH Group was KPMG.

Remuneration received, or due and receivable:

	Total for Year	Expensed Pre Merger	Income Statement	
	2011 \$	2011 \$	2011 \$	2010 \$
Ernst & Young (Australia):				
Audit fees	369,750	(82,640)	287,110	-
Taxation services	54,925	(12,881)	42,044	-
Regulatory compliance - Enforceable Undertaking	530,000	-	530,000	-
Merger transaction advice	150,289	(150,289)	-	-
Merger due diligence services	101,284	(101,284)	-	-
Merger tax consolidation advice	31,390	(8,856)	22,534	-
Total remuneration	1,237,638	(355,950)	881,688	-
KPMG (Australia):				
Audit fees	21,000	-	21,000	417,335
Other Auditors:				
Audit fees	127,122	-	127,122	195,952
Total Remuneration	1,385,760	(355,950)	1,029,810	613,287

11. INCOME TAX

(a) Income tax expense

The major components of the income tax expense are:

	2011 \$'000	2010 \$'000
Income Statement		
<i>Current income tax</i>		
Current income tax charge	1,168	439
Adjustment to current tax of prior period	(68)	-
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	(256)	1,800
Income tax expense reported in the income statement	844	2,239

(b) Amounts charged or credited directly to equity

No income tax amounts were charged or credited directly to equity for the year ending 2011 (2010: \$Nil)

11. INCOME TAX (CONTINUED)

(c) Numerical reconciliation between aggregate tax expense recognised in the income statement and tax expense calculated per the statutory income tax rate

The difference between income tax expense provided in the financial statements and the prima facie income tax expense/(benefit) is reconciled as follows:

	2011 \$'000	2010 \$'000
Accounting profit/(loss) before tax from continuing operations	(12,281)	3,554
At the Parent Entity's statutory income tax rate of 30% (2010: 30%)	(3,684)	1,066
Non-deductible expenses	21	122
Effect of tax losses not taken to account	4,575	1,090
Reversal of temporary differences not previously recognised	(1)	(591)
Other items	1	552
Adjustments in respect of prior years	(68)	-
Aggregate income tax expense	844	2,239

(d) Recognised deferred tax assets and liabilities

Deferred income tax at 30 June relates to the following:

	Balance Sheet		Income Statement	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<i>Deferred tax liabilities</i>				
Other investments	(8)	(8)	-	415
Prepayments	(467)	-	(467)	-
Gross deferred tax liabilities	(475)	(8)	(467)	415
<i>Deferred tax assets</i>				
Provisions for claims	3,813	1,610	2,203	(1,092)
Provision for impairment of loan receivables	206	-	206	-
Provision for doubtful debts	-	133	(133)	-
Deferred fee income	45	-	45	-
Other investments	62	301	(239)	300
General accruals	409	168	240	134
Employee benefits	894	910	(16)	394
Merger transaction costs	583	-	583	-
DTA acquired on business combination	-	-	(320)	-
Carried forward revenue losses	4,264	6,110	(1,846)	(1,951)
Gross deferred tax assets	10,276	9,232	723	(2,215)
Net deferred tax assets	9,801	9,224		
Movement in deferred tax assets/liabilities			256	(1,800)

Deferred income tax (expense)/benefit is attributable to:

Continuing operations	256	(1,800)
-----------------------	------------	----------------

11. INCOME TAX (CONTINUED)

(e) Tax losses

The Group has the following Australian tax losses for which no deferred tax assets are recognised at balance date.

	2011 \$'000	2010 \$'000
Revenue losses	28,773	6,587
Capital losses	29,223	-
Total unrecognised	57,996	6,587

The above losses are available indefinitely for offset against future gains subject to continuing to meet relevant statutory tests.

(f) Unrecognised temporary differences

At 30 June 2011, there are no unrecognised temporary differences associated with the Group's investments in subsidiaries or associates, as the Group has no liability for additional taxation should unremitted earnings be remitted (2010: \$Nil).

(g) Tax consolidation

(i) Members of the tax consolidated group and the tax sharing arrangement

Centrepoint Alliance Limited and its 100% owned Australian resident subsidiaries formed a tax consolidated group with effect from 1 July 2007. Centrepoint Alliance Limited is the head entity of the tax consolidated group. Members of The Group have entered into a tax sharing agreement that provides for the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

(ii) Tax effect accounting by members of the tax consolidated group

(a) Measurement method adopted under AASB interpretation 1052 Tax Consolidation Accounting

The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the 'separate taxpayer within group' approach whereby the Company measures its current and deferred taxes as if it continued to be a separately taxable entity in its own right, with adjustments for its transactions that do not give rise to a tax consequence for the group or that have a different tax consequence at the level of the group. The current and deferred tax amounts are measured by reference to the carrying amount of assets and liabilities in the statement of financial position and their tax bases applying under the tax consolidation, this approach being consistent with the broad principles in AASB 112 Income Taxes. The nature of the tax funding agreement is discussed further below.

In addition to its own current and deferred tax amounts, the head entity also recognises current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

(b) Nature of the tax funding agreement

Members of the tax consolidated group have entered into a tax funding agreement. Under the funding agreement the funding of tax within the Group is based on taxable profit. The tax funding agreement requires payments to/from the head entity to be recognised via an inter-entity receivable (payable) which is at call.

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments. These amounts are payable at call.

(h) Taxation of financial arrangements (TOFA)

Legislation is in place which changes the tax treatment of financial arrangements including the tax treatment of hedging transactions. The Group has assessed the potential impact of these changes on the Group's tax position. No impact has been recognised and no adjustments have been made to the deferred tax and income tax balances at 30 June 2011 (2010: \$Nil).

12. DIVIDENDS

Dividends payable are recognised when declared by the company.

(a) Dividends paid or payable:

The following fully franked dividends were provided for or paid during the year:

	2011 \$'000	2010 \$'000
Dividends paid on ordinary shares	-	-
Dividends paid to non-controlling interests in:		
De Run Securities Pty Ltd	22	-
Ventura Investment Management Limited	-	678
Australian Loan Company Limited	-	112
Associated Advisory Practices Limited	946	611
Associated Advisory Practices (No 2) Ltd	91	61
Total dividends paid or payable	1,059	1,462

(b) 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%)	28,971	21,302
Franking (debits) credits that will arise from the receipt/payment of income tax payable as at the end of the financial year	-	-
Franking credits/(debits) that will arise from the payment of dividends paid /(provided for)	-	-
	28,971	21,302

The tax rate at which paid dividends were franked is 30%. Franking credits are reported on a tax paid basis.

13. (LOSS)/EARNINGS PER SHARE

The following reflects the income used in the basic and diluted loss per share computations:

(a) (Losses)/Profit used in calculating (loss)/profit per share

	2011 \$'000	2010 \$'000
Net (loss)/profit attributable to ordinary equity holders of the parent	(13,484)	175

(b) Weighted average number of shares

	No. of Shares	No. of Shares
Weighted average number of ordinary shares (excluding reserved shares)	83,203,884	69,620,112
Effect of dilution:		
Partly paid shares	12,528	-
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	83,216,412	69,620,112

13. (LOSS)/EARNINGS PER SHARE (CONTINUED)

On 16 August 2011 the Company issued 4,457,583 fully paid ordinary shares to acquire 83% of the issued shares of Ventura Investment Management Limited. There have been no other transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

(c) Information on the classification of securities

(i) Options

There was no impact from share options on the earnings per share calculations. The 6,000,000 options on issue at the beginning of FY 2011 expired and were forfeited on 27 November 2010, prior to the Merger.

(ii) Reserved shares (Centrepont Alliance Employee Share Plan)

For the entire financial year 4,995,000 shares were held by the Centrepont Alliance Employee Share Plan Trust on behalf of employees under the rules of the Plan. All shares held by the Trust are excluded from the calculations of earnings per share because they are treated as reserved shares under AASB 132 Financial Instruments: Presentation.

(iii) Partly Paid Shares

In calculating both the basic and diluted earnings per share the appropriate proportion, as determined by the percentage paid, of the 428,572 partly paid shares were included in determining weighted average shares.

14. TRADE AND OTHER RECEIVABLES

	2011 \$'000	2010 \$'000
Current		
Trade receivables	24,310	28,530
Claims recoveries	56	780
Other	1,818	-
Total	26,184	29,310
Non-current		
Claims recoveries	655	1,242
Other	-	1,706
Total	655	2,948

Ageing analysis is addressed in note 3.

15. INTEREST BEARING RECEIVABLES

	2011 \$'000	2010 \$'000
Current		
Loan receivables - Insurance premium funding	84,795	-
Loan receivables - Investment advisers	1,430	1,307
Loan receivables - Other	2,337	2,322
Total	88,562	3,629
Non-current		
Loan receivables - Investment advisers	1,870	2,551
Loan receivables - Other	6,183	9,281
Total	8,053	11,832

15. INTEREST BEARING RECEIVABLES (CONTINUED)

(a) Terms and conditions

- Insurance Premium Funding loans have an average term of 10 months but can extend to 12 months. Repayments are made monthly in advance in accordance with the terms of the loan contract.
- Loans due from investment advisers have terms ranging from 1 to 5 years and varying interest terms at or above commercial rates. The majority of these loans are secured through charges over assets and/or by guarantees.
- The majority of the other loan receivables relate to managed investment schemes with terms between 1 and 10 years and interest rates ranging between 10% and 13%. Security exists for these receivables in the form of a right to assume ownership of a defaulting investor's shares in the scheme and by the fact that the lending is funded to in excess of 70% by borrowings from the scheme managers.

(b) Impairment of loan receivables

Receivables are carried at amortised cost less allowance for impairment. Where a loan is believed to be impaired a provision may be made. An allowance for impairment loss is recognised when there is objective evidence that an individual loan or advance is impaired.

During the period since the merger an impairment expense relating to insurance premium funding loans of \$168,000 was written off to expenses. Loan impairments of \$997,000 against adviser loans and \$116,000 against other loan receivables were made and incurred during the financial year. These amounts have been included in the other general and administration expenses under impairment of receivables.

(i) Allowance for Impairment

	2011 \$'000	2010 \$'000
Opening Balance	203	-
<i>Movement in the allowance is as follows:</i>		
Allowance acquired on business combination	716	-
Allowance for impairment	1,281	203
Bad debts written off (gross)	(196)	-
Closing Balance	2,004	203

(ii) Bad and doubtful expense

Impairment expense	1,281	203
Bad debts written off directly	-	85
Amounts recovered against debts previously written off	(21)	-
Total expense	1,260	288

All interest bearing receivables are reviewed and graded according to the anticipated level of credit risk. The classification adopted is described below.

(iii) Non-Accrual Loans

Total of loan receivables with allowance	3,015	203
Specific allowance for impairment	(1,905)	(203)
Non-accrual loans included in Loan receivables (net)	1,110	-
Interest foregone on non-accrual loans	17	31

"Non-accrual loans" are loan receivables where the debt has been written down to recoverable value. Once classified as a non-accrual loan, interest accruing on insurance premium funding loans is not brought to account as income unless actually received.

Ageing analysis of loans is included in note 3.

(c) Related party receivables

Other loan receivables (current) include a loan to a director, which is disclosed in note 28.

There are no other related party receivables designated as interest bearing receivables.

15. INTEREST BEARING RECEIVABLES (CONTINUED)

(d) Fair value and credit risk

The carrying value of interest bearing receivables is assumed to approximate their fair value.

Credit risk, interest rate risk and currency risk is addressed in note 3.

16. INVENTORY

	2011 \$'000	2010 \$'000
Brandsmart Riverbank property development project (at net realisable value)	-	36,000

The Group disposed of the Riverbank property on 13 December 2010 for a consideration of \$36,500,000. The carrying value of the property at sale was \$36,000,000 and recognised reversal of impairment of \$506,000 was recorded in FY 2011.

The majority of the consideration was applied to repay the entire debt associated with this property.

17. OTHER ASSETS

	2011 \$'000	2010 \$'000
Current		
Short term deposits	2,577	3,353
Prepayments	2,538	971
Total	5,115	4,324
Non-current		
Deposits	1,810	1,832
Total	1,810	1,832

18. INVESTMENTS

	2011 \$'000	2010 \$'000
Investments available for sale	35	2,788
Investments in associates	1,390	43
	1,425	2,831

An impairment loss of \$Nil was recognised by the Group during the year ended 30 June 2011 (2010: \$108,120) on investments available for sale due to a significant and/or sustained reduction in value.

Investments in associates

The Group accounts for investments in associates using the equity method.

With effect from 1 July 2010, investments in Ventura Investment Management Limited and Australian Loan Company Limited were redesignated, from investments in controlled entities to investments in associates, and were equity accounted.

The Group has not recognised losses incurred by RMS Software during the year since the Group has no obligation in respect of these losses.

18. INVESTMENTS (CONTINUED)

(i) The Group holds investments in the following associates:

	Principal activities	Country	Reporting Date	Ownership	
				2011	2010
RMS Software (RMS)	Financial Services Software	New Zealand	31-Mar	25%	25%
Ventura Investment Management Limited (VIML)	MIS Responsible Entity	Australia	30-Jun	17.01%	17.01%
Australian Loan Company Ltd (ALCo)	Mortgage aggregator	Australia	30-Jun	50%	44.47%
Ginger Group Financial Services Ltd (GGFS)	Financial Services Software	New Zealand-	31-Mar	14.28%	-

(ii) The financial performance and financial position are summarised as follows:

	Revenues (100%)	Profit/(loss) (100%)	Share of associate's net profit/(loss) recognised	Total Assets (100%)	Total Liabilities (100%)	Share of associate's net assets equity accounted
2011						
RMS	168	(18)	-	19	(119)	23
VIML	3,427	531	90	6,648	(330)	1,027
ALCo	10,242	53	33	1,400	(1,394)	340
GGFS	2,052	(133)	(25)	524	(521)	-
	15,889	433	98	8,591	(2,364)	1,390
2010						
RMS	127	(1)	-	39	(64)	43
	127	(1)	-	39	(64)	43

19. PROPERTY, PLANT AND EQUIPMENT

(a) Balances at year end

	2011 \$'000	2010 \$'000
Leasehold Improvements		
Cost	1,520	1,831
Less: Accumulated depreciation	(978)	(946)
Carrying value	542	885
Plant, Office Equipment & Software		
Cost	6,215	4,838
Less: Accumulated depreciation	(4,211)	(3,317)
Carrying value	2,004	1,521
Total Property, Plant & Equipment (at carrying value)	2,546	2,406

19. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(b) Movements during the period

	Opening WDV \$'000	Additions \$'000	Disposals \$'000	Depreciation \$'000	Forex Movement \$'000	Closing WDV \$'000
30 June 2011						
Leasehold Improvements	885	93	(117)	(251)	(68)	542
Plant, equipment & software	1,521	2,093*	(557)	(1,030)*	(23)	2,004
Total Assets	2,406	2,186*	(674)	(1,281)	(91)	2,546

30 June 2010

Leasehold Improvements	1,056	157	(54)	(232)	(42)	885
Plant, equipment & software	1,746	460	(140)	(582)	37	1,521
Total Assets	2,802	617	(194)	(814)	(5)	2,406

* Includes assets acquired on acquisition

20. INTANGIBLE ASSETS AND GOODWILL

(a) Reconciliation of carrying amounts at the beginning and end of the period

	Goodwill \$'000	Software \$'000	Network & Client Lists \$'000	Total \$'000
Year Ended 30 June 2011				
At 1 July 2010 net of accumulated amortisation and impairment	2,783	17	6,087	9,087
Additions	-	45	213	258
Business combination	1,176	-	-	1,176
Disposal	-	(1)	(116)	(117)
Impairment	(1,770)	-	(1,315)	(3,085)
Amortisation	-	(188)	(714)	(902)
Effective movements in foreign exchange	(75)	(1)	(9)	(85)
At 30 June 2011 net of accumulated amortisation and impairment	2,114	72	4,146	6,332
At 30 June 2011				
Cost	5,545	1,898	7,575	15,018
Accumulated amortisation and impairment	(3,431)	(1,826)	(3,429)	(8,686)
Net carrying value	2,114	72	4,146	6,332
Year Ended 30 June 2010				
At 1 July 2009 net of accumulated amortisation and impairment	4,013	626	8,030	12,669
Additions	-	101	-	101
Disposal	(1,217)	(153)	(1,466)	(2,836)
Amortisation	-	(354)	(478)	(832)
Effective movements in foreign exchange	(13)	(3)	1	(15)
At 30 June 2010 net of accumulated amortisation and impairment	2,783	217	6,087	9,087
At 30 June 2010				
Cost	4,541	1,878	7,375	13,794
Accumulated amortisation and impairment	(1,758)	(1,661)	(1,288)	(4,707)
Net carrying value	2,783	217	6,087	9,087

20. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)

b) Description of the Group's intangible assets and goodwill

(i) Goodwill

Goodwill of \$1,176,000 was created as a result of the reverse acquisition of Centrepoint Alliance Limited by PIH; it represents goodwill on the insurance premium funding business.

At balance date there is also goodwill at a carrying value of \$938,000 on the earlier acquisition by the PIH Group of an interest in the De Run financial services business. This investment was sold after balance date for a consideration which supported the goodwill value.

Goodwill on other investments has been fully impaired at 30 June 2011.

(ii) Adviser networks and client lists

Intangible assets in the form of adviser network businesses and adviser client lists acquired by the PIH Group to expand its adviser network; these had a total carrying value at 30 June 2011 of \$4,146,000.

(iii) Business software

The PIH Group has developed specialist software tools for its adviser network, which are being amortised over their expected useful lives.

(c) Impairment tests for goodwill and intangibles

(i) Insurance Premium Funding - CGU

The goodwill relating to the premium funding business arose in the current year and is not considered impaired.

(ii) Advice and Products - CGU

The recoverable amounts of goodwill and adviser networks and client lists are regularly tested for impairment.

Recoverable amounts are based on value in use which is calculated using cash flow projections of the applicable cash generating units. Cash flow projections for five years and terminal values were prepared from current budgets and then discounted to calculate value in use using the following assumptions:

- Growth rate for adviser network 2% (2010: 3%)
- Growth rate for client lists 3% (2010: 3%)
- Pre-tax risk-adjusted discount rate for cash flows 20% (2010: 20%)
- Pre-tax risk-adjusted discount rate for terminal values 17% (2010: 19%)
- Cost of equity 8.5% (2010: 8.5%)

The testing resulted in impairment losses of \$3,085,000 (2010: \$Nil) due to reduced net advice and product revenue as a consequence of the current economic environment.

A sensitivity analysis indicated that a decrease in the assumed growth rates of 1% would have resulted in a further impairment expense of \$156,000.

21. TRADE AND OTHER PAYABLES

	2011 \$'000	2010 \$'000
Current		
Current trade payables	37,803	25,582
Client claims payable	1,988	15,802
Other creditors and accrued expenses	3,623	2,328
	43,414	43,712
Non-current		
Client claims payable	461	2,409

21. TRADE AND OTHER PAYABLES (CONTINUED)

(a) Terms and conditions

The trade and other payables are non interest-bearing. The trade payables relate principally to commissions payable to advisers and insurance premiums and commissions payable to insurance brokers.

Client claims payable are amounts payable under settlement agreements and are payable in accordance with the terms of those agreements.

Other creditors and accrued expenses relate mainly to accrued operating expenses and are normally payable within 60 days.

(b) Fair value

Due to the short term nature of the current trade and other payables, their carrying value is assumed to approximate their fair value.

(c) Financial guarantees

No guarantees have been given over trade and other payables.

(d) Related party payables

For terms and conditions relating to related party payables refer to note 28.

(e) Interest rate, foreign exchange and liquidity risk

Information regarding interest rate, foreign exchange and liquidity risk exposure is set out in note 3.

22. INTEREST BEARING LIABILITIES

	2011 \$'000	2010 \$'000
Current		
Receivables finance liability- insurance premium funding	56,504	-
Loan liabilities - loans for managed investment schemes	9,107	7,850
Loan liability - development property inventory	-	29,000
Equipment hire and software finance liabilities	317	-
Total	65,928	36,850
Non-current		
Loan liabilities - loans for managed investment schemes	501	4,771
Equipment hire and software finance liabilities	613	-
Total	1,114	4,771

(a) Fair value of interest bearing liabilities

Interest bearing liabilities are carried at amortised cost. The carrying value of borrowings approximates their fair value.

(b) Financial risk

Interest rate risk and liquidity risk is addressed in note 3. There is no exchange rate risk as the interest bearing liabilities are documented and payable in Australian dollars.

(c) Finance facilities

The Company has the following bank finance facilities available:

- A multi option facility, including an insurance premium funding receivables finance facility with the National Australia Bank Limited (NAB). This facility is secured by a registered mortgage debenture over all the assets and undertakings of Centrepoint Alliance Limited and its subsidiary Centrepoint Alliance Premium Funding Pty Ltd. In addition, amounts advanced under the receivables finance facility are secured by the partial assignment to the National Australia Bank of loan contract receivables.
- A bank facility to fund managed investment schemes in the form of a Class 'A' Note with the Adelaide Bank (ABL).
- A commercial bill facility and an equipment finance facility with the Westpac Bank Corporation (WBC).

22. INTEREST BEARING LIABILITIES (CONTINUED)

The Group's finance facilities and their usage as at balance date was as follows:

	Accessible \$'000	Used \$'000	Unused \$'000
30 June 2011			
NAB multi-option facility	95,550	56,482	39,068
ABL class 'A' Note	3,696	3,696	-
WBC commercial bill facility	2,460	-	2,460
WBC equipment finance facility	540	489	51
30 June 2010			
ABL Class 'A' Note	6,554	6,554	-
WBC bill facility	3,000	-	3,000

(d) Defaults and breaches

The Group breached a covenant under the NAB facility in relation to a requirement to maintain a minimum level of fixed charges cover for the total Group. There are a number of covenants that apply to the insurance premium funding business, these have been met and continue to be met. Other covenants relate to the Group as a whole, the breach occurring in one of these covenants. This breach occurred primarily as a result of the high level of provisioning for PIH client claims. NAB is currently amending the relevant covenant.

A covenant under the ABL facility for the PIH Group to maintain a minimum level of net current assets was breached at 31 December 2010. This occurred primarily as a result of the reclassification of certain entities from subsidiaries to associates. The covenant was subsequently amended by the Bank and the Group has complied with the revised covenants since that date.

The amounts outstanding under these facilities are classified as current liabilities.

The WBC bill facility has not been drawn since its inception. The facility is unable to be drawn as the covenant obligations are not met. The directors do not intend to draw on the facility as it is not critical to the ongoing operations and have commenced the process of closing the facility.

23. PROVISIONS

	2011 \$'000	2010 \$'000
Current		
Provision for adviser client claims	7,494	6,090
Provision for employee leave entitlements	1,697	1,079
Total	9,191	7,169
Non-current		
Provision for adviser client claims	7,396	2,899
Provision for employee leave entitlements	936	900
Total	8,332	3,799

23. PROVISIONS (CONTINUED)

(i) Movement in provision for adviser client claims

	2011 \$'000	2010 \$'000
Opening Balance	8,989	14,011
Movement in the provision is as follows:		
Provision for year	11,936	2,401
Claims settled during the period	(6,035)	(1,743)
Provisions reclassified to payables	-	(5,680)
Closing Balance	14,890	8,989

Credit claim expense

Provision for year	11,936	2,401
Insurance recovery write-downs	-	3,136
Total expense	11,936	5,537

(ii) Movement in provision for employee leave

	2011 \$'000	2010 \$'000
Opening Balance	1,979	1,802
Movement in the provision is as follows:		
Provision on acquisition	472	-
Provision for year	1,291	1,396
Leave taken during the year	(1,109)	(1,219)
Closing Balance	2,633	1,979

24. CONTRIBUTED EQUITY

(a) Paid up capital

	Reference	2011 \$'000	2010 \$'000
Ordinary shares	(i)	69,214	36,862
Reserved shares	(ii)	(1,173)	-
Partly Paid shares	(iii)	99	-
		68,140	36,862

(i) Ordinary shares (issued & fully paid)

	2011		2010	
	Number of shares	\$'000	Number of shares	\$'000
Balance at start of year	46,659,530	36,862	46,655,499	36,840
Movements during the year:-				
- PIH shares issued (cash)	422,157	750	17,498	22
- PIH shares issued (non-cash)	-	-	8,875	-
- PIH shares redeemed (non-cash)	-	-	(22,342)	-
- Merger restructure adjustment	113,840,157	27,732	-	-
- Consolidation of share capital (1:7)	(137,932,702)	-	-	-
- Merger share issue	70,250,605	-	-	-
- CAF share placement	3,500,000	3,870	-	-
On issue at end of year	96,739,747	69,214	46,659,530	36,862

24. CONTRIBUTED EQUITY (CONTINUED)

(ii) Reserved shares

	2011		2010	
	Number of shares	\$'000	Number of shares	\$'000
Balance at start of year	-	-	-	-
<i>Movements during the year:-</i>				
- Merger restructure adjustment	(5,995,000)	(1,173)	-	-
- Consolidation of share capital (1:7)	5,138,571	-	-	-
On issue at end of year	(856,429)	(1,173)	-	-

(iii) Partly paid shares

	2011		2010	
	Number of shares	\$'000	Number of shares	\$'000
Balance at start of year	-	-	-	-
<i>Movements during the year:-</i>				
- Merger restructure adjustment	3,000,000	99	-	-
- Consolidation of share capital (1:7)	(2,571,428)	-	-	-
On issue at end of year	428,572	99	-	-
Total contributed equity	96,311,890	68,140	46,659,530	36,862

The partly paid shares were issued to Mr. Tony Robinson (Managing Director) in December 2009 as part of agreed remuneration arrangements. A total of 3,000,000 shares were issued at a price of 18 cents which were partly paid on issue to 3 cents per share, with the balance payable no later than 31 October 2012, subject to an earlier call by the Company at the discretion of the Directors.

As a consequence of the 1:7 consolidation of share capital and the subsequent capital return of 17.5 cents per share, the number of partly paid shares became 428,572 with a total value of \$1.085 per share, paid to \$0.21 per share.

Voting and dividend rights are proportional to the amount paid up on the shares.

(b) Capital management

The Company's capital currently is comprised only of shareholder funds. The majority of existing debt is to fund its lending activities, with the remainder to fund the use of sundry equipment and software items.

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. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

No dividends on ordinary shares have been paid or declared in respect of Financial Years 2011 or 2010 as the Directors believe that in the current environment the best option is to conserve internally generated capital to fund growth and acquisitions. This policy will be reviewed regularly in light of changing circumstances.

25. RESERVES

	2011 \$'000	2010 \$'000
Employee equity benefits reserve	28	-
Foreign currency translation reserve	(1,462)	(1,075)
Fair value reserve	-	37
Share option reserve	-	196
Total	(1,434)	(842)

25. RESERVES (CONTINUED)

(a) Employee Equity Benefits Reserve

	2011 \$'000	2010 \$'000
Balance at start of year	-	-
Value of share based payments provided or which vested during the year	28	-
Balance at end of year	28	-

The employee equity benefits reserve is used to record the value of share based payments provided to employees, including KMP, as part of their remuneration.

(b) Foreign Currency Translation Reserve

	2011 \$'000	2010 \$'000
Balance at start of year	(1,075)	(380)
Foreign currency translation differences	(387)	(695)
Balance at end of year	(1,462)	(1,075)

The foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations where their functional currency is different to the presentation currency of the reporting entity.

(c) Fair Value Reserve

	2011 \$'000	2010 \$'000
Balance at start of year	37	-
Net change in fair value of available for sale assets	(37)	37
Balance at end of year	-	37

The fair value reserve includes the cumulative net change in the fair value of available-for-sale investments until the investment is derecognised or impaired.

(d) Share Option Reserve

	2011 \$'000	2010 \$'000
Balance at start of year	196	140
Balance extinguished on termination of PIH scheme	(196)	-
Value of share based payments provided or which vested during the year	-	56
Balance at end of year	-	196

The share option reserve includes the fair value of employee options measured at grant date and spread over the period during which the employee becomes unconditionally entitled to the options.

26. NOTES TO CASH FLOW STATEMENT

a) Reconciliation of cash & cash equivalents

Cash and cash equivalents at the end of the financial year as shown in the Consolidated Statement of Cash flows is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

	2011 \$'000	2010 \$'000
Cash at bank	20,420	16,726
	20,420	16,726

26. NOTES TO CASH FLOW STATEMENT (CONTINUED)

b) Reconciliation of net profit after tax to net cash provided by operating activities

	2011 \$'000	2010 \$'000
Net (loss)/profit after income tax	(13,125)	1,315
Adjustment for non cash items:		
Depreciation and amortisation	1,685	1,646
Foreign exchange losses/(gains)	160	(128)
Impairment of receivables	168	-
Impairment/(revaluation) of intangible assets and inventory	3,085	(3,679)
(Profit)/Loss on disposal of non-current assets	75	(366)
Interest received	(2,850)	(2,148)
Interest expense	4,874	3,082
Share based compensation expense	28	-
Changes in Assets and Liabilities:		
<i>(Increase)/decrease in assets:</i>		
- Trade & other receivables	5,500	3,255
- Interest bearing receivables	12,351	-
- Inventory	36,000	-
- Other assets	1,077	6,696
- Deferred tax assets	(197)	1,800
<i>(Decrease)/increase in liabilities:</i>		
- Trade & other payables	(29,015)	458
- Provisions for employee entitlements	182	(5,090)
- Provision for client claims	5,901	-
- Provision for tax	415	284
Net cash from operating activities	26,314	7,123

(c) Non-cash financing and investing activities

During the financial period there were no non-cash financing or investing transactions reflected in the Statement of Cash Flows.

27. PARENT ENTITY INFORMATION

	2011 \$'000	2010 \$'000
Total assets	115,632	52,536
Total liabilities	896	26,510
Net Assets	114,736	26,026
Issued capital	148,540	63,069
Employee benefit reserve	123	457
Accumulated losses	(33,927)	(37,500)
Total Shareholder Equity	114,736	26,026
Net profit/(loss) after tax of the parent entity	361	6,119
Total comprehensive income of the parent entity	361	6,119

At balance date the parent entity had given guarantees to external parties totalling \$121,000 (2010: \$167,000) (refer note 15). In addition the parent entity has given an unlimited interlocking guarantee and indemnity to the National Australia Bank as a condition of its banking facility arrangements to secure the borrowings of all Group entities.

Contractual commitments of the parent entity at balance date were the same as those of the consolidated entity (refer note 31).

27. PARENT ENTITY INFORMATION (CONTINUED)

At balance date the parent entity had no contingent liabilities.

28. RELATED PARTY DISCLOSURE

(a) Controlled entities

The consolidated financial statements include the financial statements of Centrepoint Alliance Limited and its controlled entities listed in the following table.

Entity name	Country of Incorporation	Ownership Interest		Principal Activity
		2011	2010	
All Star Funds Management Ltd	Australia	100%	90%	Funds management
Associated Advisory Practices Ltd	Australia	56.11%	58.16%	AFSL licensee support services
Associated Advisory Practices (No 2) Ltd	Australia	78.39%	87.36%	AFSL licensee support services
Australian Direct Share Services Pty Ltd	Australia	100%	100%	Dormant
Australian Loan Company Ltd*	Australia	-	44.47%	Mortgage broker / aggregator
The Australian Master Superannuation Fund Pty Ltd	Australia	100%	100%	Dormant
Blueprint Investment Services Ltd	Australia	100%	100%	Badged product distribution
Centrepoint Alliance Premium Funding Pty Ltd	Australia	100%	100%	Insurance premium funding
Centrepoint Alliance Services Pty Ltd	Australia	100%	100%	Trustee - Employee share plan
De Run Securities Pty Ltd	Australia	56.01%	56.01%	Financial services
Discovery Investment Services Corporation Ltd	Australia	100%	100%	Badged product distribution
Diversified Portfolio Managers Limited	Australia	100%	100%	Badged product distribution
GPS Wealth Ltd (formerly Professional Private Advice Ltd)	Australia	100%	100%	Financial services - dormant
IFMA (NSW) Pty Ltd	Australia	100%	100%	Dormant
IFMA Investment Services Pty Ltd	Australia	100%	100%	Financial services - dormant
Imagine Your Lifestyle Pty Ltd (formerly Professional SMSF Services Pty Ltd)	Australia	50%	50%	Lifestyle publications
Investment & Finance Managers of Australia Pty Ltd ATF The IFMA Unit Trust	Australia	100%	100%	Financial services - dormant
Investment Diversity Limited	Australia	100%	100%	Provision of white label investment platform
Mentor Investment Services Limited	Australia	37.57%	37.57%	Badged product distribution
MI Professional Funding Pty Ltd	Australia	100%	100%	MIS financing
Newsmart Pty Ltd (formerly One Stop Tax Shop Pty Ltd)	Australia	100%	100%	Dormant
OAMPS Premium Funding Pty Ltd	Australia	100%	100%	Dormant
Parramatta Site Developments Pty Ltd	Australia	100%	100%	Dormant
Professional Accountants Ltd	Australia	100%	100%	Loans to adviser network
Professional Insurance Brokers (Australasia) Pty Ltd	Australia	100%	100%	Dormant
Professional Investment Asset Management Pty Ltd (formerly Professional SMSF Solutions Pty Ltd)	Australia	100%	100%	Dormant
Professional Investment Cattle Pty Ltd	Australia	100%	100%	Dormant
Professional Investment Finance Pty Ltd	Australia	100%	100%	Dormant
Professional Investment Holdings Limited	Australia	100%	-	PIH Group Holding company

28. RELATED PARTY DISCLOSURE (CONTINUED)

Entity name	Country of Incorporation	Ownership Interest		Principal Activity
		2011	2010	
Professional Investment Services Pty Ltd	Australia	100%	100%	AFSL licensee support services
Professional Investment Services (Beijing) Pty Ltd	Australia	100%	100%	Dormant
Professional Mortgage Services Pty Ltd	Australia	100%	100%	Dormant
Step by Step Guide Pty Ltd (formerly PAL Sub Four Pty Ltd)	Australia	100%	100%	Brochure distribution
Ventura Investment Management Ltd*	Australia	-	17.01%	Responsible entity for managed investment funds
Wealthinonet Admin Pty Ltd	Australia	50%	50%	Dormant
Ausican Inc.	Canada	100%	100%	Dormant
Professional Investment Holdings Inc	Canada	100%	100%	Dormant
Professional Investment Holdings (Canada) Inc	Canada	100%	100%	Dormant
Professional Investment Services (Beijing) Bojin	China	80%	80%	Financial services
Advisors Worldwide Ltd	Hong Kong	100%	100%	Dormant
Alliance Finance Corporation (Hong Kong) Ltd	Hong Kong	100%	100%	Dormant
HFS Asset Management Limited (formerly Horwath Financial Services Limited)	Hong Kong	98.80%	98.80%	Financial services
Professional Investment Services (HK) Ltd	Hong Kong	100%	100%	Holding company
Professional Investment Services (Malaysia) Sdn. Bhd.	Malaysia	55%	55%	Holding company
SFP Adviser Sdn Bhd	Malaysia	55%	55%	Financial services
Standard Financial Planner Sdn Bhd	Malaysia	55%	55%	Financial services
Advisors Worldwide (NZ) Ltd	New Zealand	100%	100%	Financial services
Ausiwi Limited	New Zealand	100%	100%	Financial services
Centrepoint Alliance (NZ) Ltd	New Zealand	100%	100%	Dormant
Discovery Investment Services Corporation (NZ) Ltd	New Zealand	100%	100%	Dormant
Minerva PIS (NZ) Limited	New Zealand	100%	100%	Dormant
Professional Investment Holdings (NZ) Ltd	New Zealand	42.84%	42.84%	Holding company
Professional Investment Services (NZ) Ltd	New Zealand	42.84%	42.84%	Dormant
Fifth Floor Pte Limited	Singapore	100%	100%	Financial services
Professional Advisory Holdings Limited	Singapore	90.38%	89.95%	Holding company
Professional Investment Advisory Services Pte Ltd	Singapore	90.38%	89.95%	Financial services

*These entities were redesignated from investments in controlled entities to investments in associates from 1 July 2010 as discussed in Note 18.

Entities where the ownership is less than 50% are considered controlled entities when the group has the power to govern the financial and operation policies through a majority representation on the Board.

(b) Ultimate parent

The ultimate holding company is Centrepoint Alliance Limited, a company incorporated and domiciled in Australia.

(c) Key management personnel ('KMP')

Details relating to KMP, including remuneration paid are included in note 29.

(d) Other Director related transactions

Directors of the company, or their director-related entities, conduct transactions with the company or its controlled entities that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those with which it is reasonable to expect the entity would have adopted if dealing with the director or director related entity at arm's length in similar circumstances.

28. RELATED PARTY DISCLOSURE (CONTINUED)

These transactions by director are as follows:

R.J. Nelson	None
N.J. Griffin	None
A.D. Robinson	None
G.D. Evans	Remuneration paid to related party of \$25,821 (2010: \$19,228) Loan of \$250,000 repayable August 2012 on normal commercial terms and conditions
S.J. Murphy	Financial advice fees of \$12,219 (2010: \$13,100) Consulting fees of \$48,000 (2010: \$Nil) Share registry & secretarial services of \$67,417 (2010: \$65,925)
C.J. Castles	Financial advice fees of \$1,183,044 (2010: \$1,482,089)

29. KEY MANAGEMENT PERSONNEL

(a) Details of Directors and other Key Management Personnel

The following persons were key management personnel who were directly accountable and responsible for the strategic direction and operational management of the Consolidated Group during the financial year:

	Position	Period Remuneration included in Reported Result
Directors		
R.J. Nelson	CAF Chairman & Director (non executive) PIH Chairman & Director (non-executive)	13 Dec 2010 - 30 Jun 2011 20 Dec 2010 - 30 Jun 2011
A.D. Robinson	CAF Managing Director PIH Director	13 Dec 2010 - 30 Jun 2011 21 Dec 2010 - 30 Jun 2011
G.D. Evans	PIH Managing Director CAF Executive Director	Full Year 22 Dec 2010 - 30 Jun 2011
M.M. Kane	CAF Director (non-executive)	13 Dec 2010 - 22 Dec 2010
N.J. Griffin	CAF Director (non-executive) PIH Director (non-executive)	13 Dec 2010 - 30 Jun 2011 15 Dec 2010 - 30 Jun 2011
S.J. Murphy	PIH Chairman (non-executive) PIH Director (non-executive) CAF Director (non-executive)	1 Jul 2010 - 19 Dec 2010 Full Year 22 Dec 2010 - 30 Jun 2011
C.J. Castles	PIH Director (non-executive) CAF Director (non-executive)	Full Year 22 Dec 2010 - 30 Jun 2011
R. Bennetts	PIH Executive Director (executive) - resigned 14 Dec 2010	1 Jul 2010 - 14 Dec 2010
K Butler	PIH Director (non-executive) - resigned 14 Dec 2010	1 Jul 2010 - 14 Dec 2010
G Whimp	PIH Director (non-executive) - resigned 14 Dec 2010 Professional Investment Services CEO - finite contract 10 Jan 2011 to 9 Jul 2011	1 Jul 2010 - 14 Dec 2010 10 Jan 2011 - 30 Jun 2011
Executives		
I.R. Magee	Chief Financial Officer & Company Secretary	13 Dec 2010 - 30 Jun 2011
R.M. Dodd	Chief Executive Officer - Insurance Premium Funding	13 Dec 2010 - 30 Jun 2011

Peter Walther was appointed to the position of CEO - Professional Investment Services on 22 August 2011. There were no other changes of KPMG after the reporting date and before balance date.

(b) Compensation for key management personnel

	2011 \$'000	2010 \$'000
Short term	2,169	924
Post employment	72	29
Long term	-	-
Share based payments	524	-
	2,765	953

These figures include remuneration for CAF personnel for the period since the Merger only.

29. KEY MANAGEMENT PERSONNEL (CONTINUED)

(c) Shareholdings of Key Management Personnel

FY 2011	Balance 1 July 2010	Pre- Merger Changes	Capital Consolidation	Merger Changes	Post- Merger Changes	Balance
PIH Shares						
R.J. Nelson	19,200	-	-	(19,200)	-	-
A.D. Robinson	-	-	-	-	-	-
G.D. Evans	80,902	281,436	-	(362,338)	-	-
M.M. Kane	-	-	-	-	-	-
N.J. Griffin	5,333	-	-	(5,333)	-	-
S.J. Murphy	558,882	-	-	(558,882)	-	-
C.J. Castles	81,514	-	-	(81,514)	-	-
R.J. Bennetts	4,599,715	-	-	(4,599,715)	-	-
K. Butler	579,355	-	-	(579,355)	-	-
G. Whimp	188,994	-	-	(188,994)	-	-
I.R. Magee	-	-	-	-	-	-
R.M. Dodd	-	-	-	-	-	-
Total	6,113,895	281,436	-	(6,395,331)	-	-
CAF Shares						
R.J. Nelson	17,062,498	-	(14,624,996)	28,648	-	2,466,150
A.D. Robinson	5,000,000	1,500,000	(5,571,428)	-	-	928,572
A.D. Robinson (Partly Paid shares)	3,000,000	-	(2,571,428)	-	-	428,572
G.D. Evans	-	-	-	540,647	-	540,647
M.M. Kane	-	-	-	-	-	-
N.J. Griffin	7,500,000	92,500	(6,507,857)	7,957	94,215	1,186,815
S.J. Murphy	-	-	-	833,908	-	833,908
C.J. Castles	-	-	-	121,627	-	121,627
R.J. Bennetts	-	-	-	6,863,235	(6,863,235)*	-
K. Butler	-	-	-	864,456	(864,456)*	-
G. Whimp	-	-	-	281,998	-	281,998
I.R. Magee	3,412	-	(2,925)	-	-	487
R.M. Dodd	51,572	-	(44,204)	-	-	7,368
Total	32,617,382	1,592,500	(29,322,838)	9,542,476	(7,633,476)	6,796,144

*Shareholding balance removed to reflect cessation as director/KMP

FY 2010	Balance 1 July 2010	Pre- Merger Changes	Capital Consolidation	Merger Changes	Post- Merger Changes	Balance
PIH Shares						
G.D. Evans	80,902	-	-	-	-	80,902
S.J. Murphy	558,882	-	-	-	-	558,882
C.J. Castles	81,514	-	-	-	-	81,514
R.J. Bennetts	4,599,715	-	-	-	-	4,599,715
K. Butler	579,355	-	-	-	-	579,355
G. Whimp	188,994	-	-	-	-	188,994
Total	6,113,895	-	-	-	-	6,113,895

29. KEY MANAGEMENT PERSONNEL (CONTINUED)

(d) Option holdings of key management personnel

No options to purchase shares were held by key management personnel during the years ended 30 June 2011 and 30 June 2010.

(e) Centrepoint Alliance Employee Share Plan

The following awards granted in the Centrepoint Alliance Employee Share Plan ('CAESP') are outstanding as at balance date:

	2011 No.	2010 No.
A.D. Robinson	428,572	3,000,000
I.R. Magee	70,714	495,000
R.M. Dodd	107,143	750,000
	606,429	4,245,000

**Comparatives are CAL and are pre-consolidation*

Details of the CAESP are provided in note 30.

(f) Loans to directors and other key management personnel

On 1 September 2010 a loan of \$250,000 was advanced by Professional Investment Holdings Ltd to Mr Grahame Evans for a period of one year. The loan was extended for a further twelve months in August 2011. The loan is on normal commercial terms and conditions.

There were no other loans to directors or other key management personnel during the reporting period.

(g) Other transactions and balances with directors and other key management personnel

Refer to the Related Parties note for details.

30. SHARE-BASED PAYMENT PLANS

(a) Recognised share-based payment expenses

	2011 \$'000	2010 \$'000
Expense arising from equity-settled share based payment transactions under the Centrepoint Alliance Employee Share Plan (CAESP)	28	-
Expense arising from equity-settled share based payment transactions under the Centrepoint Alliance Employee Share Option Plan (CAESOP)	-	-
Expense arising from share based payment of incentive bonus paid in pre-merger PIH shares to PIH Group Managing Director	500	-
Expense arising from equity-settled share based payment transactions under the PIH Employee Share Option Plan (PIHESOP)	-	56
	528	56

(b) Types of share-based payment plans

(i) Centrepoint Alliance Employee Share Plan (CAESP)

The purpose of the CAESP is to provide employees with an opportunity to acquire a financial interest in the Company, which will align their interests more closely with shareholders and provide a greater incentive to focus on the Company's longer-term goals.

The Board of Directors may invite employees to apply for shares in the Company, which will be financed by a limited recourse loan. Shares may be issued or purchased and will be held by an independent trust until exercise or expiry.

30. SHARE-BASED PAYMENT PLANS (CONTINUED)

The Board of Directors will determine:

- the number and type of shares;
- the terms of the attaching loan;
- any performance, vesting or other criteria that must be satisfied before the employee may deal in Plan Shares; and
- any events which give the right to terminate an employee's participation.

The Centrepoint Alliance Employee Share Plan acquired shares by both a new issue and an off-market purchase for the purpose of making awards to employees during the reporting period. These shares are held by an independent trust.

(ii) Centrepoint Alliance Employee Share Option Plan (CAESOP)

Share options may be granted to employees as determined by the Board of Directors. The CAESOP is designed to align participant's interests with those of the shareholder by increasing the value of the Company's shares.

(iii) Professional Investment Holdings Employee Share Option Plan (PIHESOP)

The Professional Investment Holdings Employee Share Option Plan was cancelled in May 2010. As a result, unvested benefits of \$56,000 were expensed during the previous financial year.

(c) Summaries of options and shares granted under the share-based payment plans

(i) Shares under CAESP

	2011		2010	
	No.	WAEP	No.	WAEP
Outstanding at beginning of period	5,995,000	\$0.22	1,000,000	\$0.30
Issued during period	-	-	3,804,000	\$0.20
Re-assigned during period	-	-	1,000,000	\$0.20
Purchased during period	-	-	191,000	\$0.20
Consolidation 1:7 November 2010	(5,138,571)	\$1.30	-	-
Capital Return December 2010	-	(0.18)	-	-
Outstanding at end of period	856,429	\$1.34	5,995,000	\$0.22

(ii) Shares under CAESOP

Outstanding at beginning of period	6,000,000	\$1.25	6,000,000	\$1.25
Expired during the period	(6,000,000)	-	-	-
Outstanding at end of period	-	-	6,000,000	-

(iii) Options under PIHESOP

Outstanding at beginning of period	-	-	250,998	\$3.72
Forfeited during the period	-	-	(233,500)	(\$3.72)
Exercised during the period	-	-	(17,498)	\$1.25
Outstanding at end of period	-	-	-	-

*WAEP is weighted average exercise price

6,000,000 options awarded to a former managing director under the CAEOSP expired unexercised during the financial year.

No new shares or options were issued by Centrepoint Alliance Limited during the financial year.

(d) Weighted average remaining contractual life

	2011 Yrs	2010 Yrs
CAESP Shares	1.36	2.36
CAESOP Options	-	0.33
PIHESOP Options	-	-

30. SHARE-BASED PAYMENT PLANS (CONTINUED)

(e) Range of exercise price

	2011 \$	2010 \$
CAESP Shares	\$1.22 - \$1.93	\$0.30 - \$0.50
CAESOP Options	-	\$1.25
PIHESOP Options	-	-

(f) Weighted average fair value at date of issue

	2011 \$	2010 \$
CAESP Shares	\$0.175 - \$0.245	\$0.023 - \$0.046
CAESOP Options	-	-
PIHESOP Options	-	-

(g) Option pricing model

The fair value of the equity shares issued or acquired under the CAESP are estimated as at the date of allocation using a Binomial Model taking into account the terms and conditions upon which they were granted.

The following table lists the inputs to the models used at the period end:

	2011 CAESP	2010 CAESP
Dividend yield	-	0%
Expected volatility	-	25% - 30%
Risk free interest rate	-	5% - 7%
Exercise price	-	\$0.20 - \$0.30
Weighted average share price at measurement date	-	\$0.17 - \$0.19

31. COMMITMENTS

(a) Contracted operating lease expenditure

	2011 \$'000	2010 \$'000
Not later than one year	3,742	3,136
Later than one year but not later than five years	10,203	8,780
Total operating lease commitments	13,945	11,916

(b) Contracted finance lease expenditure

The Group has finance leases for various items of office equipment, office fittings and motor vehicles. Future minimum lease payments under the finance leases together with the present value of the net minimum lease payments are as follows:

	2011		2010	
	Minimum Lease Payment \$'000	Present Value of Lease Payment \$'000	Minimum Lease Payment \$'000	Present Value of Lease Payment \$'000
Within one year	365	268	-	-
After one year but not later than five years	669	224	-	-
Total minimum lease payment	1,034	492	-	-
Less amounts representing finance charges	(104)	-	-	-
Present value of minimum lease payment	930	492	-	-

31. COMMITMENTS (CONTINUED)

c) Remuneration commitments

Commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date but not recognised as liabilities, payable:

	2011 \$'000	2010 \$'000
Not later than one year	751	400
Later than one year but not later than five years	-	-
Total remuneration commitments	751	400

Amounts disclosed as remuneration commitments include commitments arising from the service contracts of directors and executives referred to in the remuneration report of the directors' report that are not recognised as liabilities and are not included in the compensation of KMP.

32. CONTINGENT LIABILITIES

The Group is subject to legal claims in the ordinary course of business, primarily relating to client claims. Liabilities have been raised for the amount of client claims where it is expected that a future sacrifice of economic benefits will be required and the amount is capable of reliable measurement.

Further amounts may arise beyond the claims recognised, and it is impractical to quantify the amount of the contingent liability. However, if an additional liability was significant it may have a material adverse impact on the financial position of the Group.

The directors are of the opinion that a provision is not required in respect of the following matter as it is not probable that a future sacrifice of economic benefit will be required.

There were no other contingent liabilities at balance date.

33. EVENTS AFTER BALANCE SHEET DATE

On 16 August 2011 the Company issued 4,457,583 shares in completion of a scheme of arrangement whereby it acquired 83% of the shares in Ventura Investment Management Ltd, a funds management business in which the Group already owned 17%, thereby making it a wholly owned subsidiary. Ventura had net assets of \$6,319,000 at 30 June 2011 and recorded a net profit after tax of \$532,000 for the year ended 30 June 2011. As the accounting for the business combination is incomplete no further information has been provided.

Subsequent to the year end, the Group has also disposed of its interests or ceased its business operations in Hong Kong and China and has also completed a transaction to sell its share of assets held in the De Run Financial Services Pty Ltd business in Australia. There was no material financial impact from these sale transactions.

No other matters or events have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

34. FIDUCIARY ACTIVITIES

The company does not undertake any fiduciary activities.

DIRECTORS' DECLARATION

30 JUNE 2011

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

In the opinion of the directors:

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

- i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its 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*.

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

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 directors:



Tony Robinson
Managing Director
29 September 2011

ASX ADDITIONAL STOCK EXCHANGE INFORMATION

30 JUNE 2011

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 26 September 2011.

1. DISTRIBUTION OF EQUITY SECURITIES

(a) Ordinary share capital

101,625,902 fully paid ordinary shares are held by individual shareholders. All issued ordinary shares carry one vote per share and carry the rights to dividends.

(b) Partly paid shares

3,000,000 ordinary shares were issued on 21 December 2009 to Mr Tony Robinson (Managing Director), which are partly paid (\$0.21 of the total issue price of \$1.085). These shares carry voting and dividend rights in proportion to the percentage of the issue price paid.

(c) Preference shares

There are no preference shares on issue.

(d) The substantial ordinary shareholders are as follows:

Shareholder	Number of Shares	% Held
Count Investments Pty Limited	11,153,042	11.0%

(e) Twenty largest holders of ordinary equity securities – (All issued):

Rank	Shareholder	Number of Shares	% Held
1	Count Investments Pty Limited	11,153,042	11.0%
2	UBS Nominees Pty Ltd	7,874,699	7.8%
3	Aviva Overseas Holdings	7,731,684	7.6%
4	Bellglow Pty Ltd (Bennetts Family A/C)	5,099,744	5.0%
5	RBC Dexia Investor Services Australia Nominees Pty Ltd	4,542,780	4.5%
6	National Nominees Ltd	4,398,786	4.4%
7	J P Morgan Nominees Australia Limited	2,897,162	2.9%
8	HSBC Custody Nominees (Australia) Limited	2,714,097	2.7%
9	Entities representing the interests of R. Nelson	2,466,150	2.4%
10	SOBA Pty Ltd	1,932,360	1.9%
11	Ulton Financial Planning	1,685,170	1.7%
12	Equity Trustees Limited	1,546,491	1.5%
13	Entities representing the interests of A Robinson	1,357,144*	1.3%
14	Entities representing the interests of N Griffin	1,207,957	1.2%
15	Mr B B Weinglass & Mrs M Weinglass (BB Weinglass SF A/C)	886,008	0.9%
16	Centrepont Alliance Employee Share Plan	856,431	0.8%
17	Entities representing the interests of S Murphy	853,712	0.8%
18	Fetterpark Pty Ltd (O'Reilly Family SF A/C)	842,128	0.8%
19	Edsonmere Pty Ltd	829,600	0.8%
20	Austin Superannuation Pty Ltd (B Austin SF A/C)	679,501	0.7%

*Shareholding includes 428,572 partly paid shares. Total voting entitlement is 1.0%.

1. DISTRIBUTION OF EQUITY SECURITIES (CONTINUED)

(f) The number of shareholders, by size of holding, in each class are:

Shareholding Range (Ordinary Shares)	Number of Holders	Number of Shares
1 – 1,000	311	142,741
1,001 – 5,000	569	1,403,719
5,001 – 10,000	267	1,892,182
10,001 – 100,000	673	20,205,722
100,001 – and over	96	77,552,966

The number of shareholdings held in less than marketable parcels is 308.

2. VOTING RIGHTS

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

3. SECRETARY

The Company Secretary is Mr. Ian Magee.

4. REGISTERED OFFICE

The address of the principal registered office in Australia is Level 2, 6 Thelma Street, West Perth, Western Australia 6005.

5. SHARE REGISTRY

The Register of securities is maintained by Computershare Investor Services Pty Ltd, Level 2, 45 St. George's Terrace, Perth, Western Australia 6000.

6. STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited.

7. PUBLICATIONS

The Annual Report is the main source of information for shareholders.



Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843
Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

Independent auditor's report to the members of Centrepont Alliance Limited

Report on the financial report

We have audited the accompanying financial report of Centrepont Alliance Limited, which comprises the consolidated statement of financial position as at 30 June 2011, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement 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 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 2, 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 Centrepont Alliance Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its 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 2.

Report on the remuneration report

We have audited the Remuneration Report included in pages 12 to 22 of 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 Centrepont Alliance Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



P McIver
Partner
Perth
29 September 2011