CENTREPOINT ALLIANCE LIMITED
AND ITS CONTROLLED ENTITIES

ANNUAL REPORT
30 JUNE 2010

ANNUAL REPORT 2010

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CHAIRMAN'S REPORT

Dear Fellow Shareholders,

As I wrote to you this time last year, our Company was just emerging from an extremely difficult period. Twelve months on and it is gratifying to say that the outlook is quite different and considerably more positive.

In order to secure future bank funding, the Company was required to shed its non-core interests and, commencing in June 2009, to promptly implement a significant down-sizing of its core insurance premium funding (IPF) business. This down-sizing, which included the termination of its preferred IPF business arrangements with the Wesfarmers Insurance Group and resulted in a comprehensive cost reduction exercise, was largely completed during the first quarter of the 2010 Financial Year. Naturally this was a very disruptive and difficult period for our clients, staff and shareholders.

However, thanks in no small part to our executive team and conscientious staff and to many, many loyal and supportive business partners, the down-sizing was implemented quickly and efficiently and the IPF business was stabilised, secured and our industry reputation quickly re-established. Indeed I am pleased to say that our IPF business is once again strong and expanding.

At a corporate level the appointment of Mr Tony Robinson in July 2009 as managing director has added invaluable experience and knowledge to the Board. Since his appointment Tony has been instrumental in the placement of 50 million new shares, which contributed towards the accumulation of significant cash holdings to facilitate new growth and acquisitions.

Tony has also devoted considerable time and energy during the past year in identifying and evaluating acquisition opportunities for the Group. This led to the signing of agreements for a proposed merger with the Professional Investment Holdings (PIH) Group, which is expected to be implemented in December 2010.

I would like to also express my sincere thanks to my fellow directors Martin Kane and Noel Griffin who have provided great support and who have helped guide the Company through from a position of stress to a position where it is not only secure but has an exciting and positive future.

Yours sincerely,

Rick Nelson

Chairman

MANAGING DIRECTOR'S REPORT

Introduction

Financial Year 2010 saw Centrepoint Alliance Limited ('CAF') complete the restructuring and consolidation of its core insurance premium funding ('IPF') business and then stabilise and focus on rebuilding that business. As a consequence of the scale down of the IPF business there were significant reductions in both loan receivables and debt over the period. The year also saw a successful capital raising and the commencement of a new direction, with the signing of a heads of agreement to merge with the Professional Investment Holdings ('PIH') Group, a major national dealer group for financial advisers and accountants.

Overview of the Financial Year

CAF entered Financial Year 2009/10 in difficult circumstances. The Company was suspended on the Australian Stock Exchange and during June 2009 had seen the departure of the Managing Director and two other Directors and the requirement by the Company's principal banker for CAF to implement a prompt and material reduction in borrowings. This led to concluding an agreement in late June 2009 with Wesfarmers Group for the cancellation in September 2009 of a preferred premium funding services contract with the OAMPS Insurance Brokers Group and the scaling back of other insurance premium funding activities.

In spite of this difficult start, CAF has achieved a sound result and has taken a series of positive steps to stabilise then strengthen, rebuild and diversify its operations during the course of the year. The Group has made considerable reductions in its cost base but it has also incurred significant non-recurring costs from legacy issues and implementing the cost reduction program, from fees charged for reviewing and re-documenting bank facilities, from restoring its market position and from transaction costs associated with its impending acquisition. Despite these extra costs and the reductions in its revenue base the Group has recorded a net profit for the year.

The major events or developments during the financial year were:

- The lifting of ASX suspension on 1 July 2009;
- The disposal by the Wesfarmers Group of its holding of ordinary shares and its non-voting convertible preference shares ('NVCPS') in CAF;
- The appointment of Tony Robinson as Managing Director on 13 July 2009;
- The conversion of the 6,115,499 NVCPS to ordinary shares in August 2009;
- The securing of banking facilities with the National Australia Bank:
- The termination of the preferred premium funding arrangements with the Wesfarmers/OAMPS Group on 1 September 2009;
- The announcement in October 2009 of a share placement which was completed in December 2009 and raised $7.5m in cash after costs;
- The repayment in December 2009 of a subordinated loan of $6m from the Wesfarmers Group;
- The announcement on 30 April 2010 of a proposed merger with PIH.

Financial Performance

The Group made a net profit after tax of $559k, representing 0.40 cents per share.

This result is after incurring in excess of $400k (after tax) of transaction costs associated with the proposed merger with PIH, over $300k (after tax) of costs resulting from the enforced revisions to its banking facilities and also significant costs associated with the restructure and reduction of its cost base.

The business also generated significant operational cash flows in the 2010 financial year. The Statement of Cashflows does not reflect this position as it incorporates movements in the cash position of the securitisation trust which is consolidated in the CAF result. The cash position in the trust reflects both the cash entitlements of the note holders in that trust and the cash entitlements of the CAF shareholders.

An operational cash flow which reflects the entitlements of the CAF shareholders is included in Note 21.

The Group's core IPF business continued to trade profitably, albeit on significantly reduced volumes. The value of new loans written fell by 56% from $552 million in 2009 to $245 million in 2010 as a result of the interruptions and difficulties experienced in late 2009 and the termination of the preferred premium

funder agreement with OAMPS Insurance Brokers in September 2009. Margins in the IPF however, were generally maintained at similar levels to previous years.

The discontinued Equipment Finance business, for which the remaining loan receivables are continuing to be collected, made no material contribution to the Group result.

Financial Position

Net assets increased by $8.4 million, primarily as a result of the net proceeds of $7.5 million of the share placement in November 2009.

Interest bearing debt fell by 63% to $50 million and receivables by 49% to $70 million as a consequence of the scale down in IPF activities.

Net tangible assets fell from 21.3 cents to 18.4 cents as a consequence of the additional shares issued upon the conversion of the Company's non-voting convertible preference shares.

Outlook

CAF has made a series of positive steps during FY 2010 aimed at positioning the Group for growth and success in the future. The IPF business has been significantly scaled back, but has not only survived these changes, it has consolidated in its core areas and has worked hard to restore its market image and has successfully started the process of re-growing its business volumes. It is now well poised for further growth and improved returns.

Recognising the need to expand and diversify the Group through acquisition and considerable effort was directed during the past year into identifying and evaluating suitable target businesses. As a consequence of this an agreement was signed with the PIH Group for a merger between the two organisations. PIH owns one of Australia's largest independent dealer networks of financial advisers, as well as a funds management business, an investment platform business and a mortgage aggregator.

The Board believes this acquisition represents an exciting opportunity for CAF and will pave the way for further acquisitions in due course with a goal of building a diverse and successful financial services Group.

To assist with the implementation of that strategy, the Company has successfully raised capital and has accumulated significant cash reserves with a view to funding new acquisitions and re-growing the IPF business.

Signed in accordance with a resolution of the directors.

Tony Robinson

Managing Director

28 September 2010

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.centrepointalliance.com.au

Operation and Responsibilities of the Board

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 adopted in June 2004 and is annually reviewed.

COMPOSITION AND MEMBERSHIP OF THE BOARD

The composition of the Board does not comply with the recommendations in that the Chairman, as a consequence of his shareholding in the Company, is not an independent director within the definition of "independent" adopted by the recommendations.

The directors believe the current make up of the Board to be satisfactory as the other two non-executive directors are independent. At the date of this report, the Board comprises one executive director, one non-executive chairman who is a substantial shareholder, and two independent non-executive directors. The Chairman has a casting vote in the event of a dispute.

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

R J Nelson
Chairman & non-executive director (5 years, Managing Director between 1 October 2005 and 28 February 2007)

A D Robinson
Managing Director (1 Year, Director & Managing Director since 13 July 2009)

M M Kane
Non-executive director (18 years, Managing Director until 30 September 2005)

N J Griffin
Non-executive director (5 years)

I R Magee
Company secretary and Chief Financial Officer (7 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.

NOMINATIONS AND REMUNERATION COMMITTEE

The role of the Nomination and Remuneration Committee is 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 full Board comprises this committee but it is chaired by an independent non-executive director.

Nomination and remuneration activities are governed by the Board Charter that was adopted in June 2004 and is reviewed annually. Nomination duties and responsibilities include:

- Making recommendations for appointment of directors;
- Assessing necessary competencies of directors; and
- Reviewing the performance of directors in accordance with documented evaluation criteria.

Remuneration duties and responsibilities include:

- Developing remuneration policies and strategy for the Company;
- Setting the framework for remuneration of the CEO and non-executive directors; and
- Approving and monitoring company incentive schemes and equity based remuneration arrangements.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Board has established an Audit and Risk Committee, which is responsible for reviewing the financial reporting process, systems of internal control and management of financial risks, the audit process, and the Company's process for monitoring compliance with laws and regulations and its own codes of business conduct. 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 the Board Chairman may not hold the position of Chairman of this committee.

The Company does not comply with the recommendations of the CGC to the extent that the recommendations require at least three members. The Board believes that the current composition of this committee is appropriate in light of the scaling down of the operations and the current size of the business.

The committee operates under a Board Charter approved by the Board of directors. In June 2005, to ensure compliance with the recommendations of the CGC, the charter was expanded by the Board to incorporate responsibility for overseeing management of risk and is reviewed annually. A risk management policy was formally documented. Previously risk management was addressed at full board level. For details on the number of meetings of the audit committee held during the year and attendees at those meetings, refer to the Directors' Report.

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.

The Company has strict regulations governing any trading in company shares by directors or employees, which are set out in the Company's employee share trading policy. Breaches of the policy are subject to disciplinary action that may result in termination of employment.

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 were formalised in a shareholder communications policy and an information disclosure policy adopted by the Board in June 2005, which is 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-yearly report contains summarised financial information and a review of the operations of the Company during the period. The half-year audit reviewed 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.
- Notices made to the Australian Securities Exchange (ASX) as a consequence of meeting the Company's obligations under the ASX continuous disclosure regime

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 2010

Your directors present their report for the year ended 30 June 2010.

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, Martin Kane and Noel Griffin were in office for the entire period.
- Antony Robinson joined the board on 13 July 2009.

Rick Nelson, 61, FAICD – *Chairman & Non-executive Director*
Rick began his career in finance with AGC 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, 59, F Fin, FAIM, MAICD – *Non-executive Director & Member of the Audit & Risk Committee*
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 an executive and subsequently a non-executive director having served as Managing Director for 14 years. He again assumed the role of Managing Director in a temporary capacity during June and early July 2009 pending the appointment of Mr Robinson. He now holds the position of Non-Executive Director and is also currently a Director of Brightwater Care Group Incorporated, a Trustee of the Mullaloo Surf Life Saving Club Inc. and is a Director of Surf Life Saving Western Australia Inc.

Noel Griffin, 62 – *Non-executive Director, Chairman of Audit & Risk Committee, Chairman of Nominations & Remuneration 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.

Antony Robinson, 52 B.Com (Melb), ASA, MBA (Melb). – *Managing Director (Appointed 13 July 2009)*
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:

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

Ian Magee, 54, 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 for over seven years.

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	CAESP Shares**	Options over ordinary shares
R.J. Nelson	17,062,498	-	-	-
M.M. Kane	-	-	-	-
N.J. Griffin	7,500,000	-	-	-
A.D. Robinson	6,500,000	3,000,000*	3,000,000	-
	31,062,498	**3,000,000**	**3,000,000**	**-**

** Ordinary shares of 18 cents each partly paid to 3 cents per share.*
*** CAESP Shares represents an entitlement to acquire shares through the Centrepoint Alliance Limited Employee Share Plan at an agreed price, which are subject to vesting conditions (refer Remuneration Note).*

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

MEETINGS OF DIRECTORS

During the financial year, 21 Directors' meetings, 2 Audit Committee meetings and 1 Nominations & Remuneration Committee meeting were held. Attendances were as follows:

	Directors' Meetings		Audit Committee		Nominations & Remuneration Committee	
Director	No. eligible to attend	Number attended	No. eligible to attend	Number Attended	No. eligible to attend	Number attended
Rick Nelson	21	21	-	-	1	1
Martin Kane	21	21	2	2	1	1
Noel Griffin	21	21	2	2	1	1
Tony Robinson	20	20	-	-	-	-

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 in 1982.

On 1 July 2006, the combined Centrepoint Group acquired OAMPS Premium Funding Pty Ltd, the insurance premium funding arm of the OAMPS Limited insurance and broking group.

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.

Principal Activities

The principal activities of the Company and its related entities during the course of the financial year were the provision of finance to fund insurance premiums.

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.

The Company has controlling interests, either directly or indirectly, in the following entities:

Name	Country of Incorporation	Percentage Interest	Principal Activities
OAMPS Premium Funding Pty Ltd	Australia	100%	Insurance premium funding
Centrepoint Alliance (NZ) Ltd	New Zealand	100%	Insurance premium funding
Alliance Finance Corporation (Hong Kong) Ltd	Hong Kong	100%	Insurance premium funding
Centrepoint Alliance Services Pty Ltd#	Australia	100%	Dormant
Centrepoint Alliance Premium Funding Pty Ltd†	Australia	100%	Dormant

 # Formerly Centrepoint Rental Finance Pty Ltd
† Formerly Alliance Premium Funding Pty Ltd

Employees

As at 30 June 2010, the consolidated entity had 30 (2009: 42) full-time equivalent employees.

REVIEW OF OPERATIONS DURING THE FINANCIAL YEAR

Introduction

Financial Year 2010 saw Centrepoint Alliance Limited complete the restructuring and consolidation of its core insurance premium funding ('IPF') business and then stabilise and focus on rebuilding that business. As a consequence of the scale down of the IPF business there were significant reductions in both loan receivables and debt over the period. The year also saw a successful capital raising and the commencement of a new direction, with the signing of a heads of agreement to merge with the PIH Group, a major national dealer group for financial advisers and accountants.

Overview of the Financial Year

Centrepoint Alliance Limited entered Financial Year 2009/10 in difficult circumstances. The Company was suspended on the Australian Stock Exchange and during June 2009 had seen the departure of the Managing Director and two other Directors and the requirement by the Company's principal banker for it to implement a prompt and material reduction in borrowings. This led to concluding an agreement in late June 2009 with Wesfarmers Group for the cancellation in September 2009 of a preferred premium funding services contract with the OAMPS Insurance Brokers Group and the scaling back of other insurance premium funding activities.

In spite of this difficult start, the Company has achieved a sound result and has taken a series of positive steps to stabilise then strengthen, rebuild and diversify its operations during the course of the year. The Group has made considerable reductions in its cost base but it has also incurred significant non-recurring costs from legacy issues and implementing the cost reduction program, from fees charged for reviewing and re-documenting bank facilities, from restoring its market position and from transaction costs associated with its impending acquisition. Despite these extra costs and the reductions in its revenue base the Group has recorded a net profit for the year.

The major events or developments during the financial year were:

- The lifting of ASX suspension on 1 July 2009;
- The disposal by the Wesfarmers Group of its holding of ordinary shares and its non-voting convertible preference shares ('NVCPS') in Centrepoint Alliance Limited;
- The appointment of Tony Robinson as Managing Director on 13 July 2009;
- The conversion of the 6,115,499 NVCPS to ordinary shares in August 2009;
- The securing of banking facilities with the National Australia Bank:
- The termination of the preferred premium funding arrangements with the Wesfarmers/OAMPS Group on 1 September 2009;
- The announcement in October 2009 of a share placement which was completed in December 2009 and raised $7.5m in cash after costs;
- The repayment in December 2009 of a subordinated loan of $6m from the Wesfarmers Group;
- The announcement on 30 April 2010 of a proposed merger with the Professional Investment Holdings Group ('PIH').

Financial Performance
The Group made a net profit after tax of $559k, representing 0.40 cents per share.

This result is after incurring in excess of $400k (after tax) of transaction costs associated with the proposed merger with PIH, over $300k (after tax) of costs resulting from the enforced revisions to its banking facilities and also significant costs associated with the restructure and reduction of its cost base.

The Group's core IPF business continued to trade profitably, albeit on significantly reduced volumes. The value of new loans written fell by 56% from $552 million in 2009 to $245 million in 2010 as a result of the interruptions and difficulties experienced in late 2009 and the termination of the preferred premium funder agreement with OAMPS Insurance Brokers in August 2010. Margins in the IPF however, were generally maintained at similar levels to previous years.

The discontinued Equipment Finance business, for which the remaining loan receivables are continuing to be collected, made no material contribution to the Group result.

Financial Position
Net assets increased by $8.4 million, primarily as a result of the net proceeds of $7.5 million of the share placement in November 2009.

Interest bearing debt fell by 63% to $50.5 million and receivables by 49% to $69.9 million as consequence of the scale down in IPF activities.

Net tangible assets fell from 21.3 cents to 18.4 cents as a consequence of the additional shares issued upon the conversion of the Company's non-voting convertible preference shares.

Outlook
Centrepoint Alliance Limited has made a series of positive steps during FY 2010 aimed at positioning the Group for growth and success in the future. The IPF business has been significantly scaled back, but has not only survived these changes, it has consolidated in its core areas and has worked hard to restore its market image and has successfully started the process of re-growing its business volumes. It is now well poised for further growth and improved returns.

There have been major reductions in overhead costs across the Group and the benefits of this will be more fully felt in the 2011 Financial Year.

The Company has successfully raised capital and has accumulated significant cash reserves with a view to funding new acquisitions and re-growing the IPF business.

The Directors have recognised the need to expand and diversify the Group through acquisition and considerable effort was directed during the past year into identifying and evaluating suitable target businesses. As a consequence of this an agreement was signed with the PIH Group for a merger between the two organisations. PIH owns one of Australia's largest independent dealer networks of financial advisers, as well as a funds management business, an investment platform business and a mortgage aggregator.

The Board believes this acquisition represents an exciting opportunity and will pave the way for further acquisitions in due course with a goal of building a diverse and successful financial services Group.

DIVIDENDS

No ordinary or preference dividends have been declared or paid in respect of Financial Year 2010.

In August 2009, all of the Company's non-voting convertible preference shares were converted to fully paid ordinary shares and all rights and entitlements attaching to those shares were extinguished in exchange for one additional ordinary share for each preference share. Accordingly the dividend accrued in respect of financial year 2008 was reversed as at 30 June 2009.

OPTIONS

Unissued shares
As at the date of this report, there were 6,000,000 unissued ordinary shares under options (6,000,000 at the reporting date). Refer to the remuneration report for further details of the options outstanding.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the company or any related body corporate.

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 Audit & Risk Committee of the Board, which comprises two non-executive directors. The Chairman of the Board may not chair this committee. It is governed by a charter and is responsible for reviewing the financial reporting process, systems of

internal control and management of financial risks, the audit process and the Company's process for monitoring compliance with laws and regulations and its own codes of business conduct.

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.

STATEMENT OF COMPLIANCE

This operating and financial review is based on the guidelines in The Group of 100 Incorporated publication Guide to the Review of Operations and Financial Condition.

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

On 25 August 2010 a Merger Implementation Deed, setting out the terms, timing and respective obligations for a proposed merger was executed with the PIH Group. On the same date a Convertible Note Subscription Agreement was also signed with PIH Group for the advance of up to $7.5 million in loan funds to PIH upon CAF's subscription for convertible notes under the Agreement. To date $5 million of loan funds have been advanced to PIH under this agreement.

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.

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. 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 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, senior executives, general managers and secretaries of the Parent and the Group.

KEY MANAGEMENT PERSONNEL (KMP)

Key management personnel (including all of the executives of the Company and the Group) during the year and up to the date of this report were as follows:

(i) Directors	
Current	
R.J. Nelson	Chairman & Director (non executive)
N.J. Griffin	Director (non executive)
M.M. Kane	Director (non executive)
A.D. Robinson	Managing Director – appointed 13 July 2009

(ii) Executives	
Current	
R.M. Dodd	Chief Executive Officer - Insurance Premium Funding
I.R. Magee	Chief Financial Officer & Company Secretary

There were no 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 competition 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 and details are provided below.

GROUP PERFORMANCE

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

	2010	2009	2008	2007	2006
NPAT - Net Profit/(Loss) after tax ($'000)	559	(30,510)	(9,493)	4,287	4,086
EPS (basic) – (Cents per share)	0.42	(32.67)	(10.63)	4.47	6.68
EPS (diluted) – (Cents per share)	0.42	(32.67)	(10.63)	4.41	6.37

NOMINATIONS & REMUNERATION COMMITTEE

The role of this committee of the Board is 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 the use of equity-based compensation and to ensure 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. No specific policy exists with regard to hedging of securities issued under these plans. Details of current incentive arrangements for key management personnel, where they exist, are shown under the disclosure of their contracts below.

EMPLOYMENT CONTRACTS

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

Managing Director – Tony Robinson (Appointed 13 July 2009)
Contract commencement date: 13 July 2009.
Term: No term specified.
Incentives:
Short term incentive – A cash bonus of up to $160,000, to be determined by the Board based on achieving significant change to the organisation.
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 3,000,000 fully paid ordinary shares through the Employee Share Plan. The shares, which may be acquired at 20 cents each, vest in three equal tranches over the next three years. Vesting is conditional upon remaining in the employment of the Company.
(ii) During the year Mr Robinson was issued 3,000,000 shares at 18 cents per share, which were partly paid to 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

Chief Executive Officer (Insurance Premium Funding) - Bob Dodd
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 Remuneration Committee. The FY 2010 incentive consisted of a bonus of $100,000 if Mr Dodd remained in the employment of the Company until 31 July 2010 and bonus calculated as a percentage of the excess net profit after tax earned over and above an agreed budget.
Long term incentive – In the form of shares through the Centrepoint Alliance Employee Share Plan. The current component consists of an entitlement to acquire 750,000 fully paid ordinary shares through the Employee Share Plan. The shares, which may be acquired at 20 cents each, vest in three equal tranches over the next three years. Vesting is conditional upon remaining in the employment of the Company.
Required notice (Executive): 3 months
Required notice (Company): 3 months
Termination Entitlement: 12 months notice or equivalent salary in lieu of notice.

Chief Financial Officer & Company Secretary – Ian Magee
Contract commencement: 1 May 2003
Term: No term specified
Incentives: Short term incentive – Consists of a cash bonus based on achieving certain criteria determined by the Remuneration Committee. The FY 2010 incentive consisted of a bonus of $50,000 if certain key project responsibilities were successfully completed.
Long term incentive – In the form of shares through the Centrepoint Alliance Employee Share Plan. The current component consists of an entitlement to acquire 495,000 fully paid ordinary shares through the Employee Share Plan. The shares, which may be acquired at 20 cents each, vest in three equal tranches over the next three years. Vesting is conditional upon remaining in the employment of the Company.
Required Notice (Executive): 1 month
Required Notice (Company): 3 months
Termination Entitlements: Termination payment at discretion of Board, but with a minimum of 6 months value of total fixed remuneration.

TABLE 1 - REMUNERATION OF DIRECTORS, KEY MANAGEMENT PERSONNEL AND EXECUTIVES RECEIVING HIGHEST REMUNERATION

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 $	Options & Shares $	$	%	%
Directors									
R. Nelson	75,229	-	-	6,771	-	-	82,000	-	-
M. Kane	73,225	-	-	1,640	-	-	74,865	-	-
N. Griffin	60,550	-	-	5,450	-	-	66,000	-	-
A.D. Robinson	213,801	160,000	-	19,242	-	38,456	431,499	46.0	14.2
Executives									
B. Dodd	265,138	107,800	-	30,162	-	11,058	414,158	28.7	2.7
I. Magee	201,835	35,000	-	20,865	-	7,298	264,998	16.0	2.8
Total	**889,778**	**302,800**	**-**	**84,130**	**-**	**56,812**	**1,333,520**		

30 June 2009	Short-Term			Post Employment	Long-Term	Share-based Payments	Total	Performance Related	Share & Option Related
	Salary & Fees $	Cash Bonus $	Other $	Superannuation $	Incentive Plans $	Options & Shares $	$	%	%
Directors									
R. Nelson	55,050	-	-	4,955	-	-	60,005	-	-
M. Kane [2]	71,590	-	-	1,042	-	-	72,632	-	-
N. Griffin	60,550	-	-	5,450	-	-	66,000	-	-
J Connor[1]	74,439	-	-	6,700	-	-	81,139	-	-
P. Leonhardt [1,2]	66,000	-	-	-	-	-	66,000	-	-
R. Cawsey[1]	321,983	-	378,969	28,979	-	248,518	978,449	25.4	25.4
Executives									
B. Dodd	265,138	70,000	20,381	26,339	-	-	381,858	18.3	-
I. Magee	201,835	30,000	-	20,228	-	-	252,063	11.9	-
J. Wheatley	75,483	-	74,967	5,274	-	-	155,724	-	-
Total	**1,192,068**	**100,000**	**474,317**	**98,967**	**-**	**248,518**	**2,113,870**		

1 Resigned during the year 2 Amounts are paid or payable to a director related entity.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
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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 both 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 Remuneration Committee, 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 remuneration committee. Payments made are delivered as a cash bonus in the following reporting period.

Awards

Aggregate STI cash bonuses of $317,800 were potentially payable in relation to Financial Year 2010. Of this total, $222,800 (70%) has been paid since year end, $80,000 (25%) has not yet been awarded and the balance of $15,000 (5%) has been forfeited. STI bonuses of $100,000 were awarded in relation to FY 2009 and paid in FY 2010. The award represented 67% of the aggregate potential STI bonus, with the balance forfeited.

No amendments to STI bonus plans have been made since 30 June 2010.

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 ('ESOP') 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 shares are held in a Trust until the vesting conditions have been met and the agreed purchase price is paid. 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 Remuneration Committee.

Awards

Details of the share-based remuneration on issue and granted during the financial year are contained below.

(a) Summary of all options and shares granted to KMP under the ESOP and CAESP schemes

	30 June 2010		30 June 2009	
(i) Options under ESOP				
Outstanding at beginning of period	6,000,000	$1.25	6,000,000	$1.25
Granted during the period	-	-	-	-
Outstanding at end of period	6,000,000		6,000,000	
(ii) Shares under CAESP				
Outstanding at beginning of period	1,000,000	$0.30	-	-
Issued during period	3,804,000	$0.20	1,000,000	$0.30
Re-assigned during period	250,000	$0.20	-	-
Purchased during period	191,000	$0.20	-	-
Outstanding at end of period	5,245,000		1,000,000	

The options, which were issued in FY 2009 to a former managing director, are exercisable at a price of $1.25 per option, are fully vested and expire on 27 November 2010. None have been exercised to date.
The 1,000,000 shares awarded to a former managing director under the CAESP in FY 2009 at a price of $0.30 per share are fully vested. The 4,245,000 CAESP shares, awarded to Mssrs. Robinson, Dodd and Magee during FY 2010 at a price Of $0.20, are subject to vesting conditions in relation to continuation of employment. To date none of these shares have been purchased.

(b) Weighted average remaining contractual life

	30 June 2010 Yrs	30 June 2009 Yrs
Options	0.33	-
CAESP Shares	2.36	1.13

(c) Range of exercise price

	30 June 2010 $	30 June 2009 $
Options	-	$1.25
CAESP Shares	$0.20 - $0.30	$0.30 - $0.50

(d) Fair value at date of issue

Options – Weighted average fair value per option	-	-
CAESP Shares – Weighted average fair value per share	$0.025 - $0.035	$0.023 - $0.046

END OF REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the company paid a premium of $51,227 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 2010. The independence declaration which forms part of this report is on page 21.

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

Ernst & Young received or are due to receive $321,180 for taxation advisory and consultancy services.

Signed in accordance with a resolution of the directors:

Tony Robinson
Managing Director
28 September 2010

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Perth WA 6000 Australia
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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 year ended 30 June 2010, 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

T G Dachs
Partner
Perth
28 September 2010

Liability limited by a scheme approved under Professional Standards Legislation

TD:MJ:CAL:100

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2010

	Notes	CONSOLIDATED 30 June 2010 $'000	30 June 2009 $'000
CONTINUING OPERATIONS			
Revenues			
Interest revenue	5	13,869	27,200
Non-interest revenue	5	1,137	2,293
Total revenue	5	15,006	29,493
Expenses			
Borrowing expenses	5	(5,307)	(12,852)
Provision for impairment of goodwill	14	-	(28,342)
Other general and administration expenses	6	(8,597)	(14,614)
Profit/(Loss) before income tax expense		1,102	(26,315)
Income tax (expense)/credit	7	(538)	(367)
Net profit/(loss) from Continuing Operations after tax		**564**	**(26,682)**
DISCONTINUED OPERATIONS			
Loss from Discontinued Operations after tax	4	(5)	(3,828)
NET PROFIT/(LOSS) AFTER TAX		**559**	**(30,510)**
OTHER COMPREHENSIVE INCOME			
Unrealised cash flow hedge accounting mark to market adjustment taken to equity		190	(158)
Income tax on items of other comprehensive income		(57)	47
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**692**	**(30,621)**
EARNINGS PER SHARE	9		
		Cents	Cents
Continuing Operations			
Earnings per share (basic)		0.42	(28.57)
Earnings per share (diluted)		0.42	(28.57)
Consolidated Group			
Earnings per share (basic)		0.42	(32.67)
Earnings per share (diluted)		0.42	(32.67)

The Statement of Comprehensive Income is to be read in conjunction with the attached notes included in pages 26 to 75.

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Notes	CONSOLIDATED	
		30 June 2010 $'000	30 June 2009 $'000
ASSETS			
Cash and cash equivalents	21(a)	25,615	30,423
Loan and advances	10	69,889	136,195
Current income tax receivable	7	-	1,038
Other assets	11	257	676
Derivative financial instrument	16	21	-
Investments & other financial assets	12	2	2
Plant & equipment	13	342	455
Deferred tax assets	7	506	887
TOTAL ASSETS		**96,632**	**169,676**
LIABILITIES			
Trade and other payables	15	15,921	11,261
Current income tax liability	7	47	-
Interest bearing liabilities	17	50,511	136,427
Derivative financial instrument	16	-	170
Provisions	18	405	419
TOTAL LIABILITIES		**66,884**	**148,277**
NET ASSETS		**29,748**	**21,399**
EQUITY			
Issued capital	19	63,069	55,479
Reserves	20	479	279
Accumulated losses		(33,800)	(34,359)
TOTAL EQUITY		**29,748**	**21,399**

The Statement of Financial Position is to be read in conjunction with the attached notes included in pages 26 to 75.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	Notes	CONSOLIDATED	
		30 June 2010 $'000	30 June 2009 $'000
Cash Flows From Operating Activities			
Interest received		14,272	37,833
Commission received		-	5,301
Fees and other income received		1,255	2,599
Payment to suppliers and other employees		(8,764)	(29,429)
Borrowing costs paid		(5,311)	(12,499)
Income tax paid		872	(238)
Net decrease in loan funds advanced		65,646	42,853
Net increase/(decrease) in amounts due to brokers		5,747	(30,735)
Net decrease in loans		(86,310)	(3,684)
Net cash (used in)/provided by operating activities	21(b)	(12,593)	12,001
Cash Flows from Investing Activities			
Proceeds from disposal of business		-	50
Proceeds from disposal of plant & equipment		21	-
Purchase of plant & equipment		(124)	(180)
Disposal of businesses – net cash exiting		-	(1,710)
Net Cash Used in Investing Activities		(103)	(1,840)
Cash Flows from Financing Activities			
Lease payments		(61)	(258)
Purchase of shares – Share Plan Trust		(130)	(500)
Other Loan Advances		7,622	-
Dividends paid		-	(22)
Net cash from/(used in) Financing Activities		7,431	(780)
Net (decrease)/increase in cash & cash equivalents held		**(5,265)**	**9,381**
Cash & cash equivalents at the beginning of the financial year*		30,308	20,927
Cash & cash equivalents at the end of the financial year*	**21(a)**	**25,043**	**30,308**

**The cash flows of the group include those arising within the CA No.1 Trust, which have a significant effect on the understanding of the consolidated entity's operating cash flows. These cash flows are not immediately available for the use of shareholders (Refer to note 21).*

The Statement of Cash Flows is to be read in conjunction with the attached notes included in pages 26 to 75.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2010

	Notes	ORDINARY SHARES $'000	NVCPS[1] $'000	EMPLOYEE EQUITY BENEFIT RESERVE $'000	HEDGE ACCOUNTING RESERVE	RETAINED EARNINGS $'000	NCI'S[2] $'000	TOTAL EQUITY $'000
CONSOLIDATED								
Balance at 1 July 2008		51,092	4,617	113	-	(4,299)	22	51,545
Profit for the period		-	-	-	-	(30,519)	9	(30,510)
Other comprehensive income		-	-	-	(111)	-	-	(111)
Total comprehensive income for the period		-	-	-	(111)	(30,519)	9	(30,621)
Share-based payment	25	-	-	277	-	-	-	277
Issue of share capital	19	300	-	-	-	-	-	300
Transfer to reserved shares	19	(530)	-	-	-	-	-	(530)
Dividends paid or provided for	8	-	-	-	-	459	(31)	428
Balance at 30 June 2009		50,862	4,617	390	(111)	(34,359)	-	21,399
Balance at 1 July 2009		50,862	4,617	390	(111)	(34,359)	-	21,399
Profit for the period		-	-	-		559	-	559
Other comprehensive income		-	-		133	-	-	133
Total comprehensive income for the period		-	-	-	133	559	-	692
Share-based payment	25	-	-	67	-	-	-	67
Conversion of NVCPS*	19	4,617	(4,617)	-	-	-	-	-
Issues of ordinary shares	19	8,293	-	-	-	-	-	8,293
Issue of partly paid shares	19	90	-	-	-	-	-	90
Transfer to reserved shares	19	(793)	-	-	-	-	-	(793)
Balance at 30 June 2010		63,069	-	457	22	(33,800)	-	29,748

**NVCPS refers to Non-Voting Convertible Preference Shares*
[2] NCI's refers to Non-Controlling Interests

The Statement of Changes in Equity is to be read in conjunction with the attached notes included in pages 26 to 75.

NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2010

1. CORPORATE INFORMATION

The financial report of Centrepoint Alliance Limited and its Controlled Entities (the Group) for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the directors on 28 September 2010.

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

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 derivative financial assets held for trading that have been measured at fair value.

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.

(a) 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.

(b) 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 2010. These are outlined in the table overleaf:

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2009-5	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	The amendments to some Standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting except for the following: The amendment to AASB 117 removes the specific guidance on classifying land as a lease so that only the general guidance remains. Assessing land leases based on the general criteria may result in more land leases being classified as finance leases and if so, the type of asset which is to be recorded (intangible vs. property, plant and equipment) needs to be determined. The amendment to AASB 101 stipulates that the terms of a liability that could result, at anytime, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification. The amendment to AASB 107 explicitly states that only expenditure that results in a recognised asset can be classified as a cash flow from investing activities. The amendment to AASB 118 provides additional guidance to determine whether an entity is acting as a principal or as an agent. The features indicating an entity is acting as a principal are whether the entity: • has primary responsibility for providing the goods or service; • has inventory risk; • has discretion in establishing prices; The amendment to AASB 136 clarifies that the largest unit permitted for allocating goodwill acquired in a business combination is the operating segment, as defined in IFRS 8 before aggregation for reporting purposes. The main change to AASB 139 clarifies that a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract. The other changes clarify the scope exemption for business combination contracts and provide clarification in relation to accounting for cash flow hedges.	1 January 2010	The full impact has not yet been assessed.	1 July 2010

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2009-8	Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions	This Standard makes amendments to Australian Accounting Standard AASB 2 Share-based Payment and supersedes Interpretation 8 Scope of AASB 2 and Interpretation 11 AASB 2 – Group and Treasury Share Transactions. The amendments clarify the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services when the entity has no obligation to settle the share-based payment transaction. The amendments clarify the scope of AASB 2 by requiring an entity that receives goods or services in a share-based payment arrangement to account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash.	1 January 2010	The full impact has not yet been assessed.	1 July 2010
AASB 2009-10	Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]	The amendment provides relief to entities that issue rights in a currency other than their functional currency, from treating the rights as derivatives with fair value changes recorded in profit or loss. Such rights will now be classified as equity instruments when certain conditions are met.	1 February 2010	The full impact has not yet been assessed.	1 July 2010
AASB 9 and AASB 2009-11	Amendments to Australian Financial Instruments and Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes: • two categories for financial assets being amortised cost or fair value • removal of the requirement to separate embedded derivatives in financial assets • strict requirements to determine which financial assets can be classified as amortised cost or fair value, Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows • an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition • reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes • changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income	1 January 2013	The full impact has not yet been assessed.	1 July 2013

Reference	Title	Summary	Application date of standard	Impact on Group financial report	Application date for Group
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. The amendment to AASB 124 clarifies and simplifies the definition of a related party as well as providing some relief for government-related entities (as defined in the amended standard) to disclose details of all transactions with other government-related entities (as well as with the government itself)	1 January 2011	The full impact has not yet been assessed.	1 July 2011
Interpre-tation 19	Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are “consideration paid” in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability.	1 July 2010	The full impact has not yet been assessed.	1 July 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]	Limits the scope of the measurement choices of non-controlling interest at proportionate share of net assets in the event of liquidation. Other components of NCI are measured at fair value. Requires an entity (in a business combination) to account for the replacement of the acquiree’s share-based payment transactions (whether obliged or voluntarily), i.e., split between consideration and post combination expenses. Clarifies that contingent consideration from a business combination that occurred before the effective date of AASB 3 Revised is not restated. Eliminates the requirement to restate financial statements for a reporting period when significant influence or joint control is lost and the reporting entity accounts for the remaining investment under AASB 139. This includes the effect on accumulated foreign exchange differences on such investments.	1 July 2010	The full impact has not yet been assessed.	1 July 2010
AASB 2010-4	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101, AASB 134 and Interpretation 13]	Emphasises the interaction between quantitative and qualitative AASB 7 disclosures and the nature and extent of risks associated with financial instruments. Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. Provides guidance to illustrate how to apply disclosure principles in AASB 134 for significant events and transactions Clarify that when the fair value of award credits is measured based on the value of the awards for which they could be redeemed, the amount of discounts or incentives otherwise granted to customers not participating in the award credit scheme, is to be taken into account.	1 January 2011	The full impact has not yet been assessed.	1 July 2011

(c) Changes in accounting policy and disclosures

From 1 July 2009 the Group has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2009. Adoption of these standards and interpretations did not have any effect on the financial position or performance of the Group.

AASB 7 Financial Instruments: Disclosures

- The amended Standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to all financial instruments recognised and measured at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class.
- In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy.
- The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.
- The fair value measurement disclosures are presented in note 3. The liquidity risk disclosures are not significantly impacted by the amendments and are presented in note 3.

AASB 8 Operating Segments and consequential amendments to other Australian Accounting Standards

- New Standard replacing AASB 114 Segment Reporting, which adopts a management reporting approach to segment reporting.

AASB 101 (Revised) Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards

- Introduces a statement of comprehensive income to replace income statement
- Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.

AASB 127 (Revised) Consolidated and Separate Financial Statements

- There are a number of changes arising from the revision to AASB 127 relating to changes in ownership interest in a subsidiary without loss of control, allocation of losses of a subsidiary and accounting for the loss of control of a subsidiary. Specifically in relation to a change in the ownership interest of a subsidiary (that does not result in loss of control) – such a transaction will be accounted for as an equity transaction.

(d) Basis of consolidation

The consolidated financial statements comprise of the financial statements of Centrepoint Alliance Limited and its subsidiaries as at 30 June each year (the 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.

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 Centrepoint Alliance Limited has control.

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

(e) Significant accounting judgements, estimates and assumptions

Significant accounting judgements

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

Significant estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill is allocated. The assumptions used in this estimation of the recoverable amount and the carrying amount of goodwill are discussed in note 16.

Provisions for impairment of loans and advances

The Group provides for impaired loans when there is a reasonable doubt whether the principal amount of the loan can be collected in accordance with the terms of the loan agreement. The Group provides for loans and advances based on anticipated losses on loans that are known to be impaired (specifically impaired assets).

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees 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, with the assumptions detailed in note 25. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using a binomial model taking into account the terms and conditions upon which the instruments were granted.

Future trail commission

The Group recognises as an asset the net present value of trail income due in future periods on the current book of mortgage loans for which it has acted as broker. Assumptions are made with regard to rates of amortisation of the trail book based on market and Group experience.

A corresponding liability is also recognised at net present value, for the anticipated commission expense and other costs payable upon receipt of these trail commissions..

(f) Business combinations

The purchase method of accounting was used to account for all business combinations pre 1 July 2009 regardless of whether equity instruments or other assets are acquired.

Under this method cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the combination. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price as at the date of exchange. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent to 1 January 2009, business combinations are accounted for using the acquisition method.

Under this 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.

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.

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 at fair value as 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 in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured

(g) 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 othercomponents 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.

Currently the Group consists of only one operating segment, being the insurance premium funding business.

(h) Foreign currency translation

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

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 Income Statement, as exchange gains or losses, in the period when the exchange rates change.

Translation of financial reports of overseas operations

The functional currencies of the overseas subsidiaries are Hong Kong Dollars and New Zealand Dollars. As at the reporting date the assets and liabilities of these overseas subsidiaries are translated into the presentation currency of the Group at the rate of exchange ruling at the balance sheet date and the income statements are translated at the weighted average exchange rates for the period. The exchange differences arising on the translation are taken directly to a separate component of equity.

(i) Cash and cash equivalents

Cash and cash equivalents in the balance sheet 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.

(j) 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 criteria 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.

Debtors - Insurance Premium Finance

Debtors – Insurance Premium Finance comprises finance provided to customers by way of insurance premium finance facilities. All insurance premiums receivable are for terms not exceeding twelve months.

Debtors – Commission

Debtors – Commission comprises commission amounts due from financiers and equipment suppliers for the provision of services.

Debtors – Commercial Finance

Debtors – Commercial Finance comprises finance provided to customers to fund the acquisition of equipment and other chattels. Loans are made for terms of between one and five years.

All loans and advances 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.

Amortised cost is calculated by taking into account any discount or premium on acquisition. For financial assets carried at amortised cost, gains or losses are recognised in the Statement of Comprehensive Income when the financial assets are derecognised or impaired, as well as through the amortisation process.

(k) Derivative financial instruments and hedging

The Group uses derivative financial instruments (including forward currency contracts and interest rate swaps) to manage its risks associated with foreign currency and interest rate fluctuations. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured to fair value.

Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to profit or loss for the year.

The fair values of forward currency contracts are calculated by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swap contracts are determined by reference to market values for similar instruments.

For the purposes of hedge accounting, hedges are classified as:

- Fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability (Centrepoint Alliance Limited does not currently have fair value hedges);
- Cash flow hedges when they hedge the exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction (Centrepoint Alliance Limited currently has cash flow hedges attributable to payment of interest on borrowings);
- Hedges of a net investment in a foreign operation (Centrepoint Alliance Limited does not currently have any net investment hedges).

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

(i) Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability that is a firm commitment and that could affect profit or loss. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Amounts taken to other comprehensive income are transferred out of other comprehensive income and included in the measurement of the hedged transaction when the forecast transaction occurs.

The Group tests each of the designated cash flow hedges for effectiveness on a monthly basis both retrospectively and prospectively by measuring sensitivity in its net interest income margins. If the testing falls within the 80:125 range, the hedge is considered highly effective and continues to be designated as a cash flow hedge. For foreign currency cash flow hedges if the risk is over-hedged, the ineffective portion is taken immediately to other income/expense in the statement of comprehensive income. For interest rate cash flow hedges, any ineffective portion is taken to other expenses in the statement of comprehensive income. If the forecast transaction is no longer expected to occur, amounts recognised in equity are transferred to the statement of comprehensive income.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked (due to it being ineffective), amounts previously recognised in equity remain in equity until the forecast transaction occurs.

(l) 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 held for trading, 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 assets held for trading 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.

Recognition and derecognition

Financial assets

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.

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.

Securitisation

The consolidated entity utilises a special purpose vehicle (SPV), which issues securities to investors. These SPV meet the criteria of being a 'subsidiary' under AASB 127 – Consolidated and separate financial statements. These transactions do not meet the criteria under AASB 139 - Financial Instruments:

Recognition and Measurement in regards to de-recognition of financial instruments. Accordingly, the value of the securitised loans has been recorded in the balance sheet with the related interest earned and interest paid recognised through the consolidated statement of comprehensive income.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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

Financial assets carried at amortised cost
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 profit and loss account.

(m) 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.

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.

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

Owned Plant and Equipment	2 – 5 years	Diminishing Value/Straight Line
Leased Plant and Equipment	5 years or lease term	Diminishing Value
Motor Vehicles	5 years	Diminishing Value
Leased Motor Vehicles	5 years	Diminishing Value
Software	2.5 years	Straight Line

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 income statement in the period the item is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Leases

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.

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.

(o) 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.

(p) Goodwill and intangibles

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.

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.

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 is 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 profit or loss in the expense category consistent with the function of the intangible asset.

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.

A summary of the policies applied to the Group's intangible assets is as follows:

Preferred Premium Funder Agreement – OAMPS Insurance Brokers	
Useful life	Finite
Amortisation method used	Amortised over the period of expected future benefits on a straight-line basis.
Internally generated or acquired	Acquired
Impairment testing	Annually at 31 December and more frequently when an indication of impairment exists.

(q) 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.

(r) 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).

(s) Provisions and employee benefits

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. All other employee benefits are measured at the present value of the estimated future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. In determining the present value of future payments, the market yield as at the reporting date on national government bonds which have terms to maturity approximating the terms of the related liability are used.

(t) Share-based payment transactions
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 Share Option Incentive 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, further details of which are given in note 25.

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).

At each subsequent reporting date until vesting, the cumulative charge to the income statement 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 income statement 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(u) 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 directly in equity as a reduction of the share proceeds.

(v) 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.

Interest Income

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.

Commission Income

Commission income in relation to finance brokerage transactions is recognised upon the settlement of finance agreements and is brought to account as revenue at that time.

Trail Income

The Group recognises as an asset the net present value of trail income due in future periods on the current book of mortgage loans for which it has acted as broker. Assumptions are made with regard to rates of amortisation of the trail book based on market and Group experience.

Fees

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

(w) Income tax and other taxes

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 the income statement.

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.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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.

An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose on goodwill or in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable income.

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.

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.

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 Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, Centrepoint 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 22.

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

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 balance sheet.

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.

(x) 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, adjusted for any bonus element.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

During the period, the Group's principal financial instruments comprised a securitisation facility, bank loans and overdrafts, subordinated debt, and cash.

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 Group has various other financial assets and liabilities such as receivables and payables, which arise directly from its operations. The Group also enters into derivative transactions, including interest rate swaps and forward currency contracts. The purpose is to manage the interest rate and currency risks arising from the Group's operations and its sources of finance. It is, and has been throughout the period under review, the Group's policy that trading in financial instruments is undertaken only for the purpose of hedging foreign currency transactions. 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 exchange 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.

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 Audit & Risk Committee under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below, including the setting of limits for trading in derivatives, hedging cover of foreign currency and interest rate risk, credit allowances, and future cash flow forecast projections.

Risk Exposures and Responses

Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables, available-for-sale financial assets and derivative instruments. 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. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties. Wherever possible, collateral is obtained 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.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. 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.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is monitored and managed. Refer to Note 10 for an ageing analysis and impairment analysis.

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.

For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the Finance and Treasury department.

The Group's majority cash balances and securitisation facilities are held with Australian authorised deposit-taking institutions with a S&P rating of 'A' or above.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's unhedged debt obligations with a floating interest rate. The total level of debt is disclosed in note 17.

The Group's Securitisation Trust facility incorporates an interest rate fixed swap agreement to hedge against short term movements in interest rates. The notional principal value at balance date was $44,339,000 (2009: $117,064,000), which is on a monthly amortising schedule through to 16 May 2011.

All swaps are matched directly against the appropriate tranche of loans and as such are considered highly effective cash flow hedges. The swaps are measured at fair value and all gains or losses attributable to the hedged risks are taken directly to equity and are re-classified into profit and loss when the interest expense is recognised.

At balance date, the Group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	CONSOLIDATED	
	30 June 2010 $'000	**30 June 2009 $'000**
Financial Assets		
Cash	25,615	30,423
	25,615	30,423
Financial Liabilities		
Bank overdraft	571	115
Bank loans	6,731	11,562
Subordinated debt	-	6,000
	7,302	17,677
Net exposure	**18,313**	**12,746**

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 lenders with the result that a relatively small proportion of the book is at risk.

At balance date the Group held no long term debt and consequently is not exposed the long term impact of variable interest rates.

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

At 30 June 2010, 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)**		**Equity Higher/(Lower)**	
	30 June 2010 $'000	**30 June 2009 $'000**	**30 June 2010 $'000**	**30 June 2009 $'000**
+1% (100 basis points)	137	89	-	-
-1% (100 basis points)	(137)	(89)	-	-

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The movements in profit are due to higher/lower interest costs from variable rate debt and cash balances. Management have assessed interest rate risk of derivative instruments designated as cash flow hedges to be immaterial.

The sensitivity is lower in 2010 than in 2009 because of a reduction in borrowings that has occurred due to repayment of debt as a result of the scale down in activities.

Significant assumptions used in the interest rate sensitivity analysis include:

(i) Reasonably possible movements in interest rates were determined based on the Group's current credit rating and mix of debt, relationships with finance institutions.
(ii) The level of debt that is expected to be renewed.
(iii) 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.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of securitisation, 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 17 (c).

The Group's policy is to match debt with the nature and term of the underlying assets. At balance date virtually 100% of the Group's assets mature in less than 12 months and on average loan assets 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 at 30 June 2010.

Analysis of financial assets and liability based on contractual maturity.

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 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 below 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)

Year ended 30 June 2010 CONSOLIDATED	≤3 months $'000	3-12 months $'000	1-5 years $'000	Total $'000
Financial assets				
Cash	25,615	-	-	25,615
Loans & advances				
- Insurance Premium Funding	23,780	48,266	-	72,046
- Commercial Finance	130	171	-	301
Derivative financial instrument	4	17	-	21
Investments	-	-	2	2
	49,529	48,454	2	97,985
Financial liabilities				
Trade creditors	11,166	2,791	-	13,957
Other amounts payable	2,921	730	-	3,651
Bank overdraft	16	603	-	619
Bank loans	101	7,034	-	7,135
Securitisation debt	45,091	-	-	45,091
Finance leases	12	50	-	62
	59,307	11,208	-	70,515
Net Maturity	**(9,778)**	**37,246**	**2**	**27,470**

Year ended 30 June 2009 CONSOLIDATED	≤3 months $'000	3-12 months $'000	1-5 years $'000	Total $'000
Financial assets				
Cash	30,423	-	-	30,423
Loans & advances				
- Insurance Premium Funding	44,784	89,475	266	134,525
- Commercial Finance	549	657	464	1,670
Investments	-	-	2	2
	75,756	90,132	732	166,620
Financial liabilities				
Trade creditors	6,463	1,616	-	8,079
Other amounts payable	2,594	588	-	3,182
Bank overdraft	-	115	-	115
Bank Loans	-	11,562	-	11,562
Derivative financial instrument	30	140	-	170
Securitisation debt	118,630	-	-	118,630
Subordinated debt	-	6,000	-	6,000
Finance leases	33	97	-	130
	127,750	20,118	-	147,868
Net Maturity	**(51,994)**	**70,014**	**732**	**18,752**

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

At balance date, the Group has available approximately $56,832,000 (2009:$13,594,000) of unused credit facilities available for immediate use.

Foreign currency risk

The Group has limited exposure to currency exchange rate risk for financial assets and liabilities. The exposure is in respect of operations in New Zealand, Hong Kong and US Dollar transactions.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

The Group requires all its operating units to use forward currency contracts to eliminate the currency exposures on any individual transactions in excess of $200,000 for which payment is anticipated more than one month after the Group has entered into a firm commitment for a sale.

The forward currency contracts must be in the same currency as the hedged item. Refer to note 16 for details of outstanding forward currency contracts. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

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 financial instruments as well as the methods used to estimate the fair value are summarised in following table:

	30 June 2010				30 June 2009			
	Quoted Market Price (Level 1) $'000	Valuation Technique (Level 2) $'000	Valuation Technique (Level 3) $'000	Total	Quoted Market Price (Level 1) $'000	Valuation Technique (Level 2) $'000	Valuation Technique (Level 3) $'000	Total
Financial asset								
Derivative instrument								
- Interest rate swap	-	21	-	21	-	-	-	-
Financial liability								
Derivative instrument								
- Interest rate swap	-	-	-	-	-	170	-	170

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.

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 either year.

4. DISCONTINUED OPERATIONS

(a) Operations Sold

During the previous financial year the Company executed agreements for the sale of the following entities with an effective date of 31 December 2008:

Centrepoint Finance Pty Ltd;
Centrepoint Finance WA Pty Ltd; and
Centrepoint Finance (Funding) Pty Ltd

The sale of Centrepoint Finance (Funding) Pty Ltd was made on commercial terms to a related party (entities in which Mr. Rick Nelson, the Chairman and a significant shareholder, and his family have a significant interest). Refer to Note 4(e).

The entities sold comprised the commercial finance segment of the Group and their disposals represented a key element of the strategy previously announced by the Board of Directors to focus on and develop the core insurance premium funding operations.

In preparation for the sales of these businesses, the Group incurred significant costs associated with restructuring the operations and implementing the disposals.

While most of these costs were borne within the disposed entities, Centrepoint Alliance Limited also incurred some costs in connection with the discontinued operations which are included in the analysis below.

(b) Financial performance of Discontinued Operations

The results of the discontinued operations for the period until disposal are presented below:

	Year ended 30 June 2010 $'000	Year ended 30 June 2009 $'000
Revenue		
Commission income	-	5,302
Interest income	9	739
Other income	119	306
Total revenue	128	6,347
Commission expenses	-	3,617
Borrowing expenses	-	467
Other general and administrative expenses*	135	6,021
Loss on disposal (refer to Note 4(d))	-	605
Profit/(Loss) from discontinued operations before income tax	(7)	(4,363)
Income tax credit	2	535
Profit/(Loss) from discontinued operations after income tax	**(5)**	**(3,828)**

** Includes $Nil (2009: $2,322,000) of costs of disposal and restructure borne by Centrepoint Alliance Limited*

(c) Earnings per Share from Discontinued Operations

	Year ended 30 June 2010 Cents	Year ended 30 June 2009 Cents
Basic earnings per share	-	(4.10)
Diluted earnings per share	-	(4.10)

4. DISCONTINUED OPERATIONS (CONTINUED)

(d) Effects of Disposal of Discontinued Operations

Net assets on disposal were comprised as follows:

	Year ended 30 June 2010 $'000	Year ended 30 June 2009 $'000
Assets		
Cash & cash equivalents	-	1,710
Loans & advances	-	4,243
Trade & other receivables	-	1,956
Plant & equipment	-	411
Total Assets	-	8,320
Liabilities		
Trade & other payables	-	1,939
Interest bearing liabilities	-	5,022
Provisions	-	609
Total Liabilities	-	7,570
Net assets attributable to discontinued operations	**-**	**750**

Loss on disposal is comprised as:

	Year ended 30 June 2010 $'000	Year ended 30 June 2009 $'000
Cash consideration receivable	-	300
Adjustment to consideration (net)	-	(155)
Less: Net assets disposed (refer above)	-	(750)
Loss on disposal before income tax	-	(605)
Income tax	-	-
Loss on disposal after income tax	-	**(605)**

(e) Disposal of Discontinued Operation to a Related Party

Included in the analysis above is the disposal of Centrepoint Finance (Funding) Pty Ltd, which was sold at arm's length commercial terms to Waylex Pty Ltd and the Burnel Family Trust, entities in which Mr. Rick Nelson and his family have a significant financial interest. The effects of this disposal are disclosed separately below.

(i) Results for the year until disposal are as follows:

	Year ended 30 June 2010 $'000	Year ended 30 June 2009 $'000
Revenue		
Interest income	-	465
Other income	-	56
Total revenue	-	521
Commission expenses	-	63
Borrowing expenses	-	319
Other general and administrative expenses		399
Loss on disposal (refer to Note (iii))	-	-
Profit/(Loss) from discontinued operations before income tax	-	(260)
Income tax credit	-	78
Profit/(Loss) from discontinued operations after income tax	-	**(182)**

4. DISCONTINUED OPERATIONS (CONTINUED)

(ii) Net assets on disposal were comprised as follows:

	Year ended 30 June 2010 $'000	Year ended 30 June 2009 $'000
Assets		
Cash & cash equivalents	-	246
Loans & advances	-	4,243
Trade & other receivables	-	534
Total Assets	-	5,023
Liabilities		
Trade & other payables	-	2
Interest bearing liabilities	-	5,021
Total Liabilities	-	5,023
Net assets attributable to discontinued operations	**-**	**-**

(iii) Loss on disposal is comprised as follows:

Cash consideration receivable	-	-
Adjustment to consideration (net)	-	(155)
Less: Net assets disposed (refer above)	-	-
Loss on disposal before income tax	-	(155)
Income tax	-	-
Loss on disposal after income tax	**-**	**(155)**

5. REVENUES AND EXPENSES

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
(a) Revenues		
Insurance premium funding – interest*	13,869	27,200
Non- interest income	1,137	2,293
Total Revenue	**15,006**	**29,493**
(b) Borrowing Expenses		
Interest expense	4,727	12,069
Bank fees	580	783
Total Borrowing Expenses	**5,307**	**12,852**

** NOTE: In accordance with Accounting Standard AASB 139, the Company was required to adopt the effective interest rate method of disclosure, which means that commission expenses of $5,220,000 (2009: $9,775,000) on financing activities has been netted off against (i.e. deducted from) interest and fee income.*

5. REVENUES AND EXPENSES (CONTINUED)

	Average Balance		Interest		Average Rate P.A.	
	30 June 2010 $'000	30 June 2009 $'000	30 June 2010 $'000	30 June 2009 $'000	30 June 2010 %	30 June 2009 %
(c) Rates of Interest						
Interest Revenue						
Loans and advances – Insurance Premium Funding	91,244	190,283	13,413	27,200	14,70%	14.29%
Interest Expense						
Interest expense	72,783	185,850	4,727	12,069	6.49%	6.49%

6. OTHER GENERAL AND ADMINISTRATION EXPENSES

	CONSOLIDATED	
	30 June 2009 $'000	30 June 2008 $'000
Accounting Fees	297	273
Advertising and promotions	135	188
Audit fees	97	169
Bad debts	220	766
Broker system fees	219	289
Credit agency fees	94	196
Consultancy fees	122	553
Debt collection costs	83	186
Depreciation of plant & equipment	214	316
Entertainment	64	119
Insurance	811	932
Legal fees	406	450
Employee benefit costs*	4,286	7,674
Printing, postage and stationery	75	131
Rent	629	530
Staff recruitment	17	194
Telecommunications	353	382
Travel	157	319
Other	318	947
Total	**8,597**	**14,614**
***Employee benefit costs**		
Wages and salaries	3,303	6,493
Superannuation	256	448
Share based payments	165	277
Annual leave and long service leave	256	456
Other	306	-
	4,286	**7,674**

7. INCOME TAX

(a) Income tax expense

The major components of the income tax expense are:

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Income Statement		
Current income tax		
Current income tax charge	265	1,097
Adjustment to current tax of prior period	41	(53)
	306	1,044
Deferred income tax		
Relating to origination and reversal of temporary differences	232	(677)
Income tax expense / (credit) reported in the consolidated income statement	**538**	**367**

(b) Amounts charged or credited directly to equity

Deferred income tax related to items charged or credited directly to equity	57	(47)
Income tax expenses reported directly in equity	57	(47)

(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 is reconciled as follows:

Accounting (loss) / profit before tax from:		
Continuing operations	1,102	(26,315)
Discontinued operations	(7)	(4,363)
Total (loss) / profit before tax	1,095	(30,678)
Prima Facie tax thereon at 30%	329	(9,206)
Tax effect of permanent differences		
Non deductible expenses	33	424
Adjustment for differential tax rate on foreign subsidiary	(13)	-
De-recognition of revenue losses	146	-
Impairment of goodwill / investment	-	8,180
Net loss on disposal of subsidiary	-	120
Deferred tax assets exiting the group	-	324
Adjustments in respect of prior years	41	(43)
Other items	-	32
Aggregate income tax expense/(credit)	**536**	**(169)**
Income tax expense/(credit) is attributable:		
Continuing operations	**538**	**367**
Discontinued operations	**(2)**	**(536)**
Aggregate income tax expense/(credit)	**536**	**(169)**

7. INCOME TAX (CONTINUED)

(d) Recognised deferred tax assets and liabilities

Deferred income tax at 30 June relates to the following:

	Statement of Financial Position		Statement of Comprehensive Income	
CONSOLIDATED	**30 June 2010 $'000**	**30 June 2009 $'000**	**2010 $'000**	**2009 $'000**
- Prepayments	(406)	(474)	68	105
- Trail Commissions	-	-	-	221
- Foreign exchange gains	-	(40)	40	(40)
- Intangible asset	-	-	-	91
Gross deferred tax liabilities	(406)	(514)	108	377
Deferred tax assets				
- Provision for impairment of loans and advances	197	376	(179)	(64)
- Provisions and accruals	545	655	(110)	164
- Derivative Instruments	4	47	(43)	47
- Deferred fee income	36	49	(13)	78
- Merger transaction costs	97	-	97	-
- Securitisation costs	33	51	(18)	50
- Foreign exchange losses	-	223	(223)	105
- Carried forward revenue losses	-	-	-	(553)
Gross deferred tax assets	912	1,401	(489)	(173)
Net deferred tax assets	**506**	**887**		
Movement in deferred tax assets/liabilities			**(381)**	**204**
Amount recognised in equity			57	(47)
Foreign currency rate adjustments			(6)	(6)
Deferred tax income/(expense)			**(330)**	**151**
Deferred income tax (expense)/benefit is attributable to:				
Continuing operations			(232)	677
Discontinued operations			(98)	(526)
			(330)	**151**

(e) Tax losses

The Group has Australian capital tax losses for which no deferred tax asset is recognised at balance date of $11,810,000 (2009: $9,582,000) which are available indefinitely for offset against future capital gains subject to continuing to meet relevant statutory tests.

(f) Unrecognised temporary differences

At balance date there were no unrecognised temporary differences associated with the Group's investments in subsidiaries, associates or joint ventures, as the Group has no liability for additional taxation should unremitted earnings be remitted.

8. DIVIDENDS

(a) Recognised amounts

Dividends payable are recognised when declared by the company.

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

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Dividends on ordinary shares		
Final fully franked dividend for 2009: Nil cents (2008: Nil cents) per share	-	-
	-	**-**
Dividends on non-voting convertible preference shares:		
Reversal of 2008 fully franked dividend of 7.5 cents per preference share		(459)
	-	**(459)**
Dividends paid to non-controlling interests in subsidiary		
Dividends paid to subsidiary interests in Alliance Finance Corporation Pty Ltd	-	31
	-	**31**
Total dividends paid or payable	**-**	**(428)**

(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% (2008: 30%)	7,935	7,758
Franking (debits) credits that will arise from the receipt/payment of income tax payable as at the end of the financial year	63	(1,032)
Franking credits/(debits) that will arise from the payment of dividends reversed/(provided for)	-	197
	7,998	**6,923**

Dividend Franking

The tax rate at which paid dividends were franked is 30%.

Franking credits are reported on a tax paid basis.

9. EARNINGS PER SHARE

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Net profit/(loss) attributable to equity holders of the parent	559	(30,519)
	No. of Shares	No. of Shares
Weighted average number of ordinary shares used in calculating basic earnings per share	133,253,191	93,385,475
Weighted average number of partly paid shares used in calculating basic earnings per share	261,644	-
Weighted average number of non-voting convertible preference shares used in calculating diluted earnings per share	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	**133,514,835**	**93,385,475**
Weighted average number of non-voting convertible preference shares not used in calculating diluted earnings per share	-	6,115,499

(a) Information on the classification of securities

Options

There was no impact from Share Options on the earnings per share calculation. The 6,000,000 Options (2009: 6,000,000) on issue were not included in the calculation of diluted earnings per share because during the year ended 30 June 2010 the average market price of ordinary shares did not exceed the exercise price of the options and during the year ended 30 June 2009 they were anti-dilutive. These options expire on 27 November 2010.

Non-voting convertible preference shares

The 6,115,499 non-voting convertible preference shares on issue at the beginning of the financial year were converted to ordinary shares in August 2009. Accordingly for the year ended 30 June 2010 they were included in the calculation of basic EPS as ordinary shares for the full year. For financial year 2009 the impact of the preference shares was considered anti-dilutive and accordingly the dividend payable on these shares was deducted from the net profit figure used in the calculation of diluted EPS.

Reserved shares (Centrepoint Alliance Employee Share Plan)

During the year 3,804,000 (2009: 1,000,000) were issued to and were acquired by, and an additional 191,000 (2009: 1,000,000) shares were purchased on market by, the Centrepoint 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.

Partly Paid Shares

In calculating both the basic and diluted earnings per share the appropriate proportion, as determined by the percentage paid, of the 3,000,000 Partly Paid shares were included in determining weighted average shares.

10. LOANS AND ADVANCES

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Continuing Businesses		
Receivables	72,046	140,871
Less: Unearned Interest	(1,788)	(5,660)
Less: Allowance for impairment	(447)	(686)
	69,811	134,525
Discontinued Businesses		
Receivables	301	2,327
Less: Unearned Interest	(13)	(176)
Less: Allowance for impairment	(210)	(481)
	78	1,670
Consolidated		
Receivables	72,347	143,198
Less: Unearned Interest	(1,801)	(5,836)
Less: Allowance for impairment	(657)	(1,167)
Total Loans and Advances	**69,889**	**136,195**

(a) Terms and conditions

Insurance Premium Funding

Insurance Premium Funding has an average term of 10 months but can extend to 12 months. Repayments are made monthly in accordance with the terms of the loan contract.

Equipment Finance

Receivables have terms ranging from 1 to 3 years. Repayments are made monthly in accordance with the terms of the loan contract.

(b) Impairment of loans and advances

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 year impaired loans, net of recoveries, to the value of $174,000 (2009: $888,000) were written off to expenses. A significant proportion of these loans had been previously provided for and after adjustment for this, allowances were adjusted resulting in a net expense of $46,000 (2009: a credit of $ 123,000). These amounts have been included in the other general and administration expense item for bad debts.

10. LOANS AND ADVANCES (CONTINUED)

	CONSOLIDATED	
Allowance for Impairment	**30 June 2010 $'000**	**30 June 2009 $'000**
Opening balance	1,167	1,465
Movement in the allowance is as follows:		
Allowance for impairment	(510)	602
Bad debts written off	-	-
Allowance exiting with discontinued operations	-	(900)
Closing Balance	**657**	**1,167**
Bad and doubtful expense		
Continuing Operations		
Allowance for impairment	46	(122)
Bad debts written off directly	174	888
Total expense	**220**	**766**
Discontinued Operations		
Allowance for impairment	(325)	724
Bad debts written off directly	185	367
Total expense	**(140)**	**1,091**
Consolidated		
Allowance for impairment	(279)	602
Bad debts written off directly	359	1,255
Total expense	**80**	**1,857**

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

Non-Accrual Loans		
Without allowance	-	-
With allowance	752	1,732
Specific allowance for impairment	(446)	(901)
Non-accrual loans included in Loans and Advances (net)	**306**	**831**
Interest foregone on non-accrual loans	13	31

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

Ageing analysis

At 30 June, the ageing analysis of loans and advances is as follows:

		Total	0-30 days	31-60 days	61-90 days PDNI	61-90 days CI**	+91 days PDNI*	+91 days CI**
2010	Consolidated	69,889	69,362	175	13	79	8	252
2009	Consolidated	136,195	135,573	309	180	43	66	24

** 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.

(c) Related party receivables
There are no related party receivables designated as loans and advances.

(d) Fair value and credit risk
Due to the short term nature of the Insurance Premium Funding receivables, their carrying value is assumed to approximate their fair value.

The fair values of long-term loans and advances receivable are estimated using discounted cash flow analysis, based on current incremental lending rates for similar types of lending arrangements. There were no long term loans outstanding at balance date.

The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security for Insurance Premium Funding loans, but for the Commercial Finance loans in general the asset is used as security for the loan. It is not the Group's policy to transfer (on-sell) receivables to special purpose entities.

(e) Foreign exchange and interest rate risk
Detail regarding foreign exchange and interest rate risk exposure is disclosed in note 3.

11. OTHER CURRENT ASSETS

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Prepayments - Other	257	676

12. INVESTMENTS AND OTHER FINANCIAL ASSETS

		CONSOLIDATED	
	Notes	30 June 2010 $'000	30 June 2009 $'000
Fair value of share investments in other listed companies (available for sale)		2	2

13. PLANT AND EQUIPMENT

(a) Balances at year end

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Plant and Equipment		
At cost	861	865
Less: Accumulated depreciation	(660)	(539)
	201	**326**
Motor Vehicles		
At cost	191	121
Less: Accumulated depreciation	(65)	(41)
	126	**80**
Computer Software		
At cost	101	99
Less: Accumulated depreciation	(86)	(50)
	15	**49**
	342	**455**

(b) Movements during the period ending

30 June 2010	Opening WDV $'000	Additions $'000	Disposals $'000	Depreciation $'000	Closing WDV $'000
CONSOLIDATED					
Plant	326	32	(10)	(147)	201
Vehicles	80	89	(13)	(30)	126
Software	49	3	-	(37)	15
Total Assets	**455**	**124**	**(23)**	**(214)**	**342**

30 June 2009					
CONSOLIDATED					
Plant	770	598	(719)	(323)	326
Leased Plant	338	-	(338)	-	-
Vehicles	47	53	-	(20)	80
Leased vehicles	111	-	(111)	-	-
Software	110	27	(3)	(85)	49
Total Assets	**1,376**	**678**	**(1,171)**	**(428)**	**455**

14. INTANGIBLE ASSETS AND GOODWILL

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

	CONSOLIDATED		
Year Ended 30 June 2010	**Intangible assets* $'000**	**Goodwill $'000**	**Total $'000**
At 1 July 2009			
Cost (gross carrying amount)	-	-	-
Accumulated amortisation and impairment	-	-	-
Net carrying amount	-	-	-
Year ended 30 June 2010			
At 1 July 2009, net of accumulated impairment	-	-	-
Amortisation and impairment	-	-	-
At 30 June 2010, net of accumulated amortisation and impairment	-	-	-
At 30 June 2010			
Cost (gross carrying amount)	-	-	-
Accumulated amortisation and impairment	-	-	-
Net carrying amount	-	-	-

	CONSOLIDATED		
Year Ended 30 June 2009	**Intangible assets $'000**	**Goodwill $'000**	**Total $'000**
At 1 July 2008			
Cost (gross carrying amount)	1,381	39,109	40,490
Accumulated amortisation and impairment	(303)	(11,845)	(12,148)
Net carrying amount	1,078	27,264	28,342
Year ended 30 June 2009			
At 1 July 2008, net of accumulated impairment	1,078	27,264	28,342
Amortisation and impairment	(1,078)	(27,264)	(28,342)
At 30 June 2009, net of accumulated amortisation and impairment	-	-	-
At 30 June 2009			
Cost (gross carrying amount)	1,381	39,109	40,490
Accumulated amortisation and impairment	(1,381)	(39,109)	(40,490)
Net carrying amount	-	-	-

• As a result of the agreement to cancel the Preferred Premium Funder Agreement with OAMPS Insurance Brokers Ltd the remaining value of the intangible asset attributed to the Agreement was written off at 30 June 2009.

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

Preferred Premium Funder Agreement

The Intangible Asset represented the rights accruing from a Preferred Premium Funder Agreement entered into with OAMPS Insurance Brokers Pty Ltd at the time of acquisition of OAMPS Premium Funding Pty Ltd. The agreement was for a period of 9 years starting 1 July 2006. An agreement was reached on 1 July 2009 with Wesfarmers Group (the owners of OAMPS Insurance Brokers Pty Ltd) for

an early termination of this agreement effective on 1 September 2009. Accordingly it was resolved to write off the balance of this asset as at 30 June 2009.

Goodwill
After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment (refer to section (d) of this note).

(c) Impairment losses recognised

An impairment loss of $Nil (2009:$ 27,264,000) on goodwill was recognised in the income statement.

The impairment loss in the previous financial year was comprised of $16,363,000 pertaining to the acquisition of OAMPS Premium Funding Pty Ltd, which was impaired as the termination of the Preferred Premium Funder Agreement means that the source of this business ceased on 1 September 2009. The balance of $10,901,000 related to the acquisition of the premium funding business of the Centrepoint Group in 2005. In view of issues experienced during the latter part of financial year 2009 in relation to funding support, which resulted in the suspension of the Company's shares on the Australian Stock Exchange and a marked contraction in business to 2005 levels, it was acknowledged that the goodwill associated with the IPF business was impaired.

15. TRADE AND OTHER PAYABLES

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Unsecured		
Insurance premium settlements	13,638	8,080
Amounts payable – equipment leasing	60	-
Employee entitlement accruals	427	333
Other creditors and accruals	1,796	2,848
	15,921	**11,261**

(a) Terms and conditions
Insurance premium payables and equipment leasing payables are non-interest bearing and are normally settled within 6 months.

Interest on all borrowings is accrued on a daily basis. Payment of interest is in accordance with the terms of each type of borrowing. All interest is remitted within 12 months from accrual.

Other creditors and accruals mainly relate to accrued operating expenses and broking payables. They are non-interest bearing and are normally settled within 60 days.

(b) Fair value
Due to the short term nature of these 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 23.

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

16. DERIVATIVE FINANCIAL INSTRUMENTS

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Interest rate swap contract amount receivable/(payable) – cash flow hedge	21	(170)

(a) Instruments used by the Group

Derivative financial instruments are used by the Group in the normal course of business in order to hedge exposure to fluctuations in interest and foreign exchange rates and to trade in and profit from short-term movements in exchange rates.

Interest rate swap – cash flow hedges

Interest bearing loans of the Group currently bear a variable interest rate. In order to protect against rising interest rates the Group has entered into an interest rate swap contract under which it has the right to receive interest at variable rates and to pay interest at fixed rates. Swaps in place cover all outstanding principal of receivables held by the Group's securitisation Trust, which comprises approximately 67% of the Group's receivables. The swaps are reset and are timed to expire monthly in accordance with an amortisation schedule of the outstanding principal receipts each month. All contracts expire within twelve months.

The interest rate swaps require settlement of net interest receivable or payable on a monthly basis and settlements coincide with the dates on which interest is payable on the underlying debt. All swaps are matched directly against the appropriate tranche of loans and as such are considered highly effective. They are settled on a net basis. The swaps are measured at fair value and all gains or losses attributable to the hedged risks are taken directly to equity and are re-classified into profit and loss when the interest expense is recognised.

		CONSOLIDATED	
	Notes	30 June 2010 $'000	30 June 2009 $'000
Cash Flow Hedge Reserve	20		
Opening balance		(111)	-
Credited/(charged) to equity		133	(111)
Closing balance		22	(111)

Forward currency contracts (Held for trading)

The Group has entered into forward exchange contracts designated as economic hedges of contracted future repayments of insurance premium funding loans in foreign currencies for which the Group has firm commitments. The foreign currency contracts are held for trading and are used to economically hedge the foreign currency risk of the firm commitments but do not satisfy the requirements for hedge accounting. These contracts are fair valued by comparing the contracted rate to the market rates for contracts with the same length of maturity. The terms of the forward contracts have been negotiated to match the terms of the commitments. The fair value movements recognised at year end within the Statement of Comprehensive Income was $14,000 (2009: $134,000).

16. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The details of open contracts at the balance date are as follows:

30 June 2010 – Forward contracts to hedge committed transactions:	Maturity	Exchange rate
Sell		
NZ $290,000.00	1 July 2010	A$/NZ$ 1.2261

30 June 2009 – Forward contracts to hedge committed transactions:	Maturity	Exchange rate
Sell		
US $78,071.73	1 July 2009	A$/US$ 0.7646
US $16,434.92	20 July 2009	A$/US$ 0.7124
US $6,511.28	27 July 2009	A$/US$ 0.6600
US $93,335.20	30 July 2009	A$/US$ 0.6419
US $78,071.73	4 August 2009	A$/US$ 0.7646
US $16,434.92	20 August 2009	A$/US$ 0.7124
US $93,335.20	31 August 2009	A$/US$ 0.6419
US $78,071.73	1 September 2009	A$/US$ 0.7646
US $16,434.92	21 September 2009	A$/US$ 0.7124
US $54,170.32	30 September 2009	A$/US$ 0.6419
US $78,071.73	1 October 2009	A$/US$ 0.7646
US $16,434.92	20 October 2009	A$/US$ 0.7124
US $78,071.73	2 November 2009	A$/US$ 0.7646
US $9,601.55	20 November 2009	A$/US$ 0.7124
US $54,657.00	1 December 2009	A$/US$ 0.7646
US $13,623.71	31 July 2009	A$/US$ 0.6640
US $13,623.71	31 August 2009	A$/US$ 0.6640
US $7,886.57	30 September 2009	A$/US$ 0.6640
Buy		
US $ 14,201.60	20 August 2009	A$/US$ 0.7144

17. INTEREST BEARING LOANS AND BORROWINGS

(a) Interest bearing liabilities

		CONSOLIDATED	
	Notes	30 June 2010 $'000	30 June 2009 $'000
Bank borrowings - overdrafts	(i)	571	115
Bank borrowings – receivables finance	(ii)	6,731	11,562
Securitisation debt	(iii)	43,149	118,630
Subordinated debt	(iv)	-	6,000
Finance lease liabilities	(v)	60	121
		50,511	**136,427**

The Company has both a Multi Option Bank Facility and a Securitisation Facility with the National Australia Bank (refer Items (i) and (ii) below). The Multi Option Facility of $17,450,000, which incorporates overdraft facilities and a receivables finance facility has been restructured and renewed under Corporate Letter of Offer which is reviewed annually in November. The Securitisation Facility has also been restructured and the notes issued by the securitisation vehicle have been subject to an independent ratings process. The Securitisation Facility is also reviewed and renewed on a periodic basis and the next review date is 30 November 2010. Both facilities are expected to be renewed on an ongoing basis.

Details of current interest bearing loans and borrowings are as follows:

(i) The Group has a Multi Option Facility (including bank overdraft) and a Receivables Finance Facility totalling $17,450,000 (2009:$23,800,000) with the National Australia Bank Limited. These facilities and the securitisation facility in (ii) below are secured by a Registered Mortgage Debenture over all the assets and undertakings of the Group. In addition, amounts advanced under the Receivables Finance Facility are secured by the partial assignment to the National Australia Bank of loan contract receivables.

(ii) The Group also holds a Securitisation Facility to provide an additional and alternative source of funding for its IPF business. A special purpose vehicle (the C.A. Trust Number 1) purchases receivables from the Company and uses a National Australia Bank funding conduit to source funding through the issuance of notes. The accounts of the Trust are prepared by National Australia Managers Limited and are independently audited. The amount of receivables financed under this facility is reflected by the amount utilised under the facility. The debt is secured on the receivables and cash held in the Trust, which at year end totalled $55,135,000 (2009: $130,300,000).

(iii) The Group had a subordinated loan of $6,000,000 from the Wesfarmers Group, which was repaid on 31 December 2009. The loan ranked behind all borrowings with the National Australia Bank Limited and carried a daily interest rate of current bank bill swap rate plus 1% p.a. The loan was secured by second-ranking fixed and floating book debt charge over the Group's non-securitised IPF receivables with a carrying value at repayment/balance date of $20,786,000 (2009: $23,277,000).

(iv) Finance lease liabilities are secured on the leased items of plant and equipment with a net carrying value of $90,000 (2009: $121,000) for which the borrowings have been advanced.

17. INTEREST BEARING LOANS AND BORROWINGS (CONTINUED)

(b) Fair value of interest bearing liabilities

The carrying value of borrowings approximates their fair value.

(c) Financing arrangements

The company had access, as at 30 June 2010, to the following financing facilities:

		Accessible $'000	Used $'000	Unused $'000
1.	Bank Overdraft Facilities	2,000	571	1,429
2.	Bank Receivables Finance Facility	15,000	6,731	8,269
3.	Securitisation Facility	90,500	43,149	46,851
4.	Bank Guarantee Facilities	250	167	83
5.	Credit Card Facilities	200	-	200

The company had access, as at 30 June 2009, to the following financing facilities:

		Accessible $'000	Used '000	Unused $'000
1.	Bank Overdraft Facilities	3,350	115	3,235
2.	Bank Receivables Finance Facility	20,000	11,562	8,438
3.	Securitisation Facility	120,500	118,630	1,870
4.	Bank Guarantee Facilities	250	-	250
5.	Credit Card Facilities	200	39	161

Short term borrowings

Borrowings are made for terms up to 12 months and are carried at amortised cost. Interest is calculated on a daily accrual basis and charged and paid monthly using the nominal interest rate.

Long-term borrowings

Borrowings may have a term up to 3 years and are carried at amortised cost. Interest is calculated on a daily accrual basis and paid monthly in arrears at the nominal interest rate.

18. PROVISIONS

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Provision balance relates to long service leave liability and is comprised of:		
Provisions - current	302	345
Provisions - non-current	103	74
	405	**419**

	Number	Number
The number of full time equivalents employed at 30 June	30	42

19. CONTRIBUTED EQUITY

(a) Paid up capital

	Reference	CONSOLIDATED	
		30 June 2010 $'000	30 June 2009 $'000
Ordinary fully paid shares	(i)	64,302	51,392
Reserved shares	(ii)	(1,323)	(530)
Partly paid shares	(iii)	90	-
Non-voting convertible preference shares	(iv)	-	4,617
		63,069	**55,479**

19. CONTRIBUTED EQUITY (CONTINUED)

(b) Movement in contributed equity

	Notes	Number of shares	30 June 2010 $'000	Number of shares	30 June 2010 $'000
(i) Movement in ordinary shares					
Balance at start of year		94,886,846	51,392	93,886,846	51,092
Issued during the year:-					
- On conversion of NVCPS		12,230,998	4,617	-	-
- On share placement		50,000,000	7,532	-	-
- Shares issued to CAESPT*		3,804,000	761	1,000,000	300
On issue at end of year		**160,921,844**	**64,302**	**94,886,846**	**51,392**
(ii) Movement in reserved shares					
Balance at start of year		2,000,000	530	-	-
Movements during the year:					
-Shares issued to CAESPT		3,804,000	761	1,000,000	300
-Shares acquired by CAESPT		191,000	32	1,000,000	230
On issue at end of year		**5,995,000**	**1,323**	**2,000,000**	**530**
(iii) Movement in Partly Paid Shares					
Balance at start of year		-	-	-	-
Movements during the year:-					
- Shares issued (Refer note 21 (b))		3,000,000	90	-	-
On issue at end of year		**3,000,000**	**90**	**-**	**-**
(iv) Movement in Non-Voting Convertible Preference Shares (NVCPS)					
Balance at start of year		6,115,499	4,617	6,115,499	4,617
Converted to ordinary shares		(6,115,499)	(4,617)	-	-
On issue at end of year		**-**	**-**	**6,115,499**	**4,617**

* CAESPT refers to the Centrepoint Alliance Employee Share Plan Trust

c) Partly Paid Shares

As part of agreed remuneration arrangements for Tony Robinson (Managing Director), 3,000,000 shares were issued at a price of 18 cents which were partly paid on issue to 3 cents per share. The balance of the issue price of 15 cents is payable no later than 31 October 2012, but may be called by the Company at the discretion of the Directors.

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

(d) Capital management

The Company's capital currently is comprised only of shareholder funds. Since repayment of the $6,000,000 subordinated debt in December 2009, all other debt is short term to fund its lending activities. 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 2010 or 2009 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.

Management monitor capital and debt through the gearing ratio and a capital adequacy ratio. No formal targets are set by management for the gearing ratio or the capital adequacy ratio.

20. RESERVES

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Employee equity benefits reserve		
Balance at start of year	390	113
Value of share based payments provided or which vested during the year	67	277
Balance at end of year	457	390
Hedge Accounting Reserve		
Balance at start of year	(111)	-
Unrealised hedge accounting mark to market adjustment	133	(111)
Balance at end of year	22	(111)
Total Reserves	**479**	**279**

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.

21. NOTES TO CASH FLOW STATEMENT

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000

(a) Cash & cash equivalents at the end of the financial year as shown in the Statement of Cash flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash at bank	25,615	30,423
Bank overdraft	(572)	(115)
	25,043	**30,308**

21. NOTES TO CASH FLOW STATEMENT (CONTINUED)

(b) Reconciliation of Net Profit After Tax to Net Cash Provided by Operating Activities

	CONSOLIDATED	
	Year ended 30 June 2010 $'000	Year ended 30 June 2009 $'000
Net profit/(loss) after income tax	559	(30,510)
Adjustment for non cash items:		
Depreciation and amortisation	214	600
Foreign exchange losses/(gains)	-	173
Bad debts written off	884	1,255
Allowance for impairment of goodwill & intangibles	-	28,343
Share based costs of long term incentives	165	277
(Profit)/Loss on disposal of investment	-	605
Loss on disposal of non-current assets	2	-
Increase/(decrease) in provisions for:		
- Employee entitlements	72	-
- Doubtful debts	(509)	602
- Tax	1,408	(407)
Changes in Assets and Liabilities:		
(Increase)/decrease in assets:		
- Other debtors and prepayments	(881)	720
- Prepaid commission	393	-
- Deferred tax assets (net)	-	(50)
- Loan funds advanced	65,646	42,853
(Decrease)/increase in liabilities:		
- Sundry creditors and accruals	17	1,960
- Amounts due to brokers	5,747	(30,735)
- Bank Borrowings	(86,310)	(3,685)
Net cash from operating activities	**(12,593)**	**12,001**

(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.

(d) Impact on Cash Flows of Cash held in or controlled by Securitisation Trust

For the purpose of the Statement of Cash Flows, cash & cash equivalents includes cash on hand and in banks and deposits at call, net of outstanding bank overdrafts. The cash at bank includes $6,546,000 (2009: $28,571,000) held in or by the CA No.1 Trust, the special purpose securitisation vehicle established for funding the group's insurance premium funding receivables. The cash held is primarily loan repayment collections and is controlled by the Trust and is distributed monthly.

(e) Summarised Cash Flows excluding those attributable to the Securitisation Trust

Summarised cash flows for the financial year excluding cash attributable to the Securitisation Trust are as follows:

Cash Flows provided by Operating Activities	804	1,709
Cash Flows provided by Receivables Financing	4,671	2,203
Cash Flows used in Investing Activities	(103)	(1,840)
Cash Flows provided by/(used in) Financing Activities	7,431	(780)
Net increase in cash & cash equivalents	12,803	1,292
Cash & cash equivalents at the beginning of the financial year	1,738	446
Cash & cash equivalents at the end of the financial year	14,541	1,738

22. PARENT ENTITY INFORMATION

(a) Financial Summary	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Total assets	52,536	35,432
Total liabilities	26,510	20,351
Net Assets	26,026	15,081
Issued capital	63,069	55,479
Employee benefit reserve	457	390
Accumulated losses	(35,500)	(40,788)
Total Shareholder Equity	26,026	15,081
Net profit/(loss) after tax of the parent entity	6,119	(37,686)
Total comprehensive income of the parent entity	6,119	(37,686)

(b) Amount due by/to subsidiaries	Amounts owing by		Amounts owing to	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
CENTREPOINT ALLIANCE LIMITED				
Alliance Finance Corporation (Hong Kong) Limited	8	413	-	-
Alliance Finance Corporation (NZ) Limited	831	2,946	-	-
CA No.1 Trust	283	1,314	-	-
OAMPS Premium Funding Pty Ltd	-	-	1,540	2,220
Centrepoint Alliance Services Pty Ltd	-	5	-	-
Centrepoint Alliance Premium Funding Pty Ltd	-	19	-	-
Total	1,122	4,697	1,540	2,220

Outstanding balances at year-end are unsecured, interest free and payable within one year. For the year-ended 30 June 2010, the Group has not made any allowance for doubtful debt relating to amount owed by related party as there is no evidence of impairment.

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. At balance date, no other guarantees had been given by the parent entity to external parties.

Contractual commitments of the parent entity at balance date were the same as those of the consolidated entity (refer Note 26).

At balance date the parent entity had no contingent liabilities.

(c) 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

Measurement method adopted under 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 Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is 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.

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.

23. RELATED PARTY DISCLOSURE

(a) Subsidiaries

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

Name	Country of Incorporation	Percentage Interest
Current Subsidiaries:		
OAMPS Premium Funding Pty Ltd	Australia	100%
Centrepoint Alliance (NZ) Limited	New Zealand	100%
Alliance Finance Corporation (Hong Kong) Limited	Hong Kong	100%
Centrepoint Alliance Services Pty Ltd*	Australia	100%
Alliance Premium Funding Pty Ltd (formerly Centrepoint Mortgage Finance Pty Ltd)*	Australia	100%

** These subsidiaries are dormant entities.*

(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 24.

(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. These transactions include:

- As detailed in Note 4, in the previous financial year subsidiary company Centrepoint Finance (Funding) Pty Ltd, which held one of the Group's discontinued asset finance ledgers, was sold on commercial terms to entities in which Mr. Rick Nelson, the Chairman and a significant shareholder, and his family have a significant interest.

(e) Transactions with Wesfarmers Group

Wesfarmers Group of companies, through its holding in OAMPS Insurance Brokers Pty Ltd held 19.5% of the issued ordinary shares and 100% of the convertible preference shares of the Company at 30 June 2009. Wesfarmers Group disposed of their entire shareholdings in July 2009.

On 1 July 2009 the Company entered into an agreement with Wesfarmers whereby:

- The Preferred Premium Funder Agreement between the Company and OAMPS Insurance Brokers would be terminated on 1 September 2009;
- The Company would be bound by a non-compete undertaking with Wesfarmers Insurance;
- Terms were agreed for the repayment by the Company of the $6,000,000 subordinated loan from Lumley General Insurance Ltd; and
- Wesfarmers Group would dispose of their shareholding in the Company.

The $6,000,000 loan was subsequently repaid in December 2009.

24. KEY MANAGEMENT PERSONNEL

(a) Details of Directors and other Key Management Personnel

Directors

A.D. Robinson Managing Director (appointed 13 July 2009)
R.J. Nelson Director (non executive) (assumed Chairmanship 17 June 2009)
M.M. Kane Director (non executive)
N.J. Griffin Director (non executive)

24. KEY MANAGEMENT PERSONNEL (CONTINUED)

Other Key Management Personnel

R.M. Dodd Chief Executive Officer – Insurance Premium Funding
I.R. Magee Director – Finance & Treasury / Company Secretary

There are no other executives who are directly accountable and responsible for the strategic direction and operational management of the Company.

(b) Compensation for key management personnel

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
Short term	1,033	1,766
Post employment	84	99
Long term	-	-
Share based payments	57	249
	1,174	**2,114**

(c) Shareholdings of Key Management Personnel

	Balance 1 July 2009	Granted as Compensation (CAESP)***	Net Change Other (Ordinary)**	Net Change Other (Partly Paid)*	Balance 30 June 2010
Directors					
A.D Robinson	-	3,000,000	6,500,000	3,000,000	12,500,000
R.J. Nelson	17,052,498	-	10,000	-	17,062,498
N.J. Griffin	6,500,000	-	1,000,000	-	7,500,000
M.M. Kane	-	-	-	-	-
Other Key Management Personnel					
I.R. Magee	3,412	495,000	-	-	498,412
R.M. Dodd	242,572	750,000	(191,000)	-	801,572
Total	**23,798,482**	**4,245,000**	**7,319,000**	**3,000,000**	**38,362,482**

	Balance 1 July 2008	Granted as Compensation (CAESP)***	Net Change Other (Ordinary)**	Net Change Other (Partly Paid)*	Balance 30 June 2009
Directors					
J.K. Connor	139,407	-	(139,407)	-	-
R.J. Nelson	19,082,498	-	(2,030,000)	-	17,052,498
N.J. Griffin	5,000,000	-	1,500,000	-	6,500,000
M.M. Kane	9,000,000	-	(9,000,000)	-	-
P. J. Leonhardt	118,557	-	(118,557)	-	-
R. Cawsey	2,066,392	1,000,000	(3,066,392)	-	-
Other Key Management Personnel					
I.R. Magee	3,412	-	-	-	3,412
R.M. Dodd	242,572	-	-	-	242,572
J.C. Wheatley	26,000	-	(26,000)	-	-
Total	**35,678,838**	**1,000,000**	**(12,880,356)**	**-**	**23,798,482**

** Shares were issued at 18 cents per share and partly paid to 3 cents per share on issue. They are not beneficially owned until the balance of 15 cents per share is paid (Refer to Note 19).*
*** Transactions on an arm's-length basis.*
**** Shares issued under CAESP and held by CAESP Trust and are not beneficially held by KMP's until vesting conditions are met and agreed consideration paid.*

(d)Option holdings of key management personnel
No options to purchase shares were held by key management personnel at 30 June 2010.

(e) Shareholdings of Key Management Personnel
There were no loans to directors or other key management personnel during the reporting period.

(f) Other transactions and balances with directors and other key management personnel
Refer to note 4(c) for details.

25. SHARE-BASED PAYMENT PLANS

(a) Recognised share-based payment expenses

	30 June 2010 $'000	30 June 2009 $'000
Expense arising from equity-settled share based payment transactions under the Employee Share Option Plan (ESOP)	-	203
Expense arising from equity-settled share based payment transactions under the Centrepoint Alliance Employee Share Plan (CAESP)	67	74
	67	**277**

(b)Types of share-based payment plans
(i) Employee Share Option Plan (ESOP)
Share options may be granted to employees as determined by the Board of Directors. The ESOP is designed to align participant's interests with those of the shareholder by increasing the value of the Company's shares.

(ii) 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.

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;
- 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.

25. SHARE-BASED PAYMENT PLANS (CONTINUED)

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

	30 June 2010		30 June 2009	
(i) Options under ESOP	**No.**	**WAEP**	**No.**	**WAEP**
Outstanding at beginning of period	6,000,000	$1.25	6,000,000	$1.25
Granted during the period	-	-	-	-
Outstanding at end of period	6,000,000		6,000,000	-
(ii) Shares under CAESP				
Outstanding at beginning of period	1,000,000	$0.30		
Issued during period	3,804,000	$0.20	-	-
Re-assigned during period	250,000	$0.20	1,000,000	$0.30
Purchased during period	191,000	$0.20	-	-
Outstanding at end of period	5,245,000		1,000,000	-

The options, which were issued in FY 2009 to a former managing director, are exercisable at a price of $1.25 per option, are fully vested and expire on 27 November 2010. None have been exercised to date.

The 1,000,000 shares awarded to a former managing director under the CAESP in FY 2009 at a price of $0.30 per share are fully vested and the latest repayment date for the limited recourse loan attaching to these shares is 31 December 2012.

The 4,245,000 CAESP shares, awarded to Mssrs. Robinson, Dodd and Magee during FY 2010 at a price Of $0.20, are subject to vesting conditions and the latest date for repayment of each of their associated loans is 31 October 2012. To date none of these shares have been purchased.

(d) Weighted average remaining contractual life

	30 June 2010 Yrs	30 June 2009 Yrs
Options	0.33	1.33
CAESP Shares	2.36	1.13

(e) Range of exercise price

	30 June 2010 $	30 June 2009 $
Options	-	$1.25
CAESP Shares	$0.20 - $0.30	$0.30 - $0.50

(f) Weighted average fair value at date of issue

	30 June 2010 $	30 June 2009 $
Options	-	-
CAESP Shares	$0.025 - $0.035	$0.023- $0.046

(g) Option pricing model

The fair value of the equity settled share options granted under the ESOP and 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:

	30 June 2010		30 June 2009	
	ESOP	CAESP	ESOP	CAESP
Dividend yield	-	0%	-	0%
Expected volatility	-	25% - 30%	-	50%
Risk free interest rate	-	5% - 7%	-	4.0%
Exercise price	-	$0.20 - $0.30	-	$0.30- $0.50
Weighted average share price at measurement date	-	$0.17 - $0.19	-	$0.19 - $0.23

26. COMMITMENTS

(a) Contracted operating lease expenditure

	CONSOLIDATED	
	30 June 2010 $'000	30 June 2009 $'000
- Not later than one year	314	782
- Later than one year but not later than five years	-	314
	314	**1,096**

(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:

	2010		2009	
	Minimum Lease Payment $'000	Present Value of Lease Payment $'000	Minimum Lease Payment $'000	Present Value of Lease Payment $'000
CONSOLIDATED				
Within one year	62	60	68	64
After one year but not later than five years	-	-	62	57
Total minimum lease payment	62	60	130	121
Less amounts representing finance charges	(2)	-	(9)	-
Present value of minimum lease payment	60	60	121	121

27. REMUNERATION OF AUDITORS

The auditor of Centrepoint Alliance Limited is Ernst & Young (Australia).

Remuneration received, or due and receivable for:

	CONSOLIDATED	
	2010 $'000	2009 $'000
Statutory audit	99,750	135,241
Half year review	30,900	57,330
Consulting services	196,337	23,540
Taxation services	124,843	225,946
	451,830	**442,057**

28. SEGMENT INFORMATION

The Group has identified that it has only one operating segment 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.

As there is only one operating segment, being Insurance Premium Finance, the segment operations and results are the same as those presented by the consolidated entity.

The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 1 to the accounts.

The insurance premium funding segment offers only one product or service, being the funding of insurance policies for commercial clients, primarily small to medium enterprises.

The segment has material operations in one geographical location, being Australia.

29. CONTINGENT LIABILITIES

There were no contingent liabilities at balance date.

30. EVENTS AFTER BALANCE SHEET DATE

On 25 August 2010 a Merger Implementation Deed, setting out the terms, timing and respective obligations for a proposed merger was executed with the PIH Group. On the same date a Convertible Note Subscription Agreement was also signed with PIH Group for the advance of up to $7.5 million in loan funds to PIH upon CAF's subscription for convertible notes under the Agreement. To date $5 million of loan funds have been advanced to PIH under this agreement.

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.

31. FIDUCIARY ACTIVITIES

The company does not undertake any fiduciary activities.

DIRECTORS' DECLARATION
30 JUNE 2010

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

In the opinion of the directors:

a) 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 2010 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.

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 consolidated entity will be able to pay its debts as and when they become due and payable.

d) This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2010.

On behalf of the directors:

Tony Robinson
Managing Director
28 September 2010

ASX ADDITIONAL STOCK EXCHANGE INFORMATION – 30 JUNE 2010

Additional information required by Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 28 September 2010.

1. DISTRIBUTION OF EQUITY SECURITIES

(a) Ordinary share capital

160,921,844 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 sharess

3,000,000 ordinary shares were issued on 21 December 2009 to Mr Tony Robinson (Managing Director), which are partly paid (3 cents of the total issue price of 18 cents). 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. All of the non-voting convertible preference shares were converted into ordinary shares on 12 August 2009.

(d) The substantial ordinary shareholders are as follows:

Shareholder	No. of Shares	% Held
UBS Nominees Pty Limited	32,433,241	19.8%
HSBC Custody Nominees (Australia) Limited	18,628,779	11.4%
Entities representing the interests of R. Nelson	17,062,498	10.4%

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

Rank	Shareholder	No. of Shares	% Held
1	UBS Nominees Limited	32,433,241	19.8%
2	HSBC Custody Nominees (Australia) Limited	18,628,779	11.4%
3	Entities representing the interests of R. Nelson	17,062,498	10.4%
4	Entities representing the interests of A Robinson	9,500,000	5.9%
5	Entities representing the interests of N Griffin	7,500,000	4.6%
6	RBC Dexia Investor Services Australia Nominees Pty Ltd	7,339,300	4.5%
7	MF Custodians Ltd	6,309,488	3.8%
8	Centrepoint Alliance Employee Share Plan	5,995,000	3.7%
9	Sandhurst Trustees Ltd	5,000,876	3.1%
10	Austin Superannuation Pty Ltd	4,062,500	2.5%
11	Sircourt Nominees Pty Ltd	3,473,751	2.1%
12	Jaz Superannuation Co Pty Ltd	2,684,057	1.6%
13	Cawsey Superannuation Fund Pty Ltd	2,066,392	1.3%
14	Rubi Holdings Pty Ltd	2,000,000	1.2%
15	J. Benton & N. Moody	1,959,505	1.2%
16	A. Natsis	1,843,545	1.1%
17	Denmac Nominees Pty Ltd	1,519,009	0.9%
18	Picton Cove Pty Ltd	1,293,400	0.8%
19	R & J Metcalfe	1,000,249	0.6%
20	S & A Burnel	1,000,000	0.6%

(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	35	15,524
1,001 – 10,000	287	1,329,508
10,001 – 100,000	213	7,395,078
100,001 – and over	110	155,181,734

The number of shareholdings held in less than marketable parcels is 162.

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

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Independent audit report to members of Centrepoint Alliance Limited

Report on the Financial Report

We have audited the accompanying financial report of Centrepoint Alliance Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 our 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, we consider 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 met 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. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Liability limited by a scheme approved
under Professional Standards Legislation

TD:MJ:CAL:101

Ernst & Young

Auditor's Opinion

In our opinion:

1. the financial report of Centrepoint 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 at 30 June 2010 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.

   Iii) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

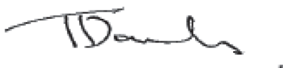
Report on the Remuneration Report

We have audited the Remuneration Report included in paragraph 8 to 14 or pages x to y of the directors' report for the year ended 30 June 2010. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300 A 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.

Auditor's Opinion

In our opinion the Remuneration Report of Centrepoint Alliance Limited for the year ended 30 June 2010, complies with section 300 A of the Corporations Act 2001 .

Ernst & Young



T G Dachs
Partner
Perth
28 September 2010

TD:MJ:CAL:101