CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 052 507 507

Appendix 4D

Half year ended 31 December 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

In thousands of Australian dollars	1H 21		2H 22		Variance
Revenues from ordinary activities	$69,954	to	$95,177	Up	36%
Profit before tax and non-controlling interests	$1,244	to	$943	Down	24%
Profit after tax attributable to members	$1,584	to	$501	Down	68%

Dividends (distributions)	Amount per security	Franked amount per security
Interim ordinary dividend	0.5 cents	0.5 cents
Previous corresponding period – Interim ordinary dividend	1.0 cent	1.0 cent
Previous corresponding period - Special dividend	3.0 cents	3.0 cents
Record date for determining entitlements to dividend	3 March 2022	
Payment date of interim dividend	18 March 2022	
Dividend Reinvestment Plan		
Plan active	No	
Discount	N/A	
Pricing period	N/A	
Last DRP election date	N/A	
Net tangible assets per share	31 Dec 2021	30 June 2021
	2.58 cents	3.62 cents

Results are extracted from the attached Half Year Financial Report for the six months ended 31 December 2021 which was subject to an independent review.

For explanation and commentary on the results refer to the Directors' Report in the attached Half Year Financial Report.

CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 052 507 507

HALF-YEAR FINANCIAL REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

Contents

The Directors present their report for the half-year ended 31 December 2021.

Directors

The Directors of Centrepoint Alliance Limited (the Company or the Parent Entity) at any time during or since the end of the half-year are:

Alan Fisher (Chair and Non-Executive Director)
Alexander Beard (Non-Executive Director)
Georg Chmiel (Non-Executive Director)
Martin Pretty (Non-Executive Director)
Simon Swanson (Non-Executive Director), (Appointed 1 November 2021)

Company Secretary

Kim Clark
Martyn Carne (Resigned 8 October 2021)

Operating and Financial Review

Principal Activities

Centrepoint Alliance Limited and its controlled entities (the Group) operate in the financial services industry within Australia and provide a range of financial advice and licensee support services (including licensing, systems, compliance, training and technical advice) and investment solutions to financial advisers, accountants and their clients across Australia, plus lending mortgage aggregation services to mortgage brokers.

Operating Review

The Group has made strong progress with the transformation of the business in line with its growth strategy. H1 FY22 was characterised by the transformational acquisition of the ClearView Advice business combined with strong organic growth of licensed advisers, efficient integration of the combined businesses, refinement and strengthening of the leadership team, and disciplined cost management with realisation of material expense synergies from the acquisition, all of which has created a sustainable platform for continued growth.

The Group delivered solid financial performance during the 6-month period whilst planning and seamlessly integrating a transformational acquisition. The financial result has been achieved through sustainable licensee services revenue, a focus on cost containment, high customer service levels and reaping the rewards of an investment in technology to deliver a scalable service platform for advisers.

Approximately 75% of the identified synergies from the ClearView Advice acquisition were labour. The Group worked collaboratively with ClearView Group to devise and agree a fit for purpose organisational design for the combined business. This was refined further during the completion period, and delivered all the anticipated labour synergies at completion date.

The Group's strategy is focused on three key areas to improve the business and drive further growth:

1. Scaling and growing the licensee and lending solutions businesses
2. Transforming the portfolio solutions and asset management business
3. Investing in financial services technology to improve business efficiency and develop new and innovative services

Operating Review (cont.)

Progress against each of these strategic priorities is as follows:

Licensee and Lending Solutions

The Group completed the transformational acquisition of ClearView's Advice business, which consisted of the acquisition of the licensee business, Matrix Planning Solutions Limited ('Matrix') and ClearView Financial Advice Pty Ltd ('CFA') as well as the self-licensed business LaVista Licensee Solutions Pty Ltd ('LaVista'). A total of 270 advisers, comprising 165 licensed and 105 self-licensed advisers, joined the Group taking Centrepoint Alliance's adviser footprint to over 1,200 advisers. The combined business model has been in place from 1 November 2021, when the transaction was approved by Centrepoint Alliance shareholders.

The new organisational structure has enabled the combined businesses to deliver significant expense synergies while maintaining service quality. The Group has capacity to continue to invest in ongoing service improvements. With the operating model and organisational structure complete, the focus for the second half of the financial year will be streamlining and simplifying the core underlying business processes, systems and licensee standards to drive further efficiencies and customer service enhancements.

The Group also made strong progress with organic growth of licensed advisers, acquiring net 25 advisers during H1 FY22. The Group was the only licensee among Australia's top 10 adviser groups to achieve net adviser growth, and finished the 2021 calendar year with 511 licensed advisers.

The successful integration of ClearView Advice, combined with organic growth, has elevated the Group to become Australia's third largest licensee.

Centrepoint Lending Solutions achieved strong recurring revenue in H1 FY22. The business has a network of 80 brokers and a loan book of $3 billion. The Group has identified significant growth potential for the lending business in a market estimated to be worth $494 billion. The business delivered a 48% uplift in lending volumes in H1 FY22 over the prior comparative period, driving a 32% increase in Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA').

Portfolio Solutions and Investment Management

The investment management business has been in decline over the last three years as the Group prioritised transforming the licensee business to a sustainable fee for service model, and moving to open architecture for platforms. The legacy funds business has been in outflow and this combined with rising costs of third-party outsourced providers with the smaller sub-scale funds, has impacted profitability. Revenue from the third-party legacy platform arrangements has also been impacted as distribution arrangements have been wound down.

The Group strategy will focus on a turnaround of business performance, and will aim to provide advisers with the highest quality asset management in efficient diversified portfolio structures.

The key focus for the first half of FY22 has been developing the strategy and implementation plans to:

1. Review the legacy funds business
2. Relaunch Ventura Managed Account Portfolios and
3. Launch a range of diversified separately managed accounts

Operating Review (cont.)

Financial Services Technology

The Group continues to invest in technology and is making progress with its strategy to digitise the advice process and service model. The business will have a dedicated focus with a newly created Executive role in this area to assist advisers to achieve efficiencies in the advice process and running their business. The Group's technology investment will deliver increased efficiencies, stronger compliance and a better customer experience. The Group continues to work with its key strategic technology partners including Microsoft leveraging Azure, Power BI, Office 365 and Saleforce.com. The technology focus is continuing to build, enhance and connect best of breed tools for the core capabilities of Adviser CRM, Advice Generation, Business Intelligence and Regulatory Compliance. The initial phase will involve completing systems integration from the ClearView Advice acquisition, embracing best of breed from each business; the next phase will be to invest in partners for a more seamless digital advice journey and ecosystem for advisers.

With the acquisition of ClearView's Advice business, the Group will look to develop further capabilities for automation of compliance alerts and monitoring using digital tools. This will assist advisers and licensees to reduce the compliance burden and risk.

Financial Performance and Position

The Group delivered a net profit before tax of $0.9m for the half-year period (net profit before tax of $1.2m for the prior comparative period). This is principally a result of a gross profit decrease of $1.4m offset by an expense contraction of $1.1m.

	31 Dec 2021 $'000	31 Dec 2020 $'000
Gross profit from contracts with customers	13,791	14,865
Gross profit	14,081	15,513
Expenses	(13,138)	(14,269)
Profit before tax	943	1,244
Net profit after tax	501	1,584

Gross profit from contracts with customers decreased by $1.1m compared to the prior comparable period. This decline is a result of the cessation of platform rebate revenue on 31 December 2020 alongside a reduction in investment margin revenue, offset by a steady increase in authorised representative fee revenue.

Expenses for the half-year ended 31 December 2021 decreased by $1.1m compared to the prior comparable period due to a strong cost management focus. The expense decline is primarily a result of $1.0m in savings in employment costs from reduced headcount stemming from business restructure initiatives concurrent to ClearView Advice acquisition. The impact of COVID-19 resulted in a further reduction of $0.2m in marketing and travel expenditure. The expense reduction was partially eroded by the uplift in one-off transaction fees of $0.5m in the period attributed to the ClearView Advice acquisition. It is anticipated that this should be no more than $1.0m in the full year.

The Group held net assets as at 31 December 2021 of $22.1m (30 June 2021: $11.2m) and net tangible assets of $4.2m (30 June 2021: $5.2m) representing net tangible assets per share of 2.58 cents (30 June 2021: 3.62 cents).

Financial Performance and Position (cont.)

The Group's net assets increased by $10.9m during the period due primarily to the issue of 48,000,000 shares upon acquisition of ClearView Advice on 1 November 2021, equating to $13.0m (based on the 30 day volume weighted average price [VWAP] prior to acquisition, equating to $0.27 per share), $0.5m after tax current year profit, and $0.3m vested performance rights transferred to equity, offset by $2.9m in dividends. An ordinary dividend of $1.4m was paid in October 2021 pertaining to the FY21 results, and $1.5m in special dividend was paid in November 2021 pertaining to the Group's acquisition of ClearView Advice.

The Group held $11.9m in cash and cash equivalents as at 31 December 2021 (30 June 2021: $11.1m). Cash receipts during the period primarily consisted of $3.0m from operations and $1.1m from final repayment of the Astle loan and interest accrued (related party of Australian Life Development Pty Ltd). Cash payments during the period included $2.9m in dividends paid to shareholders, $0.3m repayment of lease liabilities and $0.2m in claims paid.

Dividends

On 23 February 2022, the Directors of Centrepoint Alliance Limited declared an interim fully franked ordinary dividend totalling 0.5 cents per share in respect of the half-year ended 31 December 2021. The total estimated dividend to be paid is $979,409, with 3 March 2022 as the record date and 18 March 2022 as the payment date.

On 24 August 2021, the Directors of Centrepoint Alliance Limited declared a fully franked ordinary dividend of 1.0 cent per share in respect of the results for the year ended 30 June 2021. Total dividend paid was $1,442,829.69 with 24 September 2021 as the record date and 8 October 2021 as the payment date.

Ahead of Centrepoint Alliance's acquisition of ClearView Advice on 16 September 2021, a fully franked special dividend of 1.0 cent per share was declared. Total dividend paid was $1,478,818.89, with 29 October 2021 as the record date and 10 November 2021 as the payment date.

Events Subsequent to the Balance Sheet Date

The impact of COVID-19 is ongoing and constantly evolving. While the Group has not suffered any material adverse impacts up to 31 December 2021, it is not practicable to estimate the potential impact (positive or negative), after the reporting date. The situation continues to develop and is dependent on measures imposed by Federal and State Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

During the period it was notified that the existing short-term sub-lease agreement at Level 2, 28 O'Connell Street, Sydney needed to be vacated by December 2022 due to the building being acquired. As a result, in order to continue maintaining an optimal workplace environment going forward, the Group has entered into a new lease for the Sydney office commencing on 11 March 2022 for a term of three years. Head Office will be relocating to Level 8, 309 George Street, Sydney.

An agreement was executed between Ventura Investment Management Limited (a group subsidiary which holds an AFS licence), and Russell Investment Management Limited (Russell) on the 9th February 2022, which will result in the investment management rights in relation to five Ventura funds being transferred to Russell following the satisfaction of several condition precedents (including Unitholder approval). This transfer is expected to take place in April 2022. The remaining four Ventura funds have been closed to investors and are expected to be wound up before April 2022.

Events Subsequent to the Balance Sheet Date (cont.)

Other than the events above and the dividend in Note 12, there are no other matters or events which have arisen subsequent to end of the half-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 years.

Rounding

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* dated 24 March 2016. In accordance with that Instrument, amounts in the financial report are presented in Australian dollars and have been rounded to the nearest thousand dollars, unless otherwise stated.

Lead Auditor's Independence Declaration

The lead auditor's Independence Declaration is set out on page 6 and forms part of the Directors' Report for the half-year ended 31 December 2021.

Signed in accordance with a resolution of the Directors.

Alan Fisher
Chair

23 February 2022

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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF CENTREPOINT ALLIANCE LIMITED

As lead auditor for the review of Centrepoint Alliance Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Centrepoint Alliance Limited and the entities it controlled during the period.

Tim Aman

Tim Aman
Director

BDO Audit Pty Ltd

Sydney, 23 February 2022

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

	Note	31 Dec 2021 $'000	31 Dec 2020 $'000
Revenue			
Revenue from contracts with customers	**4(a)**	95,177	69,954
Contractual payments to advisers	**4(a)**	(81,386)	(55,089)
Gross profit from contracts with customers		13,791	14,865
Interest income	**4(b)**	47	111
Other revenue	**4(c)**	243	537
Gross Profit		**14,081**	**15,513**
Expenses			
Employee-related expenses		(8,217)	(9,195)
Marketing and promotion		(153)	(303)
Travel and accommodation		(9)	(18)
Property costs		(22)	(2)
Low value and variable costs related to property and equipment		(223)	(441)
Subscriptions and licences		(784)	(636)
Professional services		(1,142)	(955)
Client claims		-	(17)
IT and communication expenses		(546)	(251)
Depreciation and amortisation		(759)	(904)
Impairment expenses		93	(344)
Finance costs		(48)	(51)
Other general and administrative expenses	**5**	(1,328)	(1,153)
		(13,138)	**(14,269)**
Profit before tax		**943**	**1,244**
Income tax expense/(benefit)		442	(340)
Net profit after tax		**501**	**1,584**
Total comprehensive profit for the period		**501**	**1,584**
Net profit attributable to:			
Owners of the parent		501	1,584
Net profit for the period		**501**	**1,584**
Total comprehensive profit attributable to:			
Owners of the parent		501	1,584
Total comprehensive profit for the period		**501**	**1,584**
Earnings per share for profit attributable to the ordinary equity holders of the parent		**Cents**	**Cents**
Basic earnings per share	**6**	0.31	1.10
Diluted earnings per share	**6**	0.29	1.01

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

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Condensed Consolidated Statement of Financial Position
As at 31 December 2021

	Note	31 Dec 2021 $'000	30 June 2021 $'000
ASSETS			
Current			
Cash and cash equivalents		11,910	11,130
Trade and other receivables		6,876	6,664
Loan receivables	**7**	380	1,108
Other assets		2,209	1,024
Total current assets		**21,375**	**19,926**
Non-current			
Loan receivables	**7**	223	99
Investments		116	116
Other assets		280	114
Property, plant and equipment		348	295
Right-of-use assets		452	516
Intangible assets and goodwill	**9**	18,083	3,084
Deferred tax assets	**15**	2,439	2,881
Total non-current assets		**21,941**	**7,105**
TOTAL ASSETS		**43,316**	**27,031**
LIABILITIES			
Current			
Trade and other payables		13,005	9,814
Lease liabilities		333	438
Provisions		4,673	5,170
Total current liabilities		**18,011**	**15,422**
Non-current			
Lease liabilities		134	52
Provisions		464	370
Deferred tax liabilities	**15**	2,607	-
Total non-current liabilities		**3,205**	**422**
TOTAL LIABILITIES		**21,216**	**15,844**
NET ASSETS		**22,100**	**11,187**
EQUITY			
Contributed equity	**10**	47,594	34,301
Reserves	**11**	3,324	6,227
Accumulated losses		(28,936)	(29,459)
Equity attributable to shareholders		**21,982**	**11,069**
Non-controlling interests		118	118
TOTAL EQUITY		**22,100**	**11,187**

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows
For the half-year ended 31 December 2021

	Note	Half year to 31 Dec 2021 $'000	Half year to 31 Dec 2020 $'000
Cash Flows from Operating Activities			
Cash receipts from customers		89,895	78,169
Cash paid to suppliers and employees		(86,854)	(76,756)
Cash provided by operations		3,041	1,413
Claims and litigation settlements		(197)	(899)
Net cash flows provided by operating activities		**2,844**	**514**
Cash Flows from Investing Activities			
Interest received		25	87
Proceeds from interest-bearing loan		1,103	2,435
Acquisition of intangible assets		-	(12)
Acquisition of property, plant and equipment		(132)	(26)
Proceeds from sale of property, plant and equipment		7	-
Dividends received from investments		7	-
Proceeds from convertible loan		120	-
Payment for acquisition of subsidiaries, net of cash acquired	**8.8**	68	-
Net cash flows provided by investing activities		**1,198**	**2,484**
Cash Flows from Financing Activities			
Repayment of lease liabilities		(319)	(440)
Finance costs		(21)	(15)
Dividends paid		(2,922)	-
Net cash flows used in financing activities		**(3,262)**	**(455)**
Net increase in cash and cash equivalents		**780**	**2,543**
Cash and cash equivalents at the beginning of the period		11,130	12,187
Cash and cash equivalents for the period		**11,910**	**14,730**

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2021

	Ordinary shares $'000	Dividend reserve $'000	Other reserves $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2021	**34,301**	**5,888**	**339**	**(29,459)**	**11,069**	**118**	**11,187**
Profit for the period	-	-	-	501	501	-	501
Total comprehensive profit/(loss) for the period	**-**	**-**	**-**	**501**	**501**	**-**	**501**
Transfer of non-vested performance rights from reserves to retained earnings	-	-	(22)	22	-	-	-
Transfer of vested performance rights to share capital	312	-	(312)	-	-	-	-
Share-based payment	-	-	353	-	353	-	353
Issue of shares	12,981	-	-	-	12,981	-	12,981
Dividends paid	-	(2,922)	-	-	(2,922)	-	(2,922)
Balance at 31 Dec 2021	**47,594**	**2,966**	**358**	**(28,936)**	**21,982**	**118**	**22,100**
Balance at 1 July 2020	**34,301**	**11,659**	**1,259**	**(32,486)**	**14,733**	**118**	**14,851**
Profit for the period	-	-	-	1,584	1,584	-	1,584
Total comprehensive Profit for the period	**-**	**-**	**-**	**1,584**	**1,584**	**-**	**1,584**
Transfer of non-vested performance rights from reserves to retained earnings	-	-	(1,180)	1,180	-	-	-
Share-based payment	-	-	90	-	90	-	90
Balance at 31 Dec 2020	**34,301**	**11,659**	**169**	**(29,722)**	**16,407**	**118**	**16,525**

The Condensed Consolidated Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

1. Corporate information

The interim condensed consolidated financial statements of Centrepoint Alliance Limited (the Company or the Parent Entity) and its controlled entities (the Group) for the half-year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 23 February 2022.

Centrepoint Alliance Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX:CAF).

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

2. Summary of significant accounting policies

Basis of preparation

The interim condensed consolidated financial statements for the half-year ended 31 December 2021 have been prepared in accordance with Australian Accounting Standards Board (AASB) 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 30 June 2021.

It is recommended that the half-year financial report be considered together with any public announcements made by the Group during the half-year ended 31 December 2021 and up to the date of this report in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The half-year financial report has been prepared on a historical cost basis, except for certain financial assets that have been measured at fair value. Where necessary, comparative information has been updated to be consistent with the current reporting period.

For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. This financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

AASB 101 *Presentation of Financial Statements* requires Management to assess the entity's ability to continue as a going concern. In making the assessment, the standard requires that all available information about the future 12 months from the reporting period or date of issue of financial statements, needs to be taken into consideration. Any material uncertainties that cast significant doubt on the capability to continue as a going concern such as scope of the impact on future costs and revenues, need to be disclosed in the financial statements.

Sufficient cash reserves are projected over the next 14 months. Apart from the outflows relating to general operational spend and potential future dividends to shareholders, inflows are projected to increase, factoring in organic business growth, the FinChoice wholesale deal with the addition of 30 wholesale advisers from October 2021 to June 2022, and the acquisition of the ClearView Advice business on 1 November 2021, which will further increase adviser fees and subscriptions.

Compliance with International Financial Reporting Standards

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

2. Summary of significant accounting policies (cont.)

Standards issued but not yet effective

The directors anticipate that the application of any new accounting standards not yet effective will have no material impact on the financial statements.

Business combinations

The Group applies the acquisition method in accounting for business combinations in accordance with AASB 3 *Business Combinations*. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income Taxes* and AASB 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

With the exception of deferred tax assets and liabilities related to employee benefits, the Group recognises the assets acquired and the liabilities assumed of ClearView Advice at fair value on acquisition date of 1 November 2021. The Group has recorded goodwill on acquisition as the consideration transferred is in excess of the net identifiable assets acquired. The Group does not have any previously held equity interest in ClearView Advice nor has it acquired any assets held for sale.

Deferred tax liability is recognised on intangible assets, except goodwill, arising on a business combination based on the difference of the carrying value of the asset on initial recognition in the consolidated accounts and the tax base. As the intangible asset is amortised or impaired, the temporary difference will decrease. The reduction in the deferred tax liability is recognised in profit or loss as a deferred tax credit.

3. Segment information

Under AASB 8 *Operating Segments*, the Group determines and presents operating segments based on the nature of the products and services provided and the markets in which it operates. The senior executives of the Group are the chief operating decision makers.

Board, corporate finance, company secretarial and other administration functions of the Group not allocated to the above reportable segments are identified as Corporate and Unallocated.

The Group's reportable segments are:

Business segment	Operations
Licensee and advice services	This segment represents the business that provides Australian Financial Services Licensee services to financial advisers and their clients and mortgage broking services.
Fund management and administration	This segment provides investor directed portfolio services and investment management services to financial advisers, accountants and their clients.
Consulting services	This segment represents the business that provides consulting to both self-licensed advisers and licensees.

The corporate and unallocated balances represent corporate finance, company secretarial and other administration functions of the Group that are not considered an operating segment.

The Group operated only in Australia during the half-year. The accounting policies of the reportable segments are the same as the Group's accounting policies.

3. Segment information (cont.)

Half-year to 31 Dec 2021	Licensee & Advice Services	Funds Management & Administration	Consulting Services	Corporate & Unallocated	Total
	$'000	$'000	$'000	$'000	$'000
Segment revenue					
Revenue from contracts with customers					
- Authorised representative fees	6,540	-	-	-	**6,540**
- Advice revenue	81,371	-	-	-	**81,371**
- Product revenue	329	4,292	-	286	**4,907**
- Virtual services	1,351	-	60	-	**1,411**
- Licensing and managed services	694	-	-	(128)	**566**
- Consulting services	-	-	392	(10)	**382**
Contractual payments to advisers					
- Advice revenue paid to advisers	(79,521)	-	-	-	**(79,521)**
- Fees paid to advisers/fund managers	-	(1,817)	(48)	-	**(1,865)**
Gross profit from contracts with customers	**10,764**	**2,475**	**404**	**148**	**13,791**
Interest income	2	31	-	14	**47**
Other revenue	128	(5)	-	120	**243**
Total segment gross profit	**10,894**	**2,501**	**404**	**282**	**14,081**
Other material expenses					
- Interest charges and interest on lease liabilities	(20)	-	(3)	(25)	**(48)**
- Client claims	-	-	-	-	**-**
- Depreciation and amortisation	(122)	-	(111)	(526)	**(759)**
- Impairment expenses	91	2	-	-	**93**
- Inter-segment expenses*	(6,790)	(582)	-	7,372	**-**
Total other material expenses	**(6,841)**	**(580)**	**(114)**	**6,821**	**(714)**
Segment profit/(loss) before tax	**2,403**	**1,660**	**177**	**(3,297)**	**943**
Income tax expense	287	-	2	153	**442**
Segment profit/(loss)after tax	**2,116**	**1,660**	**175**	**(3,450)**	**501**
Total comprehensive income/(loss) for the period	**2,116**	**1,660**	**175**	**(3,450)**	**501**
Statement of Financial Position as at 31 Dec 2021					
Total assets	32,553	25,067	2,040	(16,344)	43,316
Total liabilities	(14,109)	(816)	(82)	(6,209)	(21,216)
Net assets	**18,444**	**24,251**	**1,958**	**(22,553)**	**22,100**

* Inter-segment expenses represent employee-related costs and other expenses paid centrally, which are allocated to the segments in which they are incurred.

3. Segment information (cont.)

Half-year to 31 Dec 2020	Licensee & Advice Services $'000	Funds Management & Administration $'000	Consulting Services $'000	Corporate & Unallocated $'000	Total $'000
Segment revenue					
Revenue from contracts with customers					
- Authorised representative fees	5,655	-	-	-	**5,655**
- Advice revenue	55,017	-	-	-	**55,017**
- Product revenue	2,289	5,181	-	-	**7,470**
- Virtual services	612	-	93	-	**705**
- Licensing and managed services	776	-	-	(128)	**648**
- Consulting services	-	-	459	-	**459**
Contractual payments to advisers					
- Advice revenue paid to advisers	(53,275)	-	-	-	**(53,275)**
- Fees paid to advisers/fund managers	(262)	(1,465)	(87)	-	**(1,814)**
Gross profit from contracts with customers	**10,812**	**3,716**	**465**	**(128)**	**14,865**
Interest income	7	73	-	31	**111**
Other revenue	440	-	37	60	**537**
Total segment gross profit	**11,259**	**3,789**	**502**	**(37)**	**15,513**
Other material expenses					
- Interest charges and interest on lease liabilities	11	(27)	(8)	(27)	**(51)**
- Client claims	(17)	-	-	-	**(17)**
- Depreciation and amortisation	(103)	-	(120)	(681)	**(904)**
- Impairment expenses	(311)	-	(33)	-	**(344)**
- Inter-segment expenses*	(7,202)	(792)	-	7,994	**-**
Total other material expenses	**(7,622)**	**(819)**	**(161)**	**7,286**	**(1,316)**
Segment profit/(loss) before tax	**1,993**	**2,696**	**223**	**(3,668)**	**1,244**
Income tax (benefit)/expense	(353)	-	47	(34)	**(340)**
Segment profit/(loss) after tax	**2,346**	**2,696**	**176**	**(3,634)**	**1,584**
Total comprehensive income/(loss) for the period	**2,346**	**2,696**	**176**	**(3,634)**	**1,584**
Statement of Financial Position as at 31 Dec 2020					
Total assets	13,989	20,737	1,777	(4,154)	32,349
Total liabilities	(8,652)	(87)	(173)	(6,912)	(15,824)
Net assets	**5,337**	**20,650**	**1,604**	**(11,066)**	**16,525**

*Inter-segment expenses represent employee-related costs and other expenses paid centrally, which are allocated to the segments in which they are incurred.

4. Revenue

(a) Revenue from contracts with customers (AASB 15 *Revenue from contracts with customers*)

Authorised representative fees: On a monthly basis, the financial advisers are billed for AFSL licensing fees in line with the contract between the Group and the adviser. The Group's obligation under this contract is to provide support to advisers and access to one of the Group's AFSLs to enable them to sell financial advice. The fees charged to the adviser are based on a fixed fee structure outlined in the contract with the adviser. Revenue is recognised on a monthly basis as services are provided to the advisers.

Advice revenue: Commission is received from product providers earned either at inception or renewal of products on the approved product list. Under the contract with the adviser, the Group receives the full commission from the product provider and subsequently pays this in full to the adviser unless there is a specific arrangement with the adviser to retain a proportion of commission to satisfy their authorised representative fee. Based on the agreement between the Group and the advisers, the advisers act as a corporate authorised representative of the Group, and the Group has the ultimate responsibility with the end customers. The Group is therefore considered the principal in these arrangements. Where the advisers are employed by the Group, commission earned is retained within the Group.

Product revenue: The Group earns revenue from its customers through the provision of fund management services to its customers. Under this arrangement, the fee charged is calculated based on a fixed percentage of Funds Under Management and Administration (FUMA) as stated in the contract with the customer. Revenue is recognised as the service is provided, given the customer is receiving and consuming the benefits as they are provided by the Group. Included within investment products revenue are rebates paid to the Group by platform providers who offer the advisers insurance, superannuation and investment solutions. The Group performance obligation is to act as an agent for the platform providers, enabling them access to the adviser network. The rebate earned by the Group is dependent on the nature of the underlying product, either based on in-force policies or funds under management invested through the platform. Revenue is recognised monthly based on Management's best estimate using the most recent information provided by the platform provider and is adjusted based on rebate receipts as and when they are received from the platform provider. As per the recommendations of the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, all conflicted platform remuneration ceased on 31 December 2020.

Virtual services: The Group provides a menu of third-party services to its adviser network. Services with the greatest take-up are paraplanning and outsourced administration support. Other services include investment research, human resource services and software. The Group sources third party providers and continually assesses the performance of providers to ensure quality standards are maintained. The Group derives margin from some services by negotiating competitive wholesale fees and sharing these benefits with advisers across its network. Revenue is recognised on a monthly basis as services are provided to the advisers.

Licensing and managed services: On a monthly basis, the Group charges fixed fees for admission to the customised platform (licence fees) and technological support provided to the client (managed services). Revenue is recognised on a monthly basis as services are provided.

4. Revenue (cont.)

(a) Revenue from contracts with customers (AASB 15 *Revenue from Contracts with Customers*) (cont.)

Consulting services: The Group earns revenue from the provision of XPLAN consulting, XPLAN tailoring and configuration and a comprehensive suite of advice delivery services, to meet specific business needs. Enzumo leverages the knowledge of solution specialists to design, develop and deploy customisations to XPLAN sites. Revenue is recognised on an over time basis when the performance obligations are met.

(b) Interest Income (AASB 9 *Financial instruments*)

Per AASB 9 *Financial Instruments*, interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(c) Other revenue

Other revenue represents other sundry income received by the Group.

	Note	Half-year to 31 Dec 2021 $'000	Half-year to 31 Dec 2020 $'000
Revenue			
Revenue from contracts with customers	**4(a)**		
- Authorised representative fees		6,540	5,655
- Advice revenue		81,371	55,017
- Products revenue		4,907	7,470
- Virtual services		1,411	705
- Licensing and managed services		566	648
- Consulting services		382	459
Total revenue from contracts with customers		95,177	69,954
Contractual payments to advisers			
- Advice revenue paid to advisers		(79,521)	(53,275)
- Fees paid to advisers/fund managers		(1,865)	(1,814)
Total contractual payments to advisers		(81,386)	(55,089)
Gross profit from contracts with customers		**13,791**	**14,865**
Interest income	**4(b)**	**47**	**111**
Other revenue	**4(c)**		
- Cost recoveries from advisers		107	435
- Other		136	102
Total other revenue		**243**	**537**
Gross profit		**14,081**	**15,513**

5. Other general and administrative expenses

	Half-year to 31 Dec 2021 $'000	Half-year to 31 Dec 2020 $'000
Audit fees	239	222
Directors' fees and expenses	195	195
Insurances	797	641
Entertainment	10	14
Printing and stationery	8	13
Other expenses	79	68
Total other general and administrative expenses	**1,328**	**1,153**

6. Earnings per share (EPS)

The following reflects the income used in the basic and diluted EPS computations:

	Half-year to 31 Dec 2021	Half-year to 31 Dec 2020
a) Profit used in calculating profit per share		
Net profit attributable to ordinary equity holders of the Company ($'000)	501	1,584
b) Weighted average number of shares	**No. of shares**	**No. of shares**
Weighted average number of ordinary shares	161,917,236	144,282,969
Effect of dilution:		
Performance rights and long-term incentive shares	11,037,723	12,177,174
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	**172,954,959**	**156,460,143**
Basic earnings per share (cents)	0.31	1.10
Diluted earnings per share (cents)	0.29	1.01

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.

7. Loan Receivables

	31 Dec 2021 $'000	30 June 2021 $'000
Current		
Loan receivables	-	1,090
Loan receivables - financial advisers	380	18
Total current loans	**380**	**1,108**
Non-current		
Loan receivables - financial advisers	1,018	904
Expected credit losses	(795)	(805)
Total non-current loans	**223**	**99**
Total loans	**603**	**1,207**

The Group's loan receivable in ALD was fully repaid on 31 December 2021 (30 June 2021: $1.1m). As a result of the ClearView acquisition, additional loan receivables from financial advisers totalling $0.5m has been recognised on the Balance Sheet.

8. Acquisition of subsidiaries

On 1 November 2021, the Group paid $3.17m in cash and $12.98m in escrowed Centrepoint Alliance Limited (CAF) shares to acquire 100% of the ClearView Advice business comprising LaVista, Matrix and CFA, from ClearView Wealth Limited (ASX: CVW). In accordance with the Share Purchase Agreement, 48 million ordinary, fully paid shares in CAF were issued at $0.25 per share. For the purposes of the accounting valuation, the shares were valued at $0.27 per share being the 30 day VWAP prior to the acquisition date of 1 November 2021.

CFA and Matrix are mid-sized AFS Licensed dealer groups, both providing traditional dealer group licensing support to a network of 165 advisers at 31 December 2021. LaVista, with a network of 105 advisers across 34 adviser practices, provides outsourced B2B licensee services to self-licensed financial advisers and support services to third party dealer groups.

ClearView Advice benefits from best in class technology, having fully integrated Lumen software, which allows for automated compliance monitoring and supervision across all clients under the licensee. With strong management and compliance processes, the existing infrastructure can be scaled to support a larger number of AFSLs and financial advisers, thereby creating the potential for significant profit uplift owing to material synergies.

8. Acquisition of subsidiaries (cont.)

The transaction provides the combined entity with immediate scale, a strong and effective management team, best of breed technology and processes, and the capability to take a market-leading position in the financial advice industry to build a strategically successful and profitable financial advice business. Centrepoint Alliance and ClearView benefit from a close cultural alignment, focusing on high quality, affordable and technology-driven advice services, and the businesses to be combined are viewed as highly complementary.

8.1 Impact of acquisition on the results of the Group

From the acquisition date to 31 December 2021, ClearView Advice contributed revenue of $1.7m to the Group's results.

The Group did not disclose the ClearView Advice profit for the two-month period to 31 December 2021 as the presentation of the standalone profit in isolation from the Group profit does not provide an accurate reflection of the transformational profit impact the acquisition has had on the combined business. In addition, the Group did not estimate the consolidated profit and revenue if the acquisition occurred at the start of the period 1 July 2021. It is not practical to calculate this due to the different bases of charging management expenses prior to the acquisition versus post-acquisition.

8.2 Acquisition-related costs

The Group has incurred acquisition-related costs of $529,653 representing legal fees and due diligence costs. These costs have been expensed as they were not directly attributable to the issue of shares.

	Cost ($)
Legal and advisory services	475,826
Employment contract	7,670
Exit Tax Review	3,200
Valuation	18,752
Share registration	24,205
Total acquisition cost	**529,653**

8.3 Consideration transferred

The below table outlines the purchase consideration resulting from the acquisition.

	$'000
Cash	3,170
Equity instruments issued	12,981
Less receivable from ClearView Wealth Ltd	(30)
Total consideration	**16,121**

8. Acquisition of subsidiaries (cont.)

8.4 Assets acquired and liabilities assumed at the date of acquisition

The following table summarises the recognised amount of assets acquired and liabilities assumed at the date of acquisition.

	ClearView Financial Advice Pty Ltd	LaVista Licensee Solutions Pty Ltd	Matrix Planning Solutions Ltd	Group Total
	$'000	$'000	$'000	$'000
Current Assets				
Cash and cash equivalents	2,682	207	349	**3,238**
Trade receivables	27	-	109	**136**
Prepayments	28	-	41	**69**
Non-Current Assets				
Other assets	537	-	-	**537**
Current Liabilities				
Trade and other payables	21	-	85	**106**
Provisions	489	-	-	**489**
Net identifiable assets acquired	**2,764**	**207**	**414**	**3,385**
Net identifiable intangible assets acquired				**8,691**
Goodwill arising on acquisition				**6,652**
Deferred tax liability				**(2,607)**
Net assets acquired	**2,764**	**207**	**414**	**16,121**

The fair value of the trade and other receivables and liabilities acquired as part of the business combination amounted to $3.385m.

The value of net assets acquired is lower than the target net assets of $3.415m and hence a $30k working capital adjustment is recorded as a receivable from ClearView Wealth Ltd.

The following account balances have been measured on a provisional basis: Trade receivables, Other assets, Trade and other payables and Provisions for client claims.

If new information obtained within one year of the date of acquisition about facts and circumstances that existed at the date of acquisition, identifies adjustments to the amounts above, or any additional provision existed at the date of acquisition, then the accounting for the acquisition will be revised.

8.5 Equity instruments issued

The fair value of the 48 million ordinary shares issued as part of the consideration paid for ClearView Advice, $12.98m was based on the 30-day VWAP prior to the acquisition, equating to $0.27 per share.

8. Acquisition of subsidiaries (cont.)

8.6 Goodwill arising on acquisition

Goodwill of $6.7m arising from the acquisition is principally associated with projected future profitability, growth prospects and the significant skill and proficiency of ClearView Advice personnel. None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

8.7 Identifiable intangible assets arising on acquisition

Identifiable intangible assets of $8.7m arose in the acquisition of ClearView Advice because the acquisition included the customer lists and trade name of ClearView Advice. These assets were identified and separately recognised from goodwill.

8.8 Net cash inflow/(outflow) arising on the acquisition of businesses

	$'000
Consideration paid in cash	(3,170)
Plus: Cash and cash equivalent balances acquired	3,238
Net inflow of cash - investing activities	**68**

9. Intangible assets and goodwill

Key accounting policies

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 identifiable assets, liabilities and contingent liabilities recognised at the date of the acquisition. Goodwill is subsequently measured at cost less any accumulated impairment losses.

Intangible assets acquired in a business combination
Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

9. Intangible assets and goodwill (cont.)

The useful life of the new intangible assets are as follows:

	Useful Life (Years)
Trade name	Indefinite
Network and client lists	11

a) Reconciliation of carrying amounts at the beginning and end of the half-year

	Goodwill $'000	Software $'000	Network & Client Lists $'000	Trade Name $'000	Total $'000
Half-year ended 31 December 2021					
At 1 July 2021 net of accumulated amortisation and impairment	1,095	971	917	101	**3,084**
Additions	6,652	-	8,049	642	**15,343**
Amortisation	-	(156)	(188)	-	**(344)**
At 31 December 2021 net of accumulated amortisation and impairment	**7,747**	**815**	**8,778**	**743**	**18,083**
At 31 December 2021					
Cost	8,000	5,295	19,617	743	**33,655**
Accumulated amortisation and impairment	(253)	(4,480)	(10,839)	-	**(15,572)**
Net carrying value	**7,747**	**815**	**8,778**	**743**	**18,083**

	Goodwill $'000	Software $'000	Network & Client Lists $'000	Trade Name $'000	Total $'000
Financial year ended 30 June 2021					
At 1 July 2020 net of accumulated amortisation and impairment	1,095	1,275	1,151	101	**3,622**
Additions	**-**	12	-	-	**12**
Amortisation	**-**	(316)	(234)	-	**(550)**
At 30 June 2021 net of accumulated amortisation and impairment	**1,095**	**971**	**917**	**101**	**3,084**
At 30 June 2021					
Cost	1,348	5,295	11,568	101	**18,312**
Accumulated amortisation and impairment	(253)	(4,324)	(10,651)	-	**(15,228)**
Net carrying value	**1,095**	**971**	**917**	**101**	**3,084**

10. Contributed equity

	31 Dec 2021	$'000	30 June 2021	$'000
	Number of shares	**$'000**	**Number of shares**	**$'000**
Ordinary shares (issued and fully paid)				
Balance at start of year	144,282,969	34,301	144,282,969	34,301
Movements during the period:				
- Issue of shares	51,598,920	13,293	-	-
On issue at the end of the period	**195,881,889**	**47,594**	**144,282,969**	**34,301**
Total contributed equity	**195,881,889**	**47,594**	**144,282,969**	**34,301**

11. Reserves

	31 Dec 2021 $'000	30 June 2021 $'000
Employee equity benefits reserve	358	339
Dividend reserve	2,966	5,888
Total	**3,324**	**6,227**

a) Employee equity benefits reserve	31 Dec 2021 $'000	30 June 2021 $'000
Balance at start of year	339	1,259
Value of share-based payments provided or which vested during the period	353	260
Transfer of non-vested performance rights from reserves to retained earnings	(22)	(1,180)
Transfer of vested performance rights to share capital	(312)	-
Balance at the end of the period	**358**	**339**

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

In September 2021, 1,551,080 ($22.4k) of the total Centrepoint Alliance Employee Share Plan (‘CAESP 21’) performance rights of 5,150,000 had lapsed and did not meet market conditions. This was reclassified to retained earnings in the period, with no change to total equity. The remaining 3,598,920 vested performance rights were converted to shares. A total of 11,000,000 performance rights were issued during the period to the Chief Executive Officer (CEO) and Chief Financial Officer (CFO).

11. Reserves (cont.)

b) Dividend reserve	31 Dec 2021 $'000	30 June 2021 $'000
Balance at start of year	5,888	11,659
Dividends paid	(2,922)	(5,771)
Balance at the end of the period	**2,966**	**5,888**

The dividend reserve represents profits transferred for payment of potential future dividends.

12. Dividends

Dividends payable are recognised when declared by the Company.

On 23 February 2022, the Directors of Centrepoint Alliance Limited declared fully franked dividends totalling 0.5 cents per share in respect of the half-year ended 31 December 2021. The total estimated dividend to be paid is $979,409, with 3 March 2022 as the record date and 18 March 2022 as the payment date.

On 24 August 2021, the Directors declared a fully franked ordinary dividend of 1.0 cent per share in respect of the results for the year ended 30 June 2021, paid to shareholders on 8 October 2021. On 16 September 2021, the directors declared a further fully franked special dividend of 1.0 cent per share in respect of the completion of Centrepoint Alliance's acquisition of ClearView Advice. This was paid to shareholders on 10 November 2021. The total dividend amount paid during the period was $2,921,648.58 (31 December 2020: Nil).

13. Share-based payment plans

On 1 September 2021, 1,551,080 performance rights on the CAESP 21 shares did not meet market conditions and lapsed unvested. The remaining 3,598,920 CASESP 21 shares vested on 1 September 2021 due to the performance criteria under the offer being partially satisfied.

4,000,000 performance rights from CAESP 22 LTI offer issued in previous financial years have not yet vested.

On 1 November 2021, the Board of Directors approved 8,000,000 performance rights to be issued to the CEO and on 24 December 2021 the Board of Directors approved 3,000,000 performance rights to be issued to the CFO. The fair value of the performance rights issued are calculated as at the date of grant using the Monte Carlo Model. This model takes into account the terms and conditions upon which the performance rights were granted and market-based inputs as at the grant date. The total accounting expense recognised in the period is $353,687, with $191,935 of this total arising from the new issuance for the CEO.

14. Contingent liabilities

Client Claims
The nature of the financial advice business is such that from time to time advice given by the Group or its authorised representatives generates client compensation claims.

On 18 June 2019, the Australian Securities and Investments Commission (ASIC) announced that it had approved a change to Australian Financial Complaints Authority (AFCA) rules, allowing AFCA to investigate certain complaints dating back to 1 January 2008. The AFCA extension period ended in June 2020. Open legacy claims during the period remain minimal. Non-legacy claims continue, and given the variability of settlement amounts, a general provision at 31 December 2021 has been recorded for foreseeable non-legacy claims based on historical information. The Group also continues to fully provide for known obligations at 31 December 2021.

Adviser Service Fees
Under the service arrangements with authorised representatives, customers generally pay an adviser service fee to receive an annual review, together with other services. The Group is assessing whether customers who have paid for these services have been provided with the agreed services.

An assessment of financial advisers employed by the Group (xseedwealth salaried advisers) has been completed, and where customer compensation is probable and can be reliably estimated, a provision was made at 30 June 2018. As at 31 December 2021, the provision balance is $80k.

The assessment process of identifying customers associated with authorised representatives licensed by the Group's wholly owned subsidiaries, Professional Investment Services (PIS) and Alliance Wealth (AW), commenced in February 2019.

The assessment process is well progressed. To date, out of 245* PIS and AW practices, 217 (89%) have been reviewed with 14% identified with a Fee for No Service (FFNS) issue. Refunds of $0.56m are being paid or are expected to be paid by the practices. As no current potential obligation for the Group exists, and the review is on-going, it is not practicable to provide an estimate of final remediation costs. Refund amounts up to 23 February 2022 are not material and accordingly, no provision has been recognised in relation to this matter at 31 December 2021.

As part of acquiring the ClearView Advice business, a further $0.2m provision was assumed for the remediation costs payable to advisers' clients.

15. Deferred tax assets and liabilities

The Group has deferred tax assets of $2.4m as at 31 December 2021 (30 June 2021: $2.9m). There has been a reduction in the deferred tax assets of the Group in the half-year period, which has resulted in a current tax expense of $0.4m. The primary driver of the reduction in deferred tax assets is due to the decrease in doubtful debt provision during the first half of the 2022 financial year.

* Note: 152 practices have joined post the commencement of the FFNS program that are not required to take part in the full FFNS program and hence have been excluded from the total population.

15. Deferred tax assets and liabilities (cont.)

The Group has deferred tax liabilities of $2.6m as at 31 December 2021 (30 June 2021: Nil). The recognised deferred tax liabilities arose from the Group's acquisition of the identifiable intangible assets of ClearView Advice as part of the business combination.

The Group has significant unrecognised tax losses available to utilise against future taxable profits generated by the Group.

16. Events subsequent to the balance sheet date

The impact of COVID-19 is ongoing and constantly evolving. While the Group has not suffered any material adverse impacts up to 31 December 2021, it is not practical to estimate the potential impact (positive or negative) after the reporting date. The situation continues to develop and is dependent on measures imposed by Federal and State Governments and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

During the period, it was notified that the existing short-term sub-lease agreement at Level 2, 28 O'Connell Street, Sydney needed to be vacated by December 2022 due to the building being acquired. As a result, in order to continue maintaining an optimal workplace environment going forward, the Group has entered into a new lease for the Sydney office commencing on 11 March 2022 for a term of three years. Head Office will be relocating to Level 8, 309 George Street, Sydney.

An agreement was executed between Ventura Investment Management Limited (a group subsidiary which holds an AFS licence), and Russell Investment Management Limited (Russell) on the 9th February 2022, which will result in the investment management rights in relation to five Ventura funds being transferred to Russell following the satisfaction of several condition precedents (including Unitholder approval). This transfer is expected to take place in April 2022. The remaining four Ventura funds have been closed to investors and are expected to be wound up before April 2022.

Other than the events above and the dividend in Note 12, there are no other matters or events which have arisen subsequent to end of the half-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 years.

Directors’ Declaration

31 December 2021

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

1. In the opinion of the Directors:
   - (a) The interim condensed consolidated financial statements and notes of Centrepoint Alliance Limited for the half-year ended 31 December 2021 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 31 December 2021 and of its performance for the half-year ended on that date; and
     - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;
   - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2; and
   - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors by the Chief Executive Officer and Chief Financial Officer in accordance with section 303(5)(a) of the Corporations Act 2001 for the half-year ended 31 December 2021.

On behalf of the Directors:

Alan Fisher
Chair

23 February 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Centrepoint Alliance Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Centrepoint Alliance Limited (the 'Company') and its controlled entities (collectively the 'Group'), which comprises the condensed consolidated statement of financial position as at 31 December 2021, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and

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

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

BDO Audit Pty Ltd

BDO

Tim Aman
Director

Sydney, 23 February 2022