Announcement to the Market

28 February 2011

Six month results to 31 December 2010

Attached are the Appendix 4D and the Half Year Financial Report for the six months to 31 December 2010 for Centrepoint Alliance Limited (ASX: 'CAF').

This is the first reported result for CAF following the merger with Professional Investment Holdings Limited (PIH). The reported result is a significant loss reflecting large one-off expenses, losses associated with the off-shore operations, and material merger costs.

The result reflects the full six months of trading for the PIH business and the results for the period from the 13 December to 31 December for the existing Centrepoint activities (reflecting the adoption of reverse acquisition accounting principles).

At the operational level:-

- the CAF Insurance Premium Funding business continues to trade successfully and profitably with an improvement in the volume of loans written (in comparison to the prior corresponding period).
- the core Australian activities of PIH, being principally the Australian dealer group services of Professional Investment Services Pty Ltd (PIS) and Associated Advisory Practices Ltd (AAP), traded profitably for the period.

Profit/Loss Analysis for Half Year to 31 December 2010

	PIH Jul - Dec $'000	**CAF Jul - Dec $'000**	**TOTAL Jul - Dec $'000**	***Deduct:* CAF Pre-Merger $'000**	**REPORTED RESULTS $'000**
Underlying PBT from Australian Operations	3,083	705	3,788	542	3,246
PBT from Overseas operations	(996)	-	(996)	-	(996)
PBT from Corporate Operations	-	(254)	(254)	(250)	(4)
Adjustment for Non-Controlling Interests					
PBT attributable to non-controlling interests	(453)	-	(453)	-	(453)
Underlying PBT attributable to owners of the parent	1,634	451	2,085	292	1,793
Significant Adjustments & Non-Recurring Expenses:					
Client claims provisions	(2,485)	-	(2,485)	-	(2,485)
Impairments to intangible assets	(2,879)	-	(2,879)	-	(2,879)
Merger related professional fees & bonuses	(1,382)	(557)	(1,939)	(557)	(1,382)
Net loss from disposed Riverbank (Brandsmart) property operations	(441)	-	(441)	-	(441)
Other significant adjustments & non-recurring expenses	(1,138)	(221)	(1,359)	(221)	(1,138)
Total Adjustments & Non-Recurring Expense Items	(8,325)	(778)	(9,103)	(778)	(8,325)
Loss before tax attributable to owners of the parent	**(6,691)**	**(327)**	**(7,018)**	**(486)**	**(6,532)**
Tax (expense)/credit attributable to owners of the parent	(1,436)	92	(1,344)	126	(1,470)
Loss after tax attributable to owners of the parent	**(8,127)**	**(235)**	**(8,362)**	**(360)**	**(8,002)**

Outlook

The management and Board of CAF remain confident of the outlook for the Group given the current underlying performance, the efforts to positively improve processes and procedures in the core Australian operations, the improving market environment, the restructuring of the off-shore activities to ensure a greater contribution from those businesses, and the progress made on a significant number of legacy issues.

Contact

Tony Robinson (Managing Director) *0407 355 616*
Ian Magee (Company Secretary) *08 9420 1203*

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

ABN 72 057 507 507

Appendix 4D

Half Year ended 31 December 2010

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenues from ordinary activities	*Down*	2.88%	*to*	$27,838,000
Net profit/(loss) for the period attributable to members	*Down*	99%	*to*	$(8,002,000)

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend	*0.0 cents*	*0.0 cents*
Previous corresponding period	*0.0 cents*	*0.0 cents*
Record date for determining entitlements to dividend.	*Not applicable*	
Payment date of dividend.	*Not applicable*	
	31 Dec 2010	*31 Dec 2009*
Net tangible assets per share	*38.29 cents*	*21.94 cents*

- Results are extracted from the attached Half Year Financial Report for the six months ended 31 December 2010 which was subject to an independent review.
- For explanation and commentary on the results refer to the Directors' Report in the attached Half Yearly Report.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

ABN 72 052 507 507

Half Year Financial Report

for the six months ended 31 December 2010

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

The directors of Centrepoint Alliance Limited (ASX code and herein 'CAF') submit their report for the half year ended 31 December 2010.

Directors

The names of the Company's directors in office during the half year and until the date of this report are as below. Directors were in office for this entire period, unless otherwise stated.

Rick Nelson (Chairman)
Tony Robinson (Managing Director)
Grahame Evans (Executive Director) – Appointed 22 December 2010
Martin Kane (Non Executive Director) – Resigned 22 December 2010
Noel Griffin (Non Executive Director)
Stephen Murphy (Non Executive Director) – Appointed 22 December 2010
Christopher Castles (Non Executive Director) – Appointed 22 December 2010

Review of Results and Operations

Merger with PIH

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

PIH is one of Australia's leading providers of financial advice and product solutions, which are distributed through one of the largest financial advice networks in Australia comprising over 1,300 associated branches and over 1,000 financial advisers. The PIH Group also encompasses funds management operations, administration platform services and lending & financing services. PIH also holds investments in related operations in New Zealand, Singapore, Malaysia, China & Hong Kong.

Reverse Acquisition Accounting

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

As a consequence the Statement of Comprehensive Income in the CAF Half Year Financial Accounts comprises 100% of the financial performance of PIH for the six months (even though it was not a subsidiary of CAF for the majority of this period) and includes only the 19 days of post-merger trading of CAF's results.

Furthermore it is important to note that all comparative figures are those pertaining to PIH and do not include any of CAF's prior period figures.

Operations

(a) Corporate

Activities associated with preparation for and completion of the PIH Merger naturally dominated corporate operations for the Half Year. However the Company also implemented a 1 for 7 consolidation of its share capital and initiated a 17.5 cents return of capital to its pre-merger shareholders, which was paid on 4 February 2011.

In addition, in order to improve Group structure and segregate operating businesses for ease of management and better monitoring, the insurance premium funding business was transferred from the listed parent entity Centrepoint Alliance Limited to a wholly owned subsidiary Centrepoint Alliance Premium Funding Pty Ltd.

(b) Insurance Premium Funding

During the period CAF's insurance premium funding (IPF) business continued to trade profitably with an improvement in the volume of loans written (in comparison to the prior corresponding period). A restructure of the IPF banking facilities was also completed, which involved the termination of the Group's securitisation facility and a move to a simpler and more cost-effective receivables finance facility. Office relocations in Brisbane and Melbourne did adversely impact expenses during the six months.

(c) PIH

The core Australian operations traded profitably during the period. However, as detailed below, results were significantly affected by a number of large adjustments and non-recurring expense items, many of which are merger-related and are itemised below. The international operations recorded losses for the Half Year.

In December 2010 the principal operating entity in the PIH Group, Professional Investment Services Pty Ltd, agreed the terms of an Enforceable Undertaking('EU') with the Australian Securities & Investments Commission ('ASIC'), which is expected to take twelve months to implement. Completion of the EU will confirm that internal process issues previously raised by ASIC have been identified and addressed and that internal management processes ensure compliance with regulatory obligations.

A particularly significant transaction completed during the period was the sale of the Riverbank (Brandsmart) investment property for $36,500,000. The sale was settled on 13 December 2010 and the majority of the cash consideration was applied to completely repay the associated debt financing this asset. The property had been revalued in the financial accounts at 30 June 2010 to reflect the expected sale price and as a consequence the net contribution from the Riverbank (Brandsmart) property operations for the Half Year to 31 December 2010 was a loss after tax of $441,000.

Other significant transactions which took place since the 30 June 2010 were the acquisition of 10% of subsidiary All Star Funds Management Pty Ltd (now 100% owned) and the sale of the Group's New Zealand operations in exchange for a lower percentage holding in the expanded business.

Financial Performance

The Financial Accounts show a net loss for the Half Year to 31 December 2010 of $7,698,000 (2009: $3,403,000. Since this only includes 19 days (13^{th} to 31^{st} December 2010) of trading results from the original CAF operations, this result is therefore essentially that of the PIH Group for the six months.

The table below shows a summary of the major component of the net loss for the period.

Profit/Loss Analysis for Half Year to 31 December 2010

	PIH Jul - Dec $'000	CAF Jul - Dec $'000	TOTAL Jul - Dec $'000	*Deduct:* CAF Pre-Merger $'000	REPORTED RESULTS $'000
Underlying PBT from Australian Operations	3,083	705	3,788	542	3,246
PBT from Overseas operations	(996)	-	(996)	-	(996)
PBT from Corporate Operations	-	(254)	(254)	(250)	(4)
Adjustment for Non-Controlling Interests					
PBT attributable to non-controlling interests	(453)	-	(453)	-	(453)
Underlying PBT attributable to owners of the parent	1,634	451	2,085	292	1,793
Significant Adjustments & Non-Recurring Expenses:					
Client claims provisions	(2,485)	-	(2,485)	-	(2,485)
Impairments to intangible assets	(2,879)	-	(2,879)	-	(2,879)
Merger related professional fees & bonuses	(1,382)	(557)	(1,939)	(557)	(1,382)
Net loss from disposed Riverbank (Brandsmart) property operations	(441)	-	(441)	-	(441)
Other significant adjustments & non-recurring expenses	(1,138)	(221)	(1,359)	(221)	(1,138)
Total Adjustments & Non-Recurring Expense Items	(8,325)	(778)	(9,103)	(778)	(8,325)
Loss before tax attributable to owners of the parent	**(6,691)**	**(327)**	**(7,018)**	**(486)**	**(6,532)**
Tax (expense)/credit attributable to owners of the parent	(1,436)	92	(1,344)	126	(1,470)
Loss after tax attributable to owners of the parent	**(8,127)**	**(235)**	**(8,362)**	**(360)**	**(8,002)**

A tax expense was incurred in PIH, despite the loss before tax, principally because a portion of the intangible and goodwill impairment adjustments are not deductible for income tax and because deferred tax assets were not increased for client claim provision increases and new tax losses.

It is significant to note that if traditional acquisition accounting had been adopted the CAF results would be included in full and only the post merger portion of PIH, which would mean that a material portion of the loss would have been pre-merger and would not be included in the Merged Group statement of financial performance.

Financial Position

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

The Merged Group has net assets at 31 December 2010 representing net tangible assets per share of 38 cents.

Outlook

With the Merger now successfully completed the strategy is strengthen and improve the core business operations and improve support services to the adviser network to facilitate its growth and to expand the range of investment products and services provided. To ensure improved profitability costs will be closely monitored and controlled and operations generating inadequate returns will be reviewed.

At a Corporate level suitable acquisition opportunities both internally and externally will continue to be sourced and evaluated.

Rounding

The amounts contained in the half-year 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's Independence Declaration

Ernst & Young, our auditors, have provided a written independence declaration to the Directors in relation to their review of the Financial Report for the half year ended 31 December 2010. This independence declaration can be found at page 7 and forms part of this report.

Signed in accordance with a resolution of the directors.

Tony Robinson
Managing Director
28 February 2011

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

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

In relation to our review of the financial report of Centrepoint Alliance Limited for the half-year ended 31 December 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

Ernst & Young

P McIver
Partner
Perth
28 February 2011

PM:MJ:CAL:012

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Notes	Half Year to 31 Dec 2010 $'000	Half Year to 31 Dec 2009 $'000
REVENUE			
Advice and product margin revenue		91,965	106,111
Advice revenue fees paid		(69,513)	(83,202)
Advice and product margin revenue (net)		22,452	22,909
Interest income		1,995	1,313
Other revenue	5	3,391	4,442
Total revenue		**27,838**	**28,664**
EXPENSES			
Borrowing expenses		1,851	1,958
Other general and administration expenses	6	32,066	29,715
LOSS FROM OPERATING ACTIVITIES BEFORE TAX		**(6,079)**	**(3,009)**
Income tax expense		(1,619)	(394)
NET LOSS AFTER TAX		**(7,698)**	**(3,403)**
OTHER COMPREHENSIVE INCOME			
Foreign currency translation		(299)	(396)
Change in fair value of investments		286	174
Change in fair value transferred to profit & loss		-	50
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		**(7,711)**	**(3,575)**
Net loss attributable to:			
Owners of the parent		(8,002)	(4,018)
Non-controlling interests		304	615
Net loss for the period		**(7,698)**	**(3,403)**
Total comprehensive loss attributable to:			
Owners of the parent		(8,339)	(4,359)
Non-controlling interests		628	784
Total comprehensive loss for the period		**(7,711)**	**(3,575)**
		Cents	**Cents**
Loss per share for loss from continuing operations attributable to the ordinary equity holders of the parent:			
Basic loss per share		(11.10)	(5.77)
Diluted loss per share		(11.10)	(5.77)
Loss per share for loss attributable to the ordinary equity holders of the parent:			
Basic loss per share		(11.10)	(5.77)
Diluted loss per share		(11.10)	(5.77)

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2010

	Notes	As at 31 Dec 2010 $'000	As at 30 June 2010 $'000
ASSETS			
Current			
Cash and cash equivalents	9	28,506	16,726
Loans and advances		94,738	-
Trade and other receivables		21,661	29,310
Interest bearing loans receivable		1,665	3,629
Inventory	10	-	36,000
Other assets		7,799	4,324
Total current assets		154,369	89,989
Non-current			
Trade and other receivables		2,943	2,948
Interest bearing loans receivable		12,448	11,832
Other assets		1,954	1,832
Investments	11	1,665	2,831
Plant & equipment		2,322	2,406
Intangible assets & goodwill	12	6,728	9,087
Deferred tax assets		8,451	9,224
Total non-current assets		36,511	40,160
TOTAL ASSETS		**190,880**	**130,149**
LIABILITIES			
Current			
Trade and other payables		51,076	43,712
Interest bearing liabilities		79,964	36,850
Provisions		6,933	7,169
Current tax liability		67	284
Total current liabilities		138,040	88,015
Non-current			
Trade and other payables		1,472	2,409
Interest bearing liabilities		730	4,771
Provisions		6,543	3,799
Total non-current liabilities		8,745	10,979
TOTAL LIABILITIES		**146,785**	**98,994**
NET ASSETS		**44,095**	**31,155**
EQUITY			
Share capital	13	64,270	36,862
Reserves	14	(1,372)	(842)
Accumulated losses		(20,302)	(11,662)
Equity attributable to shareholders		**42,596**	**24,358**
Non-controlling interests		1,499	6,797
TOTAL EQUITY		**44,095**	**31,155**

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Notes	Ordinary shares $'000	Reserves $'000	Retained Earnings $'000	Total $'000	Non-controlling Interests $'000	Total Equity $'000
Balance at 1 July 2009		36,840	(240)	(11,816)	24,784	6,960	31,744
(Loss)/Profit for the period		-	-	(4,018)	(4,018)	615	(3,403)
Other comprehensive income							
Foreign currency translation differences		-	(379)	-	(379)	(17)	(396)
Net change in fair value of available for sale assets		-	38	-	38	186	224
Total comprehensive income for the period		**-**	**(341)**	**(4,018)**	**(4,359)**	**784**	**(3,575)**
Share-based payment		-	12	-	12	-	12
Dilution gains/(losses)		-	-	34	34	(34)	-
Dividends paid	7	-	-	-	-	(778)	(778)
Balance at 31 December 2009		**36,840**	**(569)**	**(15,800)**	**20,471**	**6,932**	**27,403**
Balance at 1 July 2010		36,862	(842)	(11,662)	24,358	6,797	31,155
(Loss)/Profit for the period		-	-	(8,002)	(8,002)	304	(7,698)
Other comprehensive income							
Foreign currency translation differences		-	(300)	-	(300)	1	(299)
Net change in fair value of available for sale assets		-	(37)	-	(37)	323	286
Total comprehensive income for the period		**-**	**(337)**	**(8,002)**	**(8,339)**	**628**	**(7,711)**
Issue of share capital	13	750	-	-	750	-	750
Merger share issue	13	26,658	-	-	26,658	-	26,658
Share-based payment		-	3	-	3	-	3
Extinguishment of balance of share option reserve		-	(196)	196	-	-	-
Redesignation of subsidiaries to associates		-	-	-	-	(5,581)	(5,581)
Acquisition of additional non-controlling interest in subsidiary		-	-	(760)	(760)	-	(760)
Dilution gains/(losses)		-	-	(74)	(74)	74	-
Dividends paid	7	-	-	-	-	(419)	(419)
Balance at 31 December 2010		**64,270**	**(1,372)**	**(20,302)**	**42,596**	**1,499**	**44,095**

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2010

	Notes	Half Year to 31 Dec 2010 $'000	Half Year to 31 Dec 2009 $'000
Cash Flows from Operating Activities			
Cash receipts from customers		152,209	121,798
Cash paid to suppliers and employees		(160,422)	(121,736)
Cash generated from operations		(8,213)	62
Cash on sale of property inventory		36,500	-
Income tax paid		(395)	(2,130)
Net Cash Flows provided by/(used in) by Operating Activities		27,892	(2,068)
Cash Flows from Investing Activities			
Interest received		1,496	1,526
Loans to advisors		(886)	(138)
Loans recognised on redesignation of subsidiaries to associates		(1,454)	-
Repayments from advisors		337	290
Proceeds from sale of investments		-	1,466
Cash acquired on merger acquisition		18,927	-
Cash disposed on redesignation of subsidiaries to associates		(3,006)	-
Acquisition of investments and intangible assets		-	(86)
Acquisition of property, plant & equipment		(32)	(310)
Net Cash Flows provided by Investing Activities		15,382	2,748
Cash Flows from Financing Activities			
Proceeds from issuance of share capital		250	-
Repayment of borrowings		(31,486)	(5,502)
Repayments from external borrowers		1,544	5,049
Interest and borrowing expenses paid		(1,872)	(2,000)
Dividends paid		-	(778)
Net Cash Flows used in Financing Activities		(31,564)	(3,231)
Net increase / (decrease) in cash and cash equivalents		11,710	(2,551)
Cash and cash equivalents at the beginning of the period		16,726	11,676
Effect of exchange rate fluctuations on cash held		70	(218)
Cash and cash equivalents at the end of the period	9	**28,506**	**8,907**

1 CORPORATE INFORMATION

The financial report of Centrepoint Alliance Limited (the Company) for the half-year ended 31 December 2010 was authorised for issue in accordance with a resolution of the directors on 25 February 2011.

Centrepoint Alliance Limited is a company incorporated in Australia and limited by shares, which are publicly traded on the Australian Stock Exchange.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The general purpose condensed financial report for the half year ended 31 December, 2010 has been prepared in accordance with AASB 134: 'Interim Financial Reporting' and the Corporations Act 2001.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

On 13 December 2010, Centrepoint Alliance Limited acquired 100% of the issued capital of Professional Investment Holdings Ltd (PIH) and its subsidiaries. In accordance with AASB 3: 'Business Combinations' this transaction has been treated as a reverse acquisition for accounting purposes whereby PIH has acquired Centrepoint Alliance Limited. PIH was recognised as the "Accounting Acquirer" and as such this half year financial report is a continuation of PIH's financial statements and should be read in conjunction with the Annual Financial Report of Professional Investment Holdings Ltd as at 30 June 2010. Comparative information relates to the period 1 July 2009 to 31 December 2009 for PIH.

It is also recommended that the half-year financial report be considered together with any public announcements made by Centrepoint Alliance Limited and its controlled entities during the half-year ended 31 December 2010 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

The half year financial report has been prepared on a historical cost basis, except for certain financial assets and derivative financial instruments 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.

For the purpose of preparing the half year financial report, the half year has been treated as a discrete reporting period.

(b) Significant Accounting Policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements of PIH for the year ended 30 June 2010, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2010, as described below.

Changes in accounting policy

The Group has adopted all accounting standards and interpretations applicable from 1 July 2010. The adoption of the new standards and interpretations has had no impact on the recognition, measurement and disclosure of any assets, liabilities or the income statement for the period.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following accounting policies have been adopted as a result of the "reverse acquisition" of Centrepoint Alliance Limited:

Loans and advances - Insurance Premium Finance

Loans and advances – 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.

Provisions for impairment of loans and advances

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

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.

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 statement of comprehensive income is the product of:

i) the grant date fair value of the award

ii) The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of non-market performance conditions being met; and

iii) The expired portion of the vesting period.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Share-based payment transactions (continued)

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

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

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

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

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.

(c) Significant Estimates

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

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2010.

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

- Business combinations (Refer Note 3)
- Goodwill & intangible assets recoverable amounts (Refer Note 12)
- Provision for client claims (Refer Note 15)
- Recognition of deferred tax assets
- Contingencies (refer Note 15)

3 BUSINESS COMBINATION

Merger of Centrepoint Alliance Limited with Professional Investment Holdings Ltd

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

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

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

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

CAF shares on issue prior to acquisition	**No.**	**Fair Value**	**$**
Fully paid ordinary shares	22,132,713	1.20[1]	26,559,255
Partly paid ordinary shares	428,572	0.23[2]	99,539
			26,658,794

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

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

	$'000
Cash and cash equivalents	18,927
Loans and advances	98,457
Current tax asset	349
Other assets	784
Plant and equipment	320
Investments	5,000
Deferred tax asset	320
	124,157
Trade and other payables	29,115
Interest bearing debt	69,088
Provisions	472
	98,675
Goodwill arising on acquisition (Note 12)	1,176
	26,658

Acquisition date fair value of consideration transferred:	
Shares issued (at fair value)	**26,658**

This determination is provisional and is subject to change based on a final assessment of the fair value of assets and liabilities at merger date.

3 BUSINESS COMBINATION (continued)

Merger of Centrepoint Alliance Limited with Professional Investments Holdings Pty Ltd (cont'd)

The consolidated statement of comprehensive income includes sales revenue and net profit for the year ended 31 December 2010 of $808,000 and $125,000 respectively, as a result of the acquisition of Centrepoint Alliance Limited. Had the acquisition of Centrepoint Alliance Limited occurred at the beginning of the reporting period, the consolidated statement of comprehensive income would have included revenue and a loss of $6,647,000 and $235,000 respectively.

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

Intangible Assets and Goodwill

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

Loans and advances

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

Interest bearing liabilities

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

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

The tax implications of the PIH group joining the CAF Tax Consolidation Group are yet to be fully assessed as the tax valuation work is complex and there has been insufficient time to fully complete this work due to the merger being close to the reporting date.

4 SEGMENT INFORMATION

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

The operating segments are identified by management based on the manner in which the product is sold, whether retail or wholesale, and the nature of the services provided, the identity of service line manager and country of origin. Discrete financial information about each of these operating businesses is reported to the executive management team on at least a monthly basis.

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

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

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

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2010

4 SEGMENT INFORMATION (continued)

The following table presents revenue and profit information for reportable segments for the half-years ended 31 December 2010 and 31 December 2009.

	Advice & Products AUST $'000	Advice & Product INTL $'000	Insurance Premium Funding $'000	Other $'000	Eliminations and Unallocated $'000	TOTAL $'000
31 December 2010						
Total revenue	26,697	1,864	774	1,326	(2,823)	27,838
Interest income	905	-	774	55	261	1,995
Borrowing expenses	(707)	(15)	(330)	(820)	21	(1,851)
Depreciation & amortisation	(787)	(139)	(5)	-	-	(931)
Net profit/(loss) after tax	(1,706)	(1,661)	113	(429)	(4,015)	(7,698)
Other material non-cash items						
Impairment expense	1,956	-	-	-	(4,835)	(2,879)
Client claims	(3,425)	(53)	-	(21)	(442)	(3,941)
Total assets	95,977	9,290	99,087	102,619	(176,824)	130,149
Total liabilities	(71,988)	(13,787)	(84,840)	(21,001)	92,622	(98,994)
31 December 2009						
Total revenue	26,226	2,598	-	1,715	(1,875)	28,664
Interest income	1,477	4	-	-	(168)	1,313
Borrowing expenses	(1,190)	(29)	-	(739)	-	(1,958)
Depreciation & amortisation	(633)	(182)	-	-	-	(815)
Net profit/(loss) after tax	2,837	(2,794)	-	1	(3,447)	(3,403)
30 June 2010						
Total assets	118,178	10,757	-	36,665	(35,451)	130,149
Total liabilities	(84,242)	(13,971)	-	(50,271)	49490	(98,994)

5 OTHER REVENUE

	Half Year to 31 Dec 2010 $'000	Half Year to 31 Dec 2009 $'000
Rent received	1,271	1,715
Retail and wholesale asset fees	1,068	1,145
Recoveries	607	645
Wholesale clients and service fees	445	447
Gain on sale of controlled entity	-	455
Other	-	35
	3,391	**4,442**

6 OTHER GENERAL AND ADMINISTRATIVE EXPENSES

Employment costs	11,078	11,838
Professional fees	3,078	2,294
Merger related acquisition costs	1,382	-
Client claims	3,941	4,323
Property costs	3,081	3,337
Intangibles and goodwill impairment	2,879	221
Reversal of inventory provision (note 10)	(500)	-
Insurances	2,002	1,932
Depreciation and amortisation	931	815
Share of profit of associates	(12)	-
Other	4,206	4,955
	32,066	**29,715**

7 DIVIDENDS PAID AND PROPOSED

Dividends declared and paid during the half year on ordinary shares:

Dividends paid to non-controlling interests in:		
De Run Securities Pty Ltd	22	-
Ventura Investment Management Limited	-	339
Associated Advisory Practices Limited	384	427
Associated Advisory Practices (No 2) Ltd	13	12
	419	**778**

8 LOSS PER SHARE

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

	Half Year to 31 Dec 2010 $'000	Half Year to 31 Dec 2009 $'000
(a) Losses used in calculating loss per share		
Net (loss) attributable to ordinary equity holders of the parent	(8,002)	(4,018)

	No.	No.
(b) Weighted average number of shares		
Weighted average number of ordinary shares (excluding reserved shares)	72,095,233	69,614,690
Effect of dilution:		
Partly paid shares	3,435	-
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	72,098,668	69,614,690

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

9 CASH AND CASH EQUIVALENTS

	31 Dec 2010 $'000	30 Jun 2010 $'000	31 Dec 2009 $'000
Cash at bank	28,506	16,726	8,907
	28,506	**16,726**	**8,907**

10 INVENTORY

	31 Dec 2010 $'000	30 Jun 2010 $'000
Inventory – property development project at net realisable value	-	36,000

The Group disposed of the inventory on 13 December 2010 for a consideration of $36,500,000. The sale resulted in a $500,000 reversal of previously recognised inventory provision (Half Year ended 31 December 2009: $Nil impairment).

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

11 INVESTMENTS

	31 Dec 2010 $'000	30 Jun 2010 $'000
Investments available for sale	293	2,788
Investments in associates	1,372	43
	1,665	**2,831**

An impairment loss of $Nil was recognised by the Group during the half year ended 31 December 2010 (Half Year ended 31 December 2009: $49,987) on investments available for sale due to a significant and/or sustained reduction in value.

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

12 INTANGIBLE ASSETS & GOODWILL

Reconciliation of carrying amounts at the beginning and end of the period

	Goodwill $'000	Software $'000	Network $'000	Total $'000
Half-year ended 31 December 2010				
At 1 July 2010 net of accumulated amortisation and impairment	2,783	217	6,087	9,087
Additions	-	-	-	-
Business combination (note 3)	1,176	-	-	1,176
Disposals				
Impairment	(1,770)	-	(1,109)	(2,879)
Amortisation	-	(75)	(471)	(546)
Effective movements in foreign exchange	(75)	(18)	(17)	(110)
At 31 December 2010 net of accumulated amortisation and impairment	**2,114**	**124**	**4,490**	**6,728**
At 31 December 2010				
Cost	5,250	1,855	7,351	14,456
Accumulated amortisation and impairment	(3,136)	(1,731)	(2,861)	(7,728)
Net carrying amount	**2,114**	**124**	**4,490**	**6,728**

13 CONTRIBUTED EQUITY

	31 Dec 2010 $'000	30 Jun 2010 $'000
Ordinary shares (a)	65,344	36,862
Reserved shares (b)	(1,173)	-
Partly paid ordinary shares (c)	99	-
	64,270	**36,862**

	Half Year to 31 Dec 2010 No of Shares	$'000
(a) Ordinary Shares (issued and fully paid)		
Balance at 1 July 2010	160,921,844	36,862
Movements:		
Issue of shares by PIH prior to acquisition	-	750
CAF shares consolidated 1:7	(137,932,702)	-
Merger share issue	70,250,605	27,732
Balance at 31 December 2010	**93,239,747**	**65,344**
(b) Reserved Shares		
Balance at 1 July 2010	5,995,000	-
Movements:		
CAF shares consolidated 1:7	(5,138,571)	-
Merger share issue	-	(1,173)
Balance at 31 December 2010	**856,429**	**(1,173)**
(c) Partly Paid Ordinary Shares (In Escrow)		
Balance at 1 July 2010	3,000,000	-
Movements:		
CAF shares consolidated 1:7	(2,571,428)	
Merger share issue	-	99
Balance at 31 December 2010	**428,572**	**99**

14 RESERVES

	31 Dec 2010 $'000	30 Jun 2010 $'000
Employee equity benefits reserve	3	-
Fair value reserve	-	37
Foreign currency translation reserve	(1,375)	(1,075)
Share option reserve	-	196
	(1,372)	**(842)**

15 CONTINGENT ASSETS AND LIABILITIES

Client Claims

A subsidiary, Professional Investment Services Pty Ltd is subject to legal claims in the ordinary course of business, primarily relating to client claims. Liabilities have been recognised for the amount of client claims where it is expected that a future payment of economic benefits will be required and the amount is capable of reliable measurement.

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

The directors are of the opinion that additional provisions are not required in respect of these matters as it is not probable that a future sacrifice of economic benefit will be required.

Other than the matter referred to above there are no contingent assets or liabilities at the end of the financial period.

16 EVENTS SUBSEQUENT TO REPORTING DATE

There are no 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.

17 SEASONALITY OF OPERATIONS

(a) Provision of financial advice and investment products

Income from the provision of financial advice and investment products and services tends to be higher in the final quarter of the financial year as tax planning and investment activities increase prior to 30 June each year.

(b) Insurance Premium Funding

Traditionally, the renewal of insurance policies tends to correlate with the start and finish of financial reporting periods and as a consequence the insurance premium funding business segment experiences higher interest income and profitability when new policies are being written during the first three to four months of the financial year. The majority of the receivables and the interest bearing liabilities in the Balance Sheet derive from this business segment and in accordance with this cycle, they both tend to peak in value in the second quarter of the financial year and reach their lowest levels in the final quarter.

DIRECTORS' DECLARATION

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

In the opinion of the directors:

b) 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 financial position as at 31 December 2010 and the performance for the half year ended on that date of the Consolidated entity; and

   ii) complying with Accounting Standard AASB 134 *"Interim Financial Reporting"* and the Corporations Regulations 2001; and

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

On behalf of the Board

Tony Robinson
Managing Director

28 February 2011

Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

To the members of Centrepoint Alliance Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Centrepoint Alliance Limited, which comprises the statement of financial position as at 31 December 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001* . As the auditor of Centrepoint Alliance Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Centrepoint Alliance Limited is not in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2010 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Ernst & Young

Ernst & Young

Peter McIver

P McIver
Partner
Perth
28 February 2011