Announcement to the Market

31 August 2012

Results for Financial Year 2012

Attached is the Preliminary Financial Report and Appendix 4E report for Centrepoint Alliance Limited (CAF) on the financial results for the 12 months period to the 30 June 2012.

The reported result reflects a substantial effort by CAF to identify and address all legacy issues related to previously acquired entities with the objective of allowing future operating results to exclusively reflect, where possible, the actual trading position of each business entity going forward.

The result is a substantial loss which is principally attributable to the further write down of certain balance sheet carrying values, the cost associated with the work related to the Enforceable Undertaking with ASIC and an additional provision for unreported client claims.

In order to objectively assess the adequacy of provisions for claims, both known and incurred but not reported, the Group retained an independent actuary. The additional provision reported reflects the outcomes of that analysis. The provisions are now believed to be sufficient to cover all claims arising from advice provided prior to 30 June 2012. The balance sheet and cash generated by the businesses are believed to be more than sufficient to support the future payments associated with all provisions.

The costs referred to above are almost solely a legacy of the activities of the Centrepoint Wealth businesses (formerly the PIH Group) prior to its acquisition by CAF. Accordingly, these costs are noted in the commentary on Group Results and Operations and below as legacy related expenses. Trading results pre the major legacy costs show a materially different and relatively positive position.

	FY 2012 $'000	**FY 2011 $'000**
Loss before tax and non-controlling interests	($14,525)	($12,281)
Add back: Major legacy related expenses:		
Additional provision for unreported claims	$11,052	-
Professional fees related to EU	$ 3,663	$530
Asset impairments	$ 1,760	$3,839
Profit/(loss) before tax, non-controlling interests and major legacy related expenses	$ 1,950	($7,912)

Several divisions of the Group have had very strong years as is shown in the segmented results. In particular, the premium funding business continues to show its capabilities as it regrows profit and market share.

The industries in which we participate are continuing to go through a difficult economic period but we are well positioned in each business and I am consequently excited about the opportunities for us in the 2012/13 financial year.

For further information please contact:

Tony Robinson
Managing Director
Centrepoint Alliance Limited
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Ian Magee
Company Secretary
Centrepoint Alliance Limited
Ph: (08) 9420 1203

CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 057 507 507

Appendix 4E

Year ended 30 June 2012

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenues from ordinary activities	**Up**	**6%**	**to**	**$62,090,000**
Loss before tax and non-controlling interests	**Up**	**18%**	**to**	**$(14,525,000)**
Net loss for the period attributable to members	**Up**	**33%**	**to**	**$(17,881,000)**

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**	
	30 June 2012	**30 June 2011**
Net tangible assets per share	**11.64 cents**	**36.54 cents**

For explanation and commentary on the results refer to the Review of Group Results & Operations in the attached Financial Report.

CENTREPOINT ALLIANCE LIMITED
AND ITS CONTROLLED ENTITIES
ABN 72 057 507 507

ANNUAL REPORT
30 JUNE 2012

Contents

Chairman's Report

Dear Shareholders,

The merger of Centrepoint Alliance Limited ('CAF') with the Centrepoint Wealth Ltd (formerly Professional Investment Holdings Ltd) Group ('CPW') was completed in December 2010 and, as I noted in the 2011 Annual Report, the integration of the two organisations has not been without some challenges and unanticipated costs. The most significant being associated with the handling of claims from clients of Professional Investment Services ('PIS') advisers (predominantly stemming from advice provided prior to 2009), responding to PIS's enforceable undertaking with ASIC and repositioning the CPW business and assets for the future.

Twelve months on, I am pleased to say that, although this process has taken a little longer and cost the Group considerably more than anticipated, I believe that we have made great strides in tackling and resolving these legacy issues. Indeed there is much evidence to indicate that the CAF Group is now well positioned to re-assert and expand its position in the advice services and wealth management markets and to generate good returns for shareholders in the future.

The impact of tackling the various legacy issues is very apparent in the financial results disclosed in this Annual Report. In particular, a great deal of investment, both monetary and in terms of resources, has been devoted to managing and resolving client claims. As a consequence, more than $11 million has been paid out in claims settlements during FY 2012 and almost $17m has been provisioned against profit for future claims. This includes extra provisioning at 30 June 2012, based on a report commissioned from an independent actuary, with the aim of ensuring adequate allowance for claims yet to be reported, as well as known claims, on advice given in prior years.

Furthermore, considerable cost and internal resources have been applied to completing the ASIC enforceable undertaking, restructuring throughout the CPW Group and in qualifying assets and managing other legacy issues. The upside of this is that the Group is now considerably leaner, simpler, better structured and well-positioned for the future and the changed landscape of the financial services industry.

It is also noteworthy and pleasing that CAF's insurance premium funding business continues to go from strength to strength. Throughout the last two years and particularly in the last twelve months it has continued to re-grow its business volumes and has generated healthy profits and cash flows.

At Board level we saw the departure of Stephen Murphy and Grahame Evans during the year, and I would like to express my thanks for their efforts and assistance during this challenging integration and post-merger period. We also welcomed two new directors in Stephen Maitland and Matthew Kidman, who have already made significant contributions since their appointment.

Finally I would like to sincerely thank the advisers, accountants and representatives of the PIS and AAP networks and also the employees of the CAF Group for their hard work and continued support during what has been a challenging but highly productive and successful year.

Yours sincerely

Rick Nelson

Chairman

Managing Director's Report

Financial Results

The Group recorded a net loss before tax and non-controlling interests for the year to 30 June 2012 of $14,525,000 compared with a prior year loss of $12,281,000. The result after tax and non-controlling interests was a loss of $17,881,000 (2011: loss of $13,484,000).

As was the case in Financial Year (FY) 2011, although underlying trading results were positive, the FY 2012 result has been heavily impacted by legacy issues in the Professional Investment Services (PIS) advisory services business. These are referred to collectively below as legacy related expenses, the most notable being the cost of client claims arising from advice provided in prior years. The claims provision expense was $16,736,000 (2011:$11,936,000), and external professional fees incurred in resolving claims totalled $1,946,000 (2011: $1,377,000).

In estimating the provision for total client claims at 30 June 2012 of $22,083,000 the business has elected to provision for both reported and unreported client claims. To facilitate a good estimate of unreported claims, the Group has employed an independent actuary. The actuarial assessment resulted in the Group increasing the provision otherwise recorded, by a further $11,052,000.

The FY 2012 results were also impacted by $3,663,000 (FY 2011:$530,000) of external professional fees with PIS' Enforceable Undertaking (EU) with the Australian Securities and Investments Commission (ASIC). The final Independent Expert's Report was submitted in April 2012 together with a response and comments by PIS. No formal response from ASIC has been received at this stage.

The result was also impacted by further impairments to assets and the following table shows the cumulative pre-tax impact of major legacy issues arising from pre-merger events:

	FY 2012	**FY 2011**
Loss before tax and non-controlling interests	($14,525,000)	($12,281,000)
Add back:Major legacy related expenses:		
Additional provision for unreported claims	$11,052,000	-
Professional fees related to EU	$ 3,663,000	$530,000
Asset impairments	$ 1,635,000	$4,345,000
Profit/(loss) before tax, non-controlling interests and major legacy related expenses	$ 1,825,000	($7,406,000)

There has been a concerted focus on cost management and reduction during the period, with all major expense items showing falls after adjusting for the items referred to above and inclusion of a full twelve month's worth of comparatives for the pre-merger Centrepoint businesses. At a corporate level there has been significant rationalisation of the Group's corporate structure, including the completion of a scheme of arrangement, which in total has resulted in the sale or closure and de-registration of more than 25 legal entities, which should further contribute to savings in administration and compliance costs.

Although the pre-tax result for FY 2012 is a significant loss, the Group's post-tax result reflects an income tax expense of $2,774,000 (FY 2011: $844,000). This is because the Group has written off a deferred tax asset of $4,267,000 attributable to prior year tax losses and has also elected not to recognise a deferred tax asset in respect of the current year tax loss attributable to the Group's tax consolidated entities.

Review of Group Operations

The operations of Centrepoint Alliance Limited consist of two core groups, Centrepoint Wealth and Centrepoint Alliance Premium Funding:

Centrepoint Wealth (CPW)

(Previously known as Professional Investment Holdings)

The Centrepoint Wealth division comprises a number of business segments acquired as a result of the merger in December 2010 with Professional Investment Holdings Ltd (which changed its name in November 2011 to Centrepoint Wealth Ltd). The name change was made to better represent its primary activities in wealth management and investment.

1) Advice Services (Australia)
    - There are two businesses in this segment of CPW:
        - Professional Investment Services Pty Ltd ('PIS') manages and is licensee for one of the largest non-institutionally owned networks of financial planners and accountants in Australia.
        - Associated Advisory Practices ('AAP') provides support services to a range of independently-licensed, boutique advisory practices. AAP is not a wholly-owned activity and comprises two subsidiaries which are partly owned by participating adviser practices.
    - In August 2011 Mr Peter Walther, was appointed as CEO of the PIS business. Since his appointment Peter has made significant change to the business and a significant contribution through that change.
    - Advice Services revenues were adversely affected during the year by external economic and regulatory issues. PIS revenue was also impacted by a number of other factors including adviser losses. Expenses and activity for the period were dominated by the increased application of resources and the significant additional professional fees incurred as a result of undertaking work to rebuild processes and policies to meet the obligations of the Enforceable Undertaking ('EU') with ASIC and analysing and resolving legacy client claims. The EU was completed in March 2012 and the final Independent Expert's Report and a response from PIS were presented to ASIC in April 2012.
    - An area which has received considerable attention during the year has been the management and resolution of client claims. The vast majority of existing and new claims emanate from advice provided in 2008 and prior. Pre-existing client claims and litigation settlement (excluding associated professional fees), totalling $11,237,000 (2011: $19,522,000) have been settled and paid out during the period. Despite the high level of claims settled during the year, the provision for claims has increased from $14,890,000 to $22,083,000, largely as a result of the additional provision made for unreported claims, following an independent actuarial assessment.
    - During the period AAP has traded profitably. Whilst it has been adversely affected by the external factors identified above, it has continued to achieve sound growth in its client base and made a strong contribution to the Group.

2) Investment Products & Services (Australia)
    - The CPW Group provides a number of investment products and services primarily in the areas of funds management and investment platforms.
    - Although revenues in these businesses were also impacted by a reduction in funds under management as a consequence of investment market declines and the adverse economic climate, they traded profitably during the year.

- During the period the CAF Group moved to increase its ownership to 100% of two of the key businesses in this segment:
  - Through the completion of a Scheme of Arrangement on 16 August 2011, CAF acquired the 83% of externally-owned shares in funds management business, Ventura Investment Management Ltd ('VIML'), for a consideration of $3,788,946 in the form of 4,457,583 CAF shares at a deemed value of 85 cents per share.
  - On 30 December 2011 CAF Group acquired 100% ownership of platform business Mentor Investment Services Ltd. This was achieved through the payment of compensation and incentive payments to participating advisers and the redemption of the 63% of externally-owned shares in the Company.

- During the period VIML completed restructuring projects to expand and restructure its investment funds, to renegotiate terms with its investment managers and to outsource responsible entity functions. As a consequence VIML has improved the competitiveness of its products and has been able to release $3,300,000 of previously committed cash balances for use by the CAF Group.

3) Advice Services (International)

- In July 2011, the Group completely exited its business interests in Hong Kong and China.

- The impact on the Group of the New Zealand business is not material as the investment (an effective 14% ownership of the operating entity) has been completely written down and the operational involvement reduced to Board positions.

- The Singapore and Malaysian businesses were impacted by the adverse international economic climate but considerable work was done during the year to improve profitability by reducing costs and improving systems efficiency. As a result the International Advice Services businesses achieved close to a break-even result in FY 2012 (a net loss after tax of $124,000), compared with FY 2011 (a net loss of $3,197,000).

- The Board believes that the best interests of the Group's remaining international businesses will be served by selling them to new majority shareholders with the capacity to provide the appropriate level of funding and support. Accordingly, in line with this objective, on the 8 August 2012 the Group announced that it has entered into a conditional agreement with Aviva Asia Holding Pte Ltd for the sale of the CAF Group's interest in its Singaporean financial advice business. If all conditions are met the sale is expected to be finalised in October 2012.

Centrepoint Alliance Insurance Premium Funding (CAPF)

The insurance premium funding operations of the Group are contained within Centrepoint Alliance Premium Funding Pty Ltd ('CAPF'). The business, which provides short term finance to both commercial and domestic clients to fund their annual insurance premiums, has recorded strong growth in its business volumes and interest revenues over the previous corresponding period.

The business recorded a net profit after tax for FY 2012 of $1,639,000. This compares with an after-tax profit of $558,000 in FY 2011, of which, due to the requirement to account for the Merger as a reverse acquisition, only $415,000 was included in the reported result for the Group.

The Company sources its funds for on-lending from the National Australia Bank. As a result of its improved trading performance CAPF has been able to achieve revisions to the facility, both in December 2011 and again in August of 2012, which have resulted in improved lending margins, reduced covenant obligations for the CAF Group and a limit which varies during the year to match the seasonal nature of the premium funding business.

Other Businesses

The Corporate functions of the Group and other non-core Australian businesses are contained within the 'Other' reporting segment.

The segment recorded a net loss after tax for FY 2012 of $10,714,000 (2011: $1,253,000). This result was impacted by pre-tax expenses of $1,426,000 (2011: $607,000) of impairments to adviser loans and investments, $982,000 of redundancy costs and an additional tax expense of $4,267,000 from the write-off of deferred tax assets. In addition it should be noted that the comparative figure included only the six months of post-merger trading for the CAF corporate function.

Outlook

Considerable progress has been made across the Group and particularly in the Centrepoint Wealth division to re-organise, reposition and strengthen the core business operations.

The insurance premium funding division is expected to continue its strong performance in the coming year.

Based on August 2012 results the business is on track to achieve budgeted profits for 2012/13.

Tony Robinson
Managing Director

26 September 2012

Corporate Governance Statement

Corporate Governance Policies and Practices

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

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

Board of Directors

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

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

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

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

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

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

R J Nelson
Chairman & Non-executive Director (7 years)

A D Robinson
Managing Director (3 years)

N J Griffin
Non-executive Director (7 years)

C J Castles
Non-executive Director (1 year. 8 months)

S J Maitland
Non-executive Director (8 months)

M Kidman
Non-executive Director (6 months)

I R Magee
Company Secretary and Chief Financial Officer (9 years)

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

Nomination, Remuneration & Governance Committee

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

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

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

Nomination duties and responsibilities include:

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

Remuneration duties and responsibilities include:

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

Governance duties and responsibilities include:

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

Audit Committee

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

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

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

Risk Committee

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

The role of the Committee includes overseeing:

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

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

The Committee comprises three non-executive directors and the managing director and is chaired by Mr Chris Castles.

Securities Trading

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

Performance and Remuneration

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

Ethical Standards

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

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

External Communications

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

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

Information is communicated to shareholders as follows:

- The Annual Report is distributed as required by law.
- The Board ensures the Annual Report includes relevant information about the operations of the Company during the year, changes in the state of affairs of the Company and details of future developments, and other disclosures required by the *Corporations Act 2001*.
- The half-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.

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.

End of Corporate Governance Statement

Directors' Report
30 June 2012

Your directors present their report for the year ended 30 June 2012.

Directors

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

- Rick Nelson, Noel Griffin, Chris Castles and Tony Robinson were in office for the entire period.
- Stephen Maitland was appointed as a director on 20 December 2011.
- Matthew Kidman was appointed as a director on 21 February 2012
- Stephen Murphy resigned as a director on 30 September 2011.
- Grahame Evans resigned as a director on 6 June 2012.

Rick Nelson
FAICD
Chairman & Non-executive Director

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

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

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

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

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

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

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

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

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

Chris currently holds, and has held, board positions with a number of funds management organisations..

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

Stephen Maitland
OAM, RFD, B.Ec, M.Bus, LLM, FCPA, FAICD, FCIS, FAIM, FFin
Non-executive Director, Chairman of Audit Committee

Stephen has over 30 years experience in the banking and finance industry, with wide-ranging knowledge in areas such as strategic planning, businesses in transition, risk management and corporate governance.

Stephen's previous roles include CEO of the Queensland Office of Financial Supervision, a Statutory Authority that supervised Queensland's non-bank financial institutions.

Currently Stephen holds various directorships, is Chairman of the Surf Life Saving Foundation and is a member of CPA's Queensland Divisional Council. During the past three years Stephen has served as a director of the following other listed companies:

Listed Company	**Period of directorship**
Buderim Ginger Limited	From 2002 and continuing

Matthew Kidman
Non-executive Director

Matthew has over 18 years experience in the finance industry and currently specialises in corporate strategy, investor relations and capital markets.

During the period from 1998 to 2011 Matthew worked with the Wilson Asset Management funds management group in a variety of roles including dealer, analyst, portfolio manager and chief executive officer. He is also a former director of Australian Leaders Fund Limited (formerly Wilson Leaders Fund Limited).

Matthew has also worked as a finance reporter with the Sydney Morning Herald, where in 1997 he was appointed as Investment Editor.

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

Listed Company	Period of directorship
WAM Capital Limited	From 1999 and continuing
WAM Research Limited	From 2002 and continuing
WAM Active Limited	From 2007 and continuing
Australian Leaders Fund Limited	2003 to 2010

Grahame Evans (resigned 6 June 2012)
DIP SM MBA, MAICD
Executive Director, Managing Director of CPW Group

Until his resignation in June 2012, Grahame oversaw the activities and operations of the Centrepoint Wealth (CPW) Group. Previously Grahame was CEO of Investments for Tower Australia and Head of Corporate and Employee Superannuation with AMP. At AMP, he was responsible for Australia's largest corporate superannuation portfolio with over 33,000 employees and $11 billion under management. Prior to that, as Managing Director of AMP Consulting, he was responsible for the superannuation consulting division of AMP including actuarial, trustee services, information technology, asset consulting and communications for such clients as Optus and BHP Billiton.

Stephen Murphy (resigned 30 September 2011)
B. Com., CA, MAICD
Non Executive Director, Chairman of Audit Committee

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

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

Ian is a chartered accountant who began his career in the accounting profession with Deloitte in London and subsequently with PricewaterhouseCoopers in Perth, Australia. He has over 25 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 and a member of the Australian Institute of Company Directors. Ian has held the position of CFO and Company Secretary with Centrepoint Alliance Limited since 2003.

Directors' Interests in Shares

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

Director	Ordinary Shares Fully Paid	Ordinary Shares Partly Paid	Options over ordinary shares
Rick Nelson	2,506,150	-	-
Noel Griffin	1,667,880	-	-
Tony Robinson	928,572	428,572*	-
Chris Castles	230,854	-	-
Stephen Maitland	50,000	-	-
Matthew Kidman	240,000	-	-
Total Directors' Shares	**5,623,456**	**428,572**	**-**

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

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

Meetings of Directors

During the financial year, 13 Directors' meetings, 5 Nomination Remuneration & Governance Committee (NRGC) meetings, 4 Audit Committee and 2 Risk Committee meetings were held. Attendances were as follows:

	Board Meetings		NRGC		Audit Committee		Risk Committee	
Director	Number eligible to attend	Number attended	Number eligible to attend	Number Attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Rick Nelson	13	13	5	5	3	3	1	1
Noel Griffin	13	13	5	5	-	-	-	-
Tony Robinson	13	13	-	-	-	-	2	2
Chris Castles	13	13	-	-	-	-	2	2
Stephen Maitland	7	6	-	-	2	2	1	1
Matthew Kidman	5	5	-	-	2	2	1	1
Grahame Evans	12	11	-	-	-	-	2	2
Stephen Murphy	4	4	-	-	2	2	-	-

Corporate Information

History

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

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

During the year ended 30 June 2009, the Group ceased its commercial finance activities, which included the sale on 31 December 2008 of its finance broking businesses and the cessation of its equipment finance operations.

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

Principal activities

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

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

Employees

As at 30 June 2012, the consolidated entity had 257 (2011: 265) full-time equivalent employees.

Corporate structure

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

Name	Country of Incorporation	Percentage Interest	Principal Activities
All Star Funds Management Ltd	Australia	100%	Deregistered during the period
Associated Advisory Practices Ltd	Australia	55%	AFSL licensee support services
Associated Advisory Practices (No 2) Ltd	Australia	55%	AFSL licensee support services
Australian Loan Company Ltd	Australia	100%	Mortgage broker / aggregator
Blueprint Investment Services Ltd	Australia	100%	Deregistered during the period
Centrepoint Alliance Premium Funding Pty Ltd	Australia	100%	Insurance premium funding
Centrepoint Alliance Services Pty Ltd	Australia	100%	Trustee – Employee share plan
Centrepoint Wealth Ltd (formerly Professional Investment Holdings Ltd	Australia	100%	Holding Company
De Run Securities Pty Ltd	Australia	56%	Dormant
Discovery Investment Services Corporation Ltd	Australia	100%	Deregistered during the period
Diversified Portfolio Managers Limited	Australia	100%	Deregistered during the period
GPS Wealth Ltd (formerly Professional Private Advice Ltd)	Australia	40%	Financial services
IFMA Investment Services Pty Ltd	Australia	100%	Deregistered during the period
The IFMA Unit Trust	Australia	100%	Vested & dissolved during the period
Imagine Your Lifestyle Pty Ltd (formerly Professional SMSF Services Pty Ltd)	Australia	50%	Lifestyle magazine publication & distribution
Investment & Finance Managers of Australia Pty Ltd	Australia	100%	Deregistered during the period
Investment Diversity Limited	Australia	100%	Provision of investment platform services
Mentor Investment Services Limited	Australia	100%	Deregistered during the period
MI Professional Funding Pty Ltd	Australia	100%	Disposed during the period
OAMPS Premium Funding Pty Ltd	Australia	100%	Dormant

Name	Country of Incorporation	Percentage Interest	Principal Activities
Parramatta Site Developments Pty Ltd	Australia	100%	Deregistered during the period
Professional Accountants Ltd	Australia	100%	Loans to adviser network
Professional Investment Asset Management Pty Ltd	Australia	100%	Deregistered during the period
Professional Investment Services Pty Ltd	Australia	100%	AFSL licensee support services
Step by Step Guide Pty Ltd (formerly PAL Sub Four Pty Ltd)	Australia	100%	Deregistered during the period
Ventura Investment Management Ltd	Australia	100%	Investment management services
WealthInfoNet Admin Pty Ltd	Australia	100%	Deregistered during the period
Ausican Inc.	Canada	100%	Dormant
Professional Investment Holdings Inc.	Canada	100%	Dormant
Professional Investment Holdings (Canada) Inc.	Canada	100%	Dormant
Professional Investment Services (Beijing) Bo Jin	China	0%	Disposed during the period
Advisors Worldwide Ltd	Hong Kong	100%	Deregistered during the period
Alliance Finance Corporation (Hong Kong) Pty Ltd	Hong Kong	100%	Deregistered during the period
HFS Asset Management Limited (formerly Horwath Financial Services Limited)	Hong Kong	0%	Disposed during the period
Professional Investment Services (HK) Ltd	Hong Kong	100%	Dormant
Professional Investment Services (Malaysia) Sdn. Bhd.	Malaysia	55%	Holding company
Standard Financial Planner Sdn Bhd	Malaysia	100%	Financial services
SFP Adviser Sdn Bhd	Malaysia	100%	Dormant
Advisors Worldwide (NZ) Ltd	New Zealand	100%	Dormant
Ausiwi Limited	New Zealand	100%	Holding company
Discovery Investment Corporation (NZ) Limited	New Zealand	100%	Dormant
Ginger Group Financial Services Corporation (NZ) Ltd	New Zealand	14%	Financial services
Minerva PIS (NZ) Limited	New Zealand	100%	Dormant
Professional Investment Holdings (NZ) Limited	New Zealand	43%	Holding company
Professional Investment Services (NZ) Limited	New Zealand	100%	Dormant
Professional Lending Services Limited	New Zealand	24%	Dormant
Fifth Floor Pte Limited	Singapore	100%	Holding company
Professional Advisory Holdings Pte Ltd	Singapore	90%	Holding company
Professional Investment Advisory Services Pte Ltd	Singapore	100%	Financial services
Professional Investment Services LLC	USA	100%	Dormant

Financial Overview

Financial performance

The Consolidated Statement of Comprehensive Income records a net loss before tax and non-controlling interests for the year to 30 June 2012 of $14,525,000 compared with a prior year loss of $12,281,000. The result after tax and non-controlling interests was a loss of $17,881,000 (2011: loss of $13,484,000).

In making a comparison between periods it is important to be aware that the prior year results only included approximately six months of trading for the pre-merger Centrepoint business units, following the Merger between CAF and Centrepoint Wealth Ltd (formerly Professional Investment Holdings Ltd) on 13 December 2010.

Although the pre-tax result for FY 2012 is a significant loss, the Group's post-tax result reflects an income tax expense of $2,774,000 (FY 2011: $844,000). This is because the Group has written off a deferred tax asset of $4,267,000 attributable to prior year tax losses and has also elected not to recognise a deferred tax asset in respect of the current year tax loss attributable to the Group's tax consolidated entities.

Cash Flows

The Consolidated Statement of Cash Flows for the year shows a net decrease in cash and cash equivalents of $5,847,000 (FY 2011: an increase of $3,524,000). Payments of $11,237,000 (FY 2011: $19,522,000) in settlement of claims and litigation exceeded net cash inflows from other activities.

The Group held a total of $14,621,000 (2011: $20,420,000) in cash and cash equivalents at 30 June 2012, of which, in excess of $10,000,000 was uncommitted.

Financial Position

The Group has net assets at 30 June 2012 of $27,162,000 (2011: $42,112,000) and net tangible assets of $11,854,000 (2011: $25,979,000) representing net tangible assets per share of 11.64 cents (2011: 36.54 cents).

At 30 June 2012 the Group has offset total accumulated losses of $43,248,000 against contributed equity, which has effectively eliminated accumulated losses and has reduced the value of contributed equity but has had no impact on net assets.

The Group also has an unrecognised asset at 30 June 2012 of approximately $12,000,000 (2011: $11,000,000) for the tax equivalent value of accumulated tax revenue losses and has accumulated dividend franking credits of approximately $27,985,000 (2011: $28,971,000), which would notionally allow the Group to pay up to $65,300,000 in fully franked dividends.

Dividends

No ordinary or preference dividends have been declared or paid by the Company in respect of Financial Year 2012.

Options

Unissued shares

Subsequent to balance date Mr. Peter Walther (CEO of Professional Investment Services Ltd) was issued with 2,250,000 options over ordinary shares. At the date of this report there are no other unissued ordinary shares subject to options.

Shares issued as a result of the exercise of options

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

Risk Management

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

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

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

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

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

Significant Changes in the State of Affairs

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

Significant Events Subsequent to Balance Date

The following matters have taken place/occurred subsequent to the year end:

1) On 8 August 2012, CAF entered into a conditional agreement for the sale of the Group's interest in its Singaporean financial advice business, Professional Investment Advisory Services Pte Ltd (PIAS).

   The consideration for the sale is to be satisfied by the purchaser to enter into a buy-back agreement with CAF under which the purchaser agrees to sell and transfer to CAF its 7.6% shareholding in CAF. In accordance with the buy-back agreement this will result in the cancellation of 7,731,884 shares. The financial impact of this transaction on the Group will be a reduction in contributed equity equivalent to the value of the consideration at settlement date and a gain on sale of approximately $1,000,000 at current share prices.

   The sale and purchase agreement is conditional upon a number of factors the main ones being:
   - The purchaser being satisfied with the findings of an independent compliance audit of the Singapore business;
   - CAF shareholders approving the terms of the buy-back agreement in accordance with section 257D of the Australian Corporations Act; and
   - Approval of the transaction by the Monetary Authority of Singapore.

2) On 14 August 2012 the National Australia Bank provided CAF with an offer to extend and enhance the existing banking facility arrangements. The CAF Board has approved the new facility arrangements and executed the relevant documents.

3) 2,250,000 options over ordinary shares, with the following terms, have been issued to Peter Walther as part of an incentive arrangement:

Number of Options	Exercise Price	Vesting Date	Expiry Date
1,000,000	$0.30	30 September 2014	31 December 2014
400,000	$0.40	30 September 2012	31 December 2016
400,000	$0.40	30 September 2013	31 December 2016
450,000	$0.40	30 September 2014	31 December 2016

4) On 10 September 2012 the Company has entered into an agreement with managing director, Tony Robinson to buy-back his 428,572 partly paid shares for no consideration. The buy-back, which is subject to shareholder approval, releases Mr Robinson from an obligation to pay the unpaid balance of $375,000, but will have no effect on total net assets and will result in a marginal increase in net assets per share.

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

Likely Developments

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

Environmental Regulation

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

Indemnification and Insurance of Directors and Officers

During the financial year, the Company paid a premium of $35,000 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.

Remuneration Report (Audited)

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

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

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

The remuneration report is presented under the following sections:

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

Key management personnel

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

Directors

R.J. Nelson	Chairman & Director (non executive)
N.J. Griffin	Director (non-executive)
A.D. Robinson	Managing Director (executive)
C.J. Castles	Director (non-executive)
S.J. Maitland	Director (non-executive) – appointed 20 December 2011
M. Kidman	Director (non-executive) – appointed 21 February 2012
G.D. Evans	Executive Director – resigned 6 June 2012
S.J. Murphy	Director (non-executive) – resigned 30 September 2011

Executives

I.R. Magee	Chief Financial Officer & Company Secretary
R.M. Dodd	Chief Executive Officer – Centrepoint Alliance Premium Funding Pty Ltd
P.B. Walther	Chief Executive Officer – Professional Investment Services Pty Ltd – appointed 22 August 2011

Remuneration Report (Audited) (continued)

Key management personnel of the Group, and the number of days of remuneration included for each, were as follows:

Name	Position	No. of days of remuneration included 2012	No. of days of remuneration included 2011
Directors			
R.J. Nelson	**CAF** Group Chairman & Director (non executive)	366	200
A.D. Robinson	**CAF** Group Managing Director	366	200
N.J. Griffin	**CAF** Director (non-executive)	366	200
C.J. Castles	**CAF** Director (non-executive)	366	365
S.J. Maitland	**CAF** Director (non-executive) – *appointed 20 Dec 2011*	194	-
M. Kidman	**CAF** Director (non-executive) – *appointed 21 Feb 2012*	131	-
G.D. Evans	**CAF** Director (executive) – *resigned 6 June 2012*	342	365
S.J. Murphy	**CAF** Director (non-executive) – *resigned 30 Sept 2011*	92	365
M.M. Kane	**CAF** Director (non-executive) - *resigned 22 Dec 2010*	-	10
R. Bennetts	**CPW** Director (executive) – *resigned 14 Dec 2010*	-	167
K Butler	**CPW** Director (non-executive) – *resigned 14 Dec 2010*	-	167
G Whimp	**CPW** Director (non-executive) – *resigned 14 Dec 2010* **PIS** Chief Executive Officer – *10 Jan 2011 to 9 Jul 2011*	9	339
Executives			
I.R. Magee	**CAF** Chief Financial Officer & Company Secretary	366	200
R.M. Dodd	**CAPF** Chief Executive Officer	366	200
P.B. Walther	**PIS** Chief Executive Officer – *appointed 22 August 2011*	314	-

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

Remuneration philosophy

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

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

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

Remuneration Report (Audited) (continued)

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

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

Group performance

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

	2012 $'000	2011 $'000	2010 $'000	2009 $'000	2008 $'000
Company					
NPAT - Net Profit/(Loss) after tax ($'000)	(87)	(1,189)*	6,119	(37,686)	(5,534)
Group**					
NPAT - Net Profit/(Loss) after tax ($'000)	(17,299)	(13,125)	1,315	(21,061)	(2,812)
EPS (basic) – (Cents per share)	(17.90)	(16.21)	0.25	(31.89)	(5.50)
EPS (diluted) – (Cents per share)	(17.90)	(16.21)	0.25	(31.89)	(5.50)

**IPF business transferred to subsidiary December 2010*
***Comparatives are pre-merger PIH due to "reverse acquisition accounting"*

Nomination, Remuneration & Governance Committee (NRGC)

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

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

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

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

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

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

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

Remuneration Report (Audited) (continued)

Employment contracts

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

Tony Robinson - Managing Director
Contract commencement date: 13 July 2009.
Term: No term specified.
Incentives:
Short term incentive –
Consists of cash bonuses based on achieving certain criteria determined by the NRGC. No cash bonus was paid or accrued for FY 2012.
Long term incentive –

i) The contract contains a commitment to provide a long term incentive through the employee share or option plans. The current component consists of an entitlement to acquire 428,572 (pre-consolidation: 3,000,000) fully paid ordinary shares through the Employee Share Plan. The acquisition of the shares at $1.23 each (pre-consolidation and pre return of capital: $0.20 each), which vest in three equal tranches over three years ending 31 July 2012, is to be funded via an interest free limited recourse loan from the Share Plan Trust. Vesting is conditional upon remaining in the employment of the Company and shares may only be acquired by repayment of the loan.
ii) In December 2009, Mr Robinson was issued 428,572 (pre-consolidation: 3,000,000) shares at $1.26 per share (pre-consolidation: $0.18 per share), which was reduced to $1.085 following the return of 17.5 cents of capital implemented during the year and which were partly paid to 21 cents (pre-consolidation: 3 cents) on issue with the balance payable in October 2012. There are no other performance conditions. These shares are subject to a buy-back agreement with the Company for no consideration, which is subject to shareholder approval.

Required notice (Executive): 6 months
Required notice (Company): 6 months
Termination Entitlements: 6 months

Grahame Evans - Group Managing Director (Professional Investment Holdings) – Resigned 6 June 2012
Contract commencement date: 16 August 2006 (updated 5 July 2010)
Term: No term specified.
Incentives:
Short term incentive –
The FY 2011 incentive was in the form of 281,437 PIH shares awarded prior to the Merger for the successful negotiation of the Merger. No short term incentive was awarded for FY 2012.
Long term incentive –
Mr Evans was eligible to participate in the Centrepoint Alliance Employee Share Plan subject to the discretion of the NRGC and the Centrepoint Alliance Limited Board, but no allocations were made prior to his resignation.

Required notice (Executive): 6 months
Required notice (Company): 6 months
Termination Entitlement: 6 months' notice or equivalent salary in lieu of notice. Mr Evans resigned on 6 June 2012 and was paid an amount of $364,121 in termination benefits and long service leave entitlements.

Remuneration Report (Audited) (continued)

Ian Magee - Chief Financial Officer & Company Secretary
Contract commencement: 1 May 2003
Term: No term specified
Incentives:
Short term incentive –
Consists of a cash bonus based on achieving certain criteria and determined by the NRGC. The FY 2012 incentive consisted of a potential bonus of $35,000 if Mr Magee successfully completed certain key project responsibilities; including the completion of certain integration and business restructure tasks as measured by the NRGC. The bonus was accrued in FY 2012 and paid in full subsequent to the balance date.
Long term incentive –
In the form of shares through the Centrepoint Alliance Employee Share Plan. The current component consists of an entitlement to acquire 70,714 (pre-consolidation: 495,000) fully paid ordinary shares through the Employee Share Plan. The acquisition of the shares at $1.23 each (pre-consolidation and pre return of capital: $0.20 each), which vest in three equal tranches over three years ending 31 July 2012, is to be funded via an interest free limited recourse loan from the Share Plan Trust. Vesting is dependent on remaining in the employment of the Company and shares may only be acquired by repayment of the loan.

Required Notice (Executive): 1 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

Bob Dodd - Chief Executive Officer (Insurance Premium Funding)
Contract commencement date: 1 December 2006
Term: 5 years with 5 year option (evergreen)
Incentives:
Short term incentive –
Consists of cash bonuses based on achieving certain criteria determined by the NRGC, including the achievement of certain profit targets in the IPF business unit. The FY 2012 a bonus of $158,348 was accrued. The bonus was paid subsequent to the balance date.
Long term incentive –
In the form of shares through the Centrepoint Alliance Employee Share Plan. The current component consists of an entitlement to acquire 107,143 (pre-consolidation: 750,000) fully paid ordinary shares through the Employee Share Plan. The acquisition of the shares at $1.23 each (pre-consolidation and pre return of capital: $0.20 each), which vest in three equal tranches over three years ending 31 July 2012, is to be funded via an interest free limited recourse loan from the Share Plan Trust. Vesting is dependent on remaining in the employment of the Company and shares may only be acquired by repayment of the loan.

Required notice (Executive): 3 months
Required notice (Company): 3 months
Termination Entitlement: 9 months notice or equivalent salary in lieu of notice

Remuneration Report (Audited) (continued)

Peter Walther - Chief Executive Officer (Professional Investment Services)
Contract commencement date: 22 August 2011
Term: No term specified
Incentives:
Short term incentive –
Consists of cash bonuses based on achieving certain criteria and is determined by the NRGC. A bonus of $125,000, on the first anniversary of employment was payable on 22 August 2012 which has been paid after balance date. The accrued portion of this bonus is reflected in the Remuneration table.
Long term incentive –
Mr Walther is eligible to participate in the Centrepoint Alliance Employee Share Option Plans subject to the discretion of the NRGC and the Centrepoint Alliance Limited Board.
Subsequent to balance date Mr Walther was issued with 2,250,000 options over ordinary shares.

Required notice (Executive): 4 months
Required notice (Company): 12 months in year one, 9 months in year two and 6 months thereafter
Termination Entitlement: 12 months notice or equivalent salary in lieu of notice

Greg Whimp - CEO (Professional Investment Services) – Contract terminated 9July 2012
Contract commencement date: 10 January 2011
Term: 6 months to 9 July 2011. Mr Whimp was subsequently paid fees for participating in certain operating committees for the period from expiration of his contract until March 2012.
Incentives:
Short term incentive –
A cash bonus of $30,000 was paid based on achieving a successful appointment of a new Professional Investment Services CEO.
Long term incentive –
No long term incentives have been awarded.

Required notice (Executive): 1.5 months
Required notice (Company): 1.5 months
Termination Entitlement: 1.5 months notice or equivalent salary in lieu of notice. Mr Whimp's contract terminated as per agreed contract date and no termination payment was required.

Remuneration Report (Audited) (continued)

Table 1 - Remuneration of Directors, Key Management Personnel and Executives for the Group (includes only the post-merger portion for CAF personnel)

	Short-Term			Post Employment	Long-Term	Share-based Payments	Total	Performance Related	Share Related
	Salary/Fees $	Cash Bonus $	Other $	Superannuation $	Incentives $	Shares $	$	%	%
30 June 2012									
Directors									
R.J. Nelson	91,743	-	-	8,257	-	-	100,000	-	-
A.D. Robinson	368,119	-	-	33,131	-	13,025	414,275	-	3.14
N.J. Griffin	60,550	-	-	5,450	-	-	66,000	-	-
C.J. Castles[3]	68,000	-	-	-	-	-	68,000	-	-
S.J. Maitland[2]	32,371	-	-	2,913	-	-	35,284	-	-
M. Kidman[2]	19,831	-	-	1,785	-	-	21,616	-	-
G.D. Evans[1,5]	413,462	-	364,121	35,950	-	-	813,533	-	-
S.J. Murphy[1,3]	18,750	-	-	-	-	-	18,750	-	-
Executives									
I.R. Magee	242,661	35,000	-	21,839	-	2,430	301,930	11.59	0.80
R.M. Dodd[6]	251,534	158,348	23,000	25,055	-	3,681	461,618	34.30	0.79
P.B. Walther[2,6]	362,007	106,900	19,800	15,775	-	-	504,482	21.19	-
G. Whimp[1,5]	-	30,000	76,663	-	-	-	106,663	28.13	-
Total	**1,929,028**	**330,248**	**483,584**	**150,155**	**-**	**19,136**	**2,912,151**		
30 June 2011									
Directors									
R.J. Nelson	49,808	-	-	4,483	-	-	54,291	-	-
A.D. Robinson	200,207	150,000	-	18,019	-	16,581	384,807	38.98	4.31
G.D. Evans[6]	426,779	-	17,035	15,200		500,000	959,014	-	52.14
M.M. Kane[1,3]	2,273	-	-	-	-	-	2,273	-	-
N.J. Griffin	33,368	-	-	3,003	-	-	36,371	-	-
S.J. Murphy[3]	70,500	-	-	-	-	-	70,500	-	-
C.J. Castles[3]	61,000	-	-	-	-	-	61,000	-	-
R. Bennetts[4,5]	198,462	-	315,000	7,600	-	-	521,062	-	-
K. Butler[1]	22,670	-	-	-	-	-	22,670	-	-
G. Whimp[1]	284,000	-	-	-	-	-	284,000	-	-
Executives									
I.R. Magee	116,282	25,000	-	10,465	-	3,111	154,858	16.14	2.0
R.M. Dodd	146,111	50,000	-	13,150	-	4,714	213,975	23.37	2.2
Total	**1,611,460**	**225,000**	**332,035**	**71,920**	**-**	**524,406**	**2,764,821**		

[1]*Resigned during the year* [2]*Appointed during the year* [3]*Amounts are paid or payable to a director related entity* [4]*Amounts represent remuneration for the period recognised as Director/KMP.*
[5]*Other represents payment on termination of employment* [6]*Other represents motor vehicle benefits*

Remuneration Report (Audited) (continued)

Short term incentives

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

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

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

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

Awards
STI bonuses to KMP have been awarded in relation to the Financial Year 2012 by the Company and the Group. Details of those awards are as follows:

	Potential	Awarded		Forfeited
	$	$	%	$
30 June 2012				
Group	330,248	330,248	100.0	-
30 June 2011				
Group	765,000	725,000*	94.8	40,000

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

Subsequent to balance date, Mr Walther became entitled on his anniversary of employment to a bonus of $125,000 and his short term incentive for FY 2013 was amended to incorporate a potential total cash bonus of $200,000, based on a combination of continued employment and meeting certain profit targets for his business unit.

No other amendments to STI bonus plans have been made since 30 June 2012.

Remuneration Report (Audited) (continued)

Long term incentives

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

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

Awards
No awards were made under the CAESOP or the CAESP during the financial year.
Subsequent to balance date, Mr Walther was issued with 2,250,000 options over ordinary shares with the following terms:

Number of Options	Exercise Price	Vesting Date	Expiry Date
1,000,000	$0.30	30 September 2014	31 December 2014
400,000	$0.40	30 September 2012	31 December 2016
400,000	$0.40	30 September 2013	31 December 2016
450,000	$0.40	30 September 2014	31 December 2016

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

	2012		2011	
	No.	WAEP*	No.	WAEP*
(i) Shares under CAESP				
Outstanding at beginning of period	749,288	$1.36	5,245,000	$0.22
Consolidation 1:7 November 2010	-	-	(4,495,712)	$1.31
Capital Return December 2010	-	-	-	(0.17)
Outstanding at end of period	**749,288**	**$1.36**	**749,288**	**$1.36**
(ii) Options under CAESOP				
Outstanding at beginning of period	-	-	6,000,000	$1.25
Expired during the period	-	-	(6,000,000)	-
Outstanding at end of period	**-**		**-**	

**WAEP is weighted average exercise price*

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

Remuneration Report (Audited) (continued)

The CAESP shares, awarded to Messrs. Robinson, Magee and Dodd during FY 2010, are subject to vesting conditions in relation to continuation of employment. The share consolidation and return of capital have been applied and the total of the awards now stand at 606,430 shares at a price of $1.22. As at reporting date all are fully vested. To date none of these shares have been purchased.

End of Remuneration Report

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 2012. The independence declaration which forms part of this report is on page 20.

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

	2012 $	2011 S
Regulatory compliance – Enforceable Undertaking	1,411,591	530,000
Taxation services	120,000	54,925
Merger transaction advice	-	150,289
Merger due diligence services	-	101,284
Merger tax consolidation advice	-	31,390
Total non-audit services	**1,531,591**	**867,888**

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

Signed in accordance with a resolution of the directors

Rick Nelson
Chairman

26 September 2012

Auditor's Independence Declaration
30 June 2012

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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 year ended 30 June 2012, 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

P McIver
Partner
Perth
26 September 2012

PM:NW:Centrepoint:009

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2012

	Notes	Year Ended 30 Jun 2012 $'000	Year Ended 30 Jun 2011 $'000
Revenue			
Advice and financial product revenue (gross)		172,689	184,869
Advice and financial product fees		(131,975)	(141,609)
Advice and financial product revenue (net)		40,714	43,260
Interest income	6	14,201	9,075
Other revenue/income	7	7,175	5,983
		62,090	**58,318**
Expenses			
Borrowing expenses	8	(5,451)	(4,718)
Employee benefit expenses	9(b)	(24,753)	(23,471)
Professional consulting fees		(9,206)	(6,522)
Client claims		(16,736)	(11,936)
Insurances		(3,124)	(3,697)
Property costs		(4,216)	(5,121)
Impairment of assets	9(c)	(1,635)	(4,345)
Other general and administration expenses	9(a)	(11,494)	(10,789)
Loss before tax		**(14,525)**	**(12,281)**
Income tax expense	11(a)	(2,774)	(844)
Net loss for the period		**(17,299)**	**(13,125)**
Other comprehensive income			
Foreign currency translation		16	(587)
Change in fair value of investments		-	457
Total comprehensive loss for the period		**(17,283)**	**(13,255)**
Net loss attributable to:			
Owners of the parent		(17,881)	(13,484)
Non-controlling interests		582	359
Net loss for the period		**(17,299)**	**(13,125)**
Total comprehensive loss attributable to:			
Owners of the parent		(17,875)	(13,908)
Non-controlling interests		592	653
Total comprehensive loss for the period		**(17,283)**	**(13,255)**
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the parent			
		Cents	**Cents**
Basic and diluted loss per share	13	(17.90)	(16.21)

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the attached notes included in pages 25 to 81.

Consolidated Statement of Financial Position
As at 30 June 2012

	Notes	As at 30 Jun 2012 $'000	As at 30 Jun 2011 $'000
Assets			
Current			
Cash and cash equivalents	26(a)	14,621	20,420
Trade and other receivables	14	23,895	26,184
Interest bearing receivables	15	95,299	88,562
Other assets	17	4,155	5,115
Total current assets		**137,970**	**140,281**
Non-current			
Trade and other receivables	14	562	655
Interest bearing receivables	15	1,044	8,053
Other assets	17	1,784	1,810
Investments	18	166	1,425
Property, plant and equipment	19	1,814	2,546
Intangible assets and goodwill	20	8,011	6,332
Deferred tax assets	11(d)	7,297	9,801
Total non-current assets		**20,678**	**30,622**
Total assets		**158,648**	**170,903**
Liabilities			
Current			
Trade and other payables	21	40,866	43,414
Interest bearing liabilities	22	64,990	65,928
Provisions	23	7,422	9,191
Current tax liability		247	351
Total current liabilities		**113,525**	**118,884**
Non-current			
Trade and other payables	21	328	461
Interest bearing liabilities	22	253	1,114
Provisions	23	17,380	8,332
Total non-current liabilities		**17,961**	**9,907**
Total liabilities		**131,486**	**128,791**
Net assets		**27,162**	**42,112**
Equity			
Contributed equity	24	28,675	68,140
Reserves	25	(1,405)	(1,434)
Accumulated losses	24	-	(24,989)
Equity attributable to shareholders		**27,270**	**41,717**
Non-controlling interests		(108)	395
Total equity		**27,162**	**42,112**

The Consolidated Statement of Financial Position is to be read in conjunction with the attached notes included in pages 25 to 81.

Consolidated Statement of Cash Flows
For the year ended 30 June 2012

	Notes	Year Ended 30 Jun 2012 $'000	Year Ended 30 Jun 2011 $'000
Cash flows from operating activities			
Cash receipts from customers		204,707	207,766
Cash paid to suppliers and employees		(200,107)	(196,718)
Cash provided by operations		4,600	11,048
Claims and litigation settlements		(11,237)	(19,522)
Cash on sale of property inventory		-	36,500
Income tax paid		(1,528)	(653)
Net cash flows (used in)/provided by operating activities	26(b)	**(8,165)**	**27,373**
Cash flows from investing activities			
Interest received		1,932	2,850
Cash acquired on acquisitions		3,542	18,927
Cash disposed on redesignation of subsidiaries to associates		-	(3,006)
Proceeds from sale of investments		1,656	-
Acquisition of investments		(1,554)	-
Acquisition of property, plant and equipment		(444)	(390)
Net cash flows provided by investing activities		**5,132**	**18,381**
Cash flows from financing activities			
Interest and borrowing expenses paid		(518)	(4,874)
Net increase/(decrease) in borrowings		4,702	(39,591)
Net (increase)/decrease in loan funds advanced		(5,914)	4,501
Loans recognised on redesignation of subsidiaries to associates		-	(1,454)
Proceeds from issuance of share capital		-	4,120
Return of capital		-	(3,873)
Dividends paid		(1,084)	(1,059)
Net cash flows used in financing activities		**(2,814)**	**(42,230)**
Net (decrease)/increase in cash and cash equivalents		**(5,847)**	**3,524**
Cash and cash equivalents at the beginning of the period		20,420	16,726
Effect of exchange rate fluctuations on cash held		48	170
Cash and cash equivalents at the end of the period	26(a)	**14,621**	**20,420**

The Consolidated Statement of Cash Flows is to be read in conjunction with the attached notes included in pages 25 to 81.

Consolidated Statement of Changes in Equity
For the year ended 30 June 2012

	Notes	Ordinary Shares $'000	Reserves $'000	Accumulated Losses $'000	Total $'000	Non-Controlling Interests $'000	Total Equity $'000
Balance at 1 July 2010		36,862	(842)	(11,662)	24,358	6,797	31,155
(Loss)/profit for the period		-	-	(13,484)	(13,484)	359	(13,125)
Other comprehensive income							
Foreign currency translation differences		-	(387)	-	(387)	(200)	(587)
Net change in fair value of available for sale assets		-	(37)	-	(37)	494	457
Total comprehensive (loss)/income for the period		**-**	**(424)**	**(13,484)**	**(13,908)**	**653**	**(13,255)**
Issue of share capital	24	750	-	-	750	-	750
Merger share issue	24	26,658	-	-	26,658	-	26,658
Share placement	24	3,870	-	-	3,870	-	3,870
Extinguishment of balance of share option reserve	25	-	(196)	196	-	-	-
Share-based payment	30	-	28	-	28	-	28
Disposal of equity associate						306	306
Redesignation of subsidiaries to associates		-	-	-	-	(5,581)	(5,581)
Acquisition of additional non-controlling interest in subsidiary		-	-	(760)	(760)	-	(760)
Dilution gains/(losses)		-	-	721	721	(721)	-
Dividends paid	12	-	-	-	-	(1,059)	(1,059)
Balance at 30 June 2011		**68,140**	**(1,434)**	**(24,989)**	**41,717**	**395**	**42,112**
Balance at 1 July 2011		68,140	(1,434)	(24,989)	41,717	395	42,112
(Loss)/profit for the period		-	-	(17,881)	(17,881)	582	(17,299)
Other comprehensive income							
Foreign currency translation differences		-	6	-	6	10	16
Net change in fair value of available for sale assets		-	-	-	-	-	-
Total comprehensive income/(loss) for the period		**-**	**6**	**(17,881)**	**(17,875)**	**592**	**(17,283)**
Issue of share capital	24	3,783	-	-	3,783	-	3,783
Offset of accumulated losses against share capital	24	(43,248)	-	43,248	-	-	-
Share-based payment	30	-	23	-	23	-	23
Acquisition of additional non-controlling interest in controlled entities		-	-	(389)	(389)	-	(389)
Dilution gains/(losses)		-	-	11	11	(11)	-
Dividends paid	12	-	-	-	-	(1,084)	(1,084)
Balance at 30 June 2012		**28,675**	**(1,405)**	**-**	**27,270**	**(108)**	**27,162**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the attached notes included in pages 25 to 81.

Notes to the Consolidated Financial Statements
30 June 2011

1. Corporate information

The financial report of Centrepoint Alliance Limited and its Controlled Entities (the Group) for the year ended 30 June 2012 was authorised for issue in accordance with a resolution of the directors on 26 September 2012.

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

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

2. Summary of significant accounting policies

Basis of preparation

General

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

Reverse Acquisition Accounting

The comparative information for FY 2011 reflects the fact that on 13 December 2010, Centrepoint Alliance Limited (CAF) acquired 100% of the issued capital of Professional Investment Holdings Ltd (PIH) (now called Centrepoint Wealth Ltd (CPW) and its subsidiaries. In accordance with AASB 3: *Business Combinations* this transaction was treated as a reverse acquisition for accounting purposes whereby PIH acquired CAF. PIH was recognised as the "Accounting Acquirer" and as such the comparative figures were a continuation of PIH's financial statements.

Going Concern

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

At balance date the Group had net assets of $27,162,000 (2011: $42,112,000) and net tangible assets of $11,854,000 (2011: $25,979,000). The Group also holds $14,621,000 (2011: $20,420,000) in cash and cash equivalents at year end which is sufficient to meet its operational needs. The Group is projecting a positive cash flow from operating activities in financial year 2013.

On 14 August 2012 the National Australia Bank provided CAF with an offer to extend and enhance the existing banking facility arrangements. The CAF Board has approved the new facility arrangements and executed the relevant documents.

On 20 December 2010 the main operating entity of the Group, Professional Investment Services Pty Ltd (PIS), executed an Enforceable Undertaking (EU) with the Australian Securities & Investments and Commission (ASIC), which occurred as a result of concerns raised by ASIC with regard to matters of compliance, documentation and systems within PIS. The EU commenced in late December 2010 and by April 2012, in accordance with the required timetable, PIS had met all obligations of the EU and an independent expert's report on these matters had been provided to ASIC. A formal response has yet to be issued by ASIC and there is still a risk that ASIC may impose operating conditions or potentially suspend or

2. Summary of significant accounting policies (continued)

withdraw PIS's Australian Financial Services Licence which would mean that it would not be able to continue its operations.

Continuous Disclosure
It is also recommended that the financial report be considered together with any public announcements made by Centrepoint Alliance Limited and its controlled entities during the year ended 30 June 2012 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

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

Compliance with IFRS

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

New accounting standards and interpretations

Accounting Standards and Interpretations issued but not yet effective
Applicable Australian Accounting Standards and Interpretations, that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2012. The full impact of these standards has not yet been assessed.

Title	Application date of standard	Application date for Group
AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023, & 1038 and interpretations 2, 5, 10, 12, 19 & 127]	1 January 2013	1 July 2013
AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	1 January 2012	1 July 2012
AASB 10: Consolidated Financial Statements	1 January 2013	1 July 2013
AASB 12: Disclosure of Interests in Other Entities	1 January 2013	1 July 2013
AASB 2011: Joint Arrangements	1 January 2013	1 July 2013
AASB 13: Fair Value Measurement	1 January 2013	1 July 2013
AASB 2011-8: Amendments to Australian Accounting Standards arising from the Fair Value Measurement Standard	1 January 2013	1 July 2013

Title	Application date of standard	Application date for Group
AASB 2011-9: Amendments to Australian Accounting Standards -Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	1 July 2012	1 July 2012
AASB 119: Employee Benefits	1 January 2013	1 July 2013
Annual Improvements 2009-2011 Cycle: Annual Improvements to IRFSs 2009-2011 Cycle	1 January 2013	1 July 2013
AASB 2011-4: Amendments to AASBs to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	1 July 2013	1 July 2013
AASB 1053: Application of Tiers of Australian Accounting Standards	1 July 2013	1 July 2013
AASB 2012-2: Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities	1 January 2013	1 July 2013
AASB 2012-3: Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities	1 January 2014	1 July 2015
AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	1 January 2013	1 July 2013
AASB 9: Financial Instruments	1 January 2015	1 July 2015

a) Changes in accounting policy and disclosures

i) Changes to accounting policies

The Group has adopted all accounting standards and interpretations applicable from 1 July 2011. 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 year.

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

b) Basis of consolidation

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

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

2. Summary of significant accounting policies (continued)

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 statement of comprehensive income and are presented within equity in the Consolidated Statement of Financial Position, separately from parent shareholders' equity.

c) Significant accounting judgements, estimates and assumptions

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

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

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

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

d) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred, and included in administrative expenses.

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

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

2. Summary of significant accounting policies (continued)

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

e) Segment reporting

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

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

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

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

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

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

f) Foreign currency

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

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

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

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

2. Summary of significant accounting policies (continued)

ii) Foreign operations

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

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

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

g) Cash and cash equivalents

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

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

h) Loan receivables

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

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

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

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

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

2. Summary of significant accounting policies (continued)

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

i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectible amounts. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt. The criterion for impairment is if the debt is 60 days overdue with no repayments or payment arrangement and/or the debtor is placed in administration or liquidation.

j) Investments and other financial assets

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

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

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

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

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

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

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

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

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.

2. Summary of significant accounting policies (continued)

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

ii) Impairment

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

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

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

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

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

k) Inventory

Property development project

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

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

2. Summary of significant accounting policies (continued)

l) Plant and equipment

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

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

If any indication of impairment exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

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

ii) De-recognition
An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Comprehensive Income in the period the item is derecognised.

m) Impairment of non-financial assets other than goodwill

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

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

n) Goodwill and intangibles

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

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

2. Summary of significant accounting policies (continued)

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

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

Impairment losses recognised for goodwill are not subsequently reversed.

ii) 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 are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in an accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income.

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

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

Software	2.5 years
Trademarks and advisor networks	10 – 15 years

o) Trade and other payables

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

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

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

2. Summary of significant accounting policies (continued)

p) Interest-bearing loans and borrowings

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

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

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

q) Leases

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

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

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

r) Provisions and employee benefits

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

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

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

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

2. Summary of significant accounting policies (continued)

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

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

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

s) Share-based payment transactions

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

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

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

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

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

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

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

2. Summary of significant accounting policies (continued)

irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

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

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

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

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

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

t) Issued capital

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

u) Revenue recognition

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

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

ii) Service revenue
Revenue for services provided is recognised at the point of delivery of the service to clients.

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

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

2. Summary of significant accounting policies (continued)

v) Document fees – Insurance Premium Finance
Fee income is recognised when services are rendered and the right to receive the payment is established.

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

v) Income tax and other taxes

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

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

- 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
  - when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

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

2. Summary of significant accounting policies (continued)

- Tax consolidation legislation

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

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

  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 11.

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

ii) Goods and Services Tax

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

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

w) Earnings per share

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

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

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, and adjusted for any bonus element.

3. Financial risk management

a) Risk exposures and responses

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

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

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

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

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

b) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, interest bearing receivables, trade and other receivables and available-for-sale financial assets. The Group's exposure to credit risk arises from potential default of the counter-party, with a maximum exposure equal to the carrying amount of these assets (as outlined in each applicable note).

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

	2012 $'000	2011 $'000
Australia	116,010	119,424
New Zealand	46	78
Singapore	4,600	3,729
Hong Kong	-	67
Malaysia	144	156
Total exposure	**120,800**	**123,454**

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

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

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

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

3. Financial risk management (continued)

i) Trade and other receivables

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

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

ii) Loans receivable – insurance premium funding

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

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

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

iii) Loans receivable – investment advisers

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

In some cases repayments are deducted from monthly financial advice fee payments.

iv) Loans receivable – other

Other loan receivables principally relate to finance provided to investors in two managed investment schemes with terms ranging between 1 and 10 years. These receivables were closely managed and monitored and the subsidiary through which this business operated was sold prior to balance date.

Security existed for these receivables in the form of a right to assume ownership of a defaulting investor's shares in the scheme and by the fact that the lending is funded to in excess of 70% by borrowings from the scheme managers. These liabilities were not repayable in the event that borrowers default on loans to the Company, hence a high and increasing proportion of the risk was passed on. The portion funded by bank borrowings was fully repaid during the financial year.

3. Financial risk management (continued)

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

	Total	0-30 days	31-60 days	61-90 days PDNI*	61-90 days CI**	+91 days PDNI*	+91 days CI**
Trade receivables	24,457	21,534	193	55	-	1,206	1,469
Loan receivables - IPF	94,446	94,019	207	57	-	163	-
Loan receivables - Adviser	1,897	71	71	71	-	1,684	-

* *Past due not impaired ('PDNI')* ** *Considered impaired ('CI')*

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

Impairment analysis is included at note 15 and note 20.

c) Interest rate risk

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

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

	2012		2011	
	Fixed $'000	Variable $'000	Fixed $'000	Variable $'000
Financial Assets				
Cash	-	11,481	-	20,420
Loan receivables – insurance premium funding	-	94,446	84,795	-
Loan receivables – investment advisers	1,378	519	2,396	904
Loan receivables – other	-	-	8,270	250
Deposits	3,140	-	4,387	-
	4,518	106,446	99,848	21,574
Financial Liabilities				
Receivables finance facility – IPF	-	64,647	-	56,504
Loan facilities – managed investment schemes	-	-	5,912	3,696
Equipment hire and software finance	596	-	1	-
	596	64,647	5,913	60,200
Net exposure	**3,922**	**41,799**	**93,935**	**(38,626)**

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

3. Financial risk management (continued)

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

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

	Post Tax Profit Higher/(Lower)		Other Comprehensive Income Higher/(Lower)	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Judgements of reasonably possible movements:				
+1% (100 basis points)	667	173	667	173
-1% (100 basis points)	(667)	(173)	(667)	(173)

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

Significant assumptions used in the interest rate sensitivity analysis include:

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

d) Liquidity risk

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

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

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

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

3. Financial risk management (continued)

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

	≤6 months $'000	6-12 months $'000	1-5 years $'000	Total $'000
30 June 2012				
Financial assets				
Cash	15,268	-	-	15,268
Trade receivables	22,425	1,470	562	24,457
Loan receivables – insurance premium funding	98,620	-	-	98,620
Loan receivables – investment advisers	446	446	1,090	1,982
Loan receivables – other	-	-	-	-
Deposits	-	1,070	1,784	2,854
Investments	-	-	-	-
	136,759	2,986	3,436	143,181
Financial liabilities				
Trade and other payables	40,866	-	328	41,194
Receivables finance facility – IPF	67,505	-	-	67,505
Loan facilities – managed investment schemes	-	-	-	-
Equipment hire and software finance	172	171	253	596
	108,543	171	581	109,295
Net Maturity	**28,216**	**2,815**	**2,855**	**33,886**

	≤6 months $'000	6-12 months $'000	1-5 years $'000	Total $'000
30 June 2011				
Financial assets				
Cash	20,579	-	-	20,579
Trade receivables	26,184	-	655	26,839
Loan receivables – insurance premium funding	54,075	34,884	-	88,959
Loan receivables – investment advisers	903	903	2,398	4,204
Loan receivables – other	1,684	1,683	8,053	11,420
Deposits	-	2,760	2,000	4,760
Investments available for sale	-	35	1,390	1,425
	103,425	40,265	14,496	158,186
Financial liabilities				
Trade and other payables	40,788	2,626	461	43,875
Receivables finance facility – IPF	36,033	25,001	-	61,034
Loan facilities – managed investment schemes	3,812	116	5,680	9,608
Equipment hire and software finance	159	158	613	930
	80,792	27,901	6,754	115,447
Net Maturity	**22,633**	**12,364**	**7,742**	**42,739**

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

At balance date, the Group has available approximately $45,427,000 (2011: $39,119,000) of unused credit facilities available for immediate use.

3. Financial risk management (continued)

e) Foreign currency risk

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

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

	NZD $'000	SGD $'000	HKD $'000	MYR $'000
30 June 2012				
Trade receivables	46	4,600	-	144
Trade payables	(46)	(5,370)	-	(177)
Net exposure	**-**	**(770)**	**-**	**(33)**
30 June 2011				
Trade receivables	78	3,729	67	156
Trade payables	(78)	(4,353)	(73)	(187)
Net exposure	**-**	**(624)**	**(6)**	**(31)**

The following significant exchange rates applied during the year:

	Average Rate		Reporting date spot rate	
	2012	2011	2012	2011
NZD	0.7789	0.7520	0.7835	0.7573
SGD	0.7688	0.7633	0.7738	0.7385
HKD	0.1246	0.1276	0.1269	0.1175
MYR	0.3134	0.3273	0.3077	0.3101

A 10 percent strengthening of the Australian dollar against the above currencies at balance date would have varied the Group's profit or loss by an insignificant amount. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2011.

f) Market and price risk

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

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

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

3. Financial risk management (continued)

g) Fair value

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

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

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

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

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

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

Financial instruments that use valuation techniques with only observable market inputs or unobservable inputs that are not significant to the overall valuation include interest rate swaps, forward commodity contracts and foreign exchange contracts not traded on a recognised exchange

There were no transfers between categories during the year.

4. Business combination

Partial acquisition of Ventura Investment Management Ltd during the period

During the year the Group acquired all shares not already owned in Ventura Investment Management Ltd ('VIML') to strengthen its position in the funds management sector.

Under a Scheme of Arrangement which took effect on 16 August 2011, the Centrepoint Alliance Limited Group ('the Group') acquired 83% of the issued shares inVIML, a funds management business in which the Group already owned 17%, thereby making it a wholly owned subsidiary.

In the previous accounting period, the investment in VIML was treated as an investment in an associate and was equity accounted. The new acquisition gave the Group control of the business and consequently, in accordance with the accounting standards, this was accounted for as a step acquisition whereby the initial holding is revalued to fair value and then the new purchase is recorded.

Upon the acquisition of the additional shareholding, the Group's existing investment was transferred within the Group from Centrepoint Wealth Ltd to Centrepoint Alliance Limited for a cash consideration, calculated at the same rate per share as the additional 83%, of $779,902. This is considered to be the fair market value and consequently the deemed consideration for a notional sale of the initial holding.

The consideration for the additional 83% was $3,788,946, in the form of 4,457,583 ordinary shares in Centrepoint Alliance Limited at a deemed value of $0.85 each, based on the quoted price of the shares of Centrepoint Alliance Limited at the date of acquisition.

4. Business combination (continued)

The accounting for the acquisition of VIML has been finalised with no change to the provisionally reported information. The details of the fair value of the identifiable assets and liabilities of VIML as at the date of acquisition are:

Components of consideration	No. of Shares	Value per share	Existing Holding $'000	Acquired During Period $'000	Total $'000
Deemed consideration (fair value)	-	-	780	-	780
Fully paid ordinary shares in CAF	4,457,583	$0.85	-	3,789	3,789
			780	**3,789**	**4,569**

Assets acquired and liabilities assumed	Existing Holding $'000	Acquired During Period $'000	Total $'000
Cash and cash equivalents	510	2,492	3,002
Trade and other receivables	240	1,170	1,410
Other assets	3	14	17
Current tax asset	42	205	247
Investments	31	150	181
Deferred tax asset	2	13	15
	828	4,044	4,872
Trade and other payables	67	329	396
Total identifiable net assets at fair value	**761**	**3,715**	**4,476**
Goodwill arising on acquisition	19	74	93
Purchase consideration	**780**	**3,789**	**4,569**

The goodwill arising on acquisition is attributable to various factors, including synergistic savings arising from combining administrative activities with existing group operation.

The Statement of Comprehensive Income for the year ended 30 June 2012 includes revenue of $3,062,841 and net loss of $424,656, from VIML. Had the acquisition of VIML occurred at the beginning of the reporting period, the Consolidated Statement of Comprehensive Income would have included revenue of $3,742,174 and a loss of $107,120.

The Consolidated Statement of Financial Position includes the following significant assets and liabilities as a result of the acquisition of VIML:

Cash and cash equivalents

Included in the business acquired was cash and cash equivalents of $3,002,069. This was not free cash as VIML was required, as a responsible entity, to have minimum assets equal to 0.5% of assets of the management investment schemes it manages, to a maximum of $5,000,000. In June 2012 VIML outsourced its responsible entity obligations, thereby allowing the committed cash to be released after the financial year end.

4. Business combination (continued)

Acquisition of Australian Loan Company Ltd during the period

During the year the Group acquired shares not already owned in Australian Loan Company Ltd ('ALCo') to strengthen its position in the finance broking sector.

Effective 10 November 2011, the Group acquired 50% of the shares in ALCo, a finance broking business in which the Group already owned 50%, thereby making it a wholly owned subsidiary.

In the previous accounting period, the investment in ALCo was treated as an investment in an associate and was equity accounted. The new acquisition gave the Group control of the business and consequently, in accordance with the accounting standards, this was accounted for as a 'step acquisition' whereby the initial holding is revalued to fair value and subsequently the new purchase is recorded.

In assessing fair market value of the assets and liabilities at acquisition a separable intangible asset was identified in the form of the broker trail book and net of deferred tax liabilities this was valued at $379,968. In accordance with accounting standards this was then amortised for the period between acquisition and balance date.

The fair market value of the assets at acquisition was assessed to be $1,243,174, which was allocated $298,870 to the initial holding and $944,304 to the remaining 50% acquired during the period. The carrying value for the initial holding was $26,314 resulting in a gain on revaluation of $272,557.

The consideration for the second 50% was $1,250,000 in cash, which was settled by the forgiving of a loan due from the vendor of $1,200,000 with the balance by cash payments.

The surplus of consideration over net assets for the total acquisition was $1,116,275, but impairment testing based on discounted future cash flows supported a goodwill figure of only $863,206, and hence an impairment of goodwill was recognised of $253,069.

The accounting for the acquisition of ALCo has been finalised with no changes to the provisionally reported information.

The details of the fair value of the identifiable assets and liabilities of ALCo as at the date of acquisition are:

	Existing Holding	Acquired During Period	Total
Components of consideration	**$'000.**	**$'000**	**$'000**
Deemed consideration (Fair market value)	299	-	299
Cash	-	1,250	1,250
	299	**1,250**	**1,549**

Assets acquired and liabilities assumed	**$'000.**	**$'000**	**$'000**
Cash and cash equivalents	282	282	564
Trade and other receivables	564	564	1,128
Other assets	7	7	14
Plant and equipment	1	1	2
Intangible assets	190	190	380
Deferred tax asset	2	2	4
	1,046	1,046	2,092
Trade and other payables	827	827	1,654
Current tax liability	3	3	6
	830	830	1,660

Total identifiable net assets at fair value	**216**	**216**	**432**
Goodwill arising on acquisition	109	755	864
Goodwill impairment	(26)	279	253
Purchase consideration	**299**	**1,250**	**1,549**

The Consolidated Statement of Comprehensive Income for the year ended 30 June 2012 includes net advice revenue of $1,149,654 and net profit of $147,460, as a result of the acquisition of ALCo. Had the acquisition of ALCo occurred at the beginning of the reporting period, the Consolidated Statement of Comprehensive Income would have included net advice revenue of $1,653,063 and a profit of $194,034.

The Consolidated Statement of Financial Position includes the following significant assets and liabilities as a result of the acquisition of ALCo:

Intangible Assets and Goodwill

The acquisition of ALCo generated goodwill on acquisition of $863,206 and intangible broker trail book asset of $379,986 as detailed above. The goodwill arising on acquisition is attributable to various factors including the synergistic savings arising from combining administrative activities with the existing group operation. None of the goodwill recognised is expected to be deductable for income tax purposes.

Merger of Centrepoint Alliance Limited with Professional Investment Holdings Ltd (prior year)

In the previous financial period, on 13 December 2010, Centrepoint Alliance Limited (‘CAF’) acquired 100% of the voting shares of Professional Investment Holdings Ltd (‘PIH’), an unlisted public company based in Australia, which is a leading provider of financial planning advice and investment product solutions. In November 2011 PIH changed its name to Centrepoint Wealth Ltd (‘CPW’).

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 was considered to be a “reverse acquisition” and Professional Investment Holdings Ltd was recognised as the “Accounting Acquirer” and the following was 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
Interest bearing receivables	98,457
Current tax asset	349
Other assets	784

Plant and equipment	320
Investments	5,000
Deferred tax asset	320
	124,157
Trade and other payables	29,115
Interest bearing liabilities	69,088
Provisions	472
	98,675
Goodwill arising on acquisition	1,176
Net assets acquired	**26,658**

The Consolidated Statement of Financial Position at 30 June 2011 included 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 was the synergy expected to be achieved as a result of combining the operations of Centrepoint Alliance Limited with PIH. None of the goodwill recognised was expected to be deductable for income tax purposes.

Loan receivables
Included in the business acquired was insurance premium funding loan receivables with a gross contractual value of $99,140,000 and a fair value of $98,457,000.

Interest bearing liabilities
At acquisition the Company had a Multi Option Facility (including bank overdraft) and a Receivables Finance Facility with the National Australia Bank Limited. These facilities continue to be secured by a Registered Mortgage Debenture over all the assets and undertakings of the Centrepoint Alliance Limited Group of companies. In addition, amounts advanced under the Receivables Finance Facility are secured by the assignment to the National Australia Bank of insurance premium funding loan contract receivables.

5. Segment information

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

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

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

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

- Financial Advice Services – Australia (ADVICE SERVICES)
- Financial Products & Services – Australia (FINANCIAL PRODUCTS)

5. Segment information (continued)

- Financial Advice Services – International (INTERNATIONAL)
- Insurance Premium Funding (PREMIUM FUNDING)
- Other Businesses (which includes the Group's corporate operations and in the prior period its investment in the Brandsmart Riverbank property project) (OTHER)

The following table presents revenue and profit information for reportable segments for the years ended 30 June 2012 and 30 June 2011.

	Advice Services $'000	Financial Products $'000	International $'000	Premium Funding $'000	Other $'000	TOTAL $'000
Year Ended 30 June 2012						
Advice & product revenue (net)	32,849	2,008	4,615	-	1,242	40,714
Interest income	296	130	1	12,228	1,546	14,201
Other revenue	5,708	3,458	158	913	(3,062)	7,175
Total net revenue	**38,853**	**5,596**	**4,774**	**13,141**	**(274)**	**62,090**
Borrowing expenses	(160)	(1)	(8)	(4,932)	(350)	(5,451)
Client claims	(16,716)	-	(13)	-	(7)	(16,736)
Depreciation and amortisation	(1,444)	(255)	(222)	(80)	(157)	(2,158)
Impairment of assets	41	-	-	(375)	(1,301)	(1,635)
Income tax (expense)/credit	(3,025)	(875)	-	(718)	(4,206)	(2,774)
Net profit/(loss) after tax	**(9,169)**	**1,069**	**(124)**	**1,639**	**(10,714)**	**(17,299)**
At 30 June 2012						
Total assets	**46,719**	**8,206**	**2,536**	**97,137**	**4,050**	**158,648**
Non-current assets:						
Investment in associates	-	-	-	-	166	166
Property, plant and equipment	1,193	3	213	381	24	1,814
Intangible assets and goodwill	4,077	815	1,322	-	1,797	8,011
Other	9,529	40	-	-	1,118	10,687
Total liabilities	**39,575**	**892**	**6,004**	**83,579**	**1,436**	**131,486**

5. Segment information (continued)

	Advice Services $'000	Financial Products $'000	International $'000	Premium Funding $'000	Other $'000	TOTAL $'000
Year Ended 30 June 2011						
Advice and product revenue (net)	37,075	2,528	3,657	-	-	43,260
Interest income	540	57	2	6,307	2,169	9,075
Other revenue	2,949	859	123	-	2,052	5,983
Total net revenue	**40,564**	**3,444**	**3,782**	**6,307**	**4,221**	**58,318**
Borrowing expenses	(384)	(95)	(26)	(2,585)	(1,628)	(4,718)
Client claims	(11,766)	-	(149)	-	(21)	(11,936)
Depreciation and amortisation	(1,376)	(1)	(261)	(45)	(2)	(1,685)
Impairment of assets	(1,797)	-	(1,288)	(147)	(1,113)	(4,345)
Income tax (expense)/credit	(705)	(101)	(17)	(21)	-	(844)
Net profit/(loss) after tax	**(10,104)**	**1,014**	**(3,197)**	**415**	**(1,253)**	**(13,125)**
At 30 June 2011						
Total assets	**46,971**	**2,624**	**7,890**	**88,178**	**25,240**	**170,903**
Non-current assets:						
Investment in associates	1,050	-	-	-	375	1,425
Property, plant and equipment	1,836	4	446	174	86	2,546
Intangible assets and goodwill	3,789	-	1,367	1,176	-	6,332
Other	7,742	4	-	21	12,597	20,319
Total liabilities	**38,533**	**412**	**4,776**	**74,149**	**10,921**	**128,791**

6. Interest revenue

	2012 $'000	2011 $'000
Interest income – Insurance premium funding*	12,229	6,307
Interest Income – Other	1,972	2,768
Total	**14,201**	**9,075**

*NOTE: In accordance with Accounting Standard AASB 139 *Financial Instruments: Recognition and Measurement*, the Company was required to adopt the effective interest rate method of disclosure, which means that commission expenses of $6,708,727 (2011: $3,240,000) on financing activities has been netted off against (i.e. deducted from) interest and fee income.

Rates of Interest

	Average Balance		Interest		Average Rate p.a.	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 %	2011 %
Loan receivables – Insurance Premium Funding (net)	100,920	61,033	12,228	6,307	12.12	10.33
Loan receivables – Investment advisers	3,222	3,921	289	349	8.96	8.90
Loan receivables – Other	5,734	9,876	755	1,193	13.16	12.08
Cash and deposits	18,393	26,387	929	1,226	5.05	4.65

7. Other revenue

	2012 $'000	2011 $'000
Retail and wholesale asset fees	3,121	2,062
Wholesale client and service fees	1,558	1,313
Rent received	-	1,275
Recoveries from advisers	1,542	1,228
Gain on sale of investments	151	6
Other	803	99
Total Other Revenue	**7,175**	**5,983**

8. Borrowing expenses

	2012 $'000	2011 $'000
Interest expense	4,331	3,288
Bank fees & other	1,120	1,430
Total Borrowing Expenses	**5,451**	**4,718**

Rates of Interest

	Average Balance		Interest		Average Rate p.a.	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000	2012 %	2011 %
Interest expense	72,041	47,039	4,331	3,288	6.01	6.99

9. Other Expenses

	2012 $'000	2011 $'000
(a) Other general and administration expenses		
Audit fees	518	436
Communication expenses	735	653
Computer expenses	1,201	986
Adviser conference & training expenses	1,593	916
Depreciation and amortisation	2,158	1,685
Directors fees and expenses	467	472
Entertainment	282	224
Foreign exchange gain/(loss)	(35)	160
Licensing, subscriptions and registrations	636	493
Marketing and promotion	518	1,158
Management fees	791	1,283
Other expenses	1,068	779
Printing, stationary and postage	487	571
Travel and accommodation	1,075	973
	11,494	**10,789**
(b) Employee benefit expenses		
Wages and salaries	21,334	18,128
Other associated personnel expenses	3,318	4,633
Share based compensation expense	15	528
Increase in liability for employee leave	86	182
	24,753	**23,471**
(c) Impairment of assets		
Impairment of receivables	1,286	1,260
Impairment of intangibles	349	3,085
	1,635	**4,345**

10. Remuneration of auditors

The primary auditor of Centrepoint Alliance Limited was Ernst & Young.

	2012 $	2011 $
Remuneration received, or due and receivable:		
Ernst & Young (Australia):		
Audit fees	398,025	287,110
Taxation services	120,000	64,578
Regulatory compliance – Enforceable Undertaking	1,411,591	530,000
Total remuneration	1,929,616	881,688
Other Auditors:		
Audit fees	119,617	148,122
Total Remuneration	**2,049,233**	**1,029,810**

11. Income tax

a) Income tax expense

	2012 $'000	2011 $'000
The major components of the income tax expense are:		
Income statement		
Current income tax		
Current income tax charge	704	1,168
Adjustment to current tax of prior period	(434)	(68)
Deferred income tax		
Relating to origination and reversal of temporary differences	(1,763)	(256)
Write off of deferred tax asset relating to prior year losses	4,267	-
Income tax expense reported in the income statement	**2,774**	**844**

b) Amounts charged or credited directly to equity

No income tax amounts where charged or credited directly to equity for the year ending 2012 (2011: $Nil)

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

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

	2012 $'000	2011 $'000
Accounting profit/(loss) before tax from continuing operations	(14,525)	(12,281)
At the Parent Entity's statutory income tax rate of 30% (2011: 30%)	(4,358)	(3,684)
Non-deductible expenses	211	21
Effect of tax losses not taken to account	3,088	4,575
Write off of deferred tax asset relating to prior year tax losses	4,267	-
Adjustments in respect of prior years	(434)	(68)
Aggregate income tax expense	**2,774**	**844**

d) Recognised deferred tax assets and liabilities

Deferred income tax at 30 June relates to the following:

	Balance Sheet		Income Statement	
	2012 $'000	2011 $'000	2012 $'000	2011 $'000
Deferred tax liabilities				
Deferred revenue	(518)	(8)	(510)	-
Prepayments	(705)	(467)	(238)	(467)
Gross deferred tax liabilities	(1,223)	(475)	(748)	(467)
Deferred tax assets				
Provisions for claims	6,457	4,389	2,068	2,203
Provision for impairment of loan receivables	419	206	213	73
Deferred fee income	52	45	7	45
General accruals	426	245	181	1
Employee benefits	756	254	502	(16)
Deferred transaction costs	410	870	(460)	583
DTA acquired on business combination	-	-	-	(320)
Carried forward revenue losses	-	4,267	(4,267)	(1,846)
Gross deferred tax assets	8,520	10,276	(1,756)	723
Net deferred tax assets	**7,297**	**9,801**		
Movement in deferred tax assets/liabilities			**(2,504)**	**256**
Deferred income tax (expense)/benefit is attributable to:				
Continuing operations			**(2,504)**	**256**

e) Tax losses

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

	2012 $'000	2011 $'000
Revenue losses	39,800	28,773
Capital losses	29,223	29,223
Total unrecognised	**69,023**	**57,996**

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

f) Unrecognised temporary differences

At 30 June 2012, there are no unrecognised temporary differences associated with the Group's investments in subsidiaries or associates, as the Group has no liability for additional taxation should unremitted earnings be remitted (2011: $Nil).

g) Tax consolidation

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

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

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

a) Measurement method adopted under AASB interpretation 1052 Tax Consolidation Accounting
The head entity and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the 'separate taxpayer within group' approach whereby the Company measures its current and deferred taxes as if it continued to be a separately taxable entity in its own right, with adjustments for its transactions that do not give rise to a tax consequence for the group or that have a different tax consequence at the level of the group. The current and deferred tax amounts are measured by reference to the carrying amount of assets and liabilities in the Statement of Financial Position and their tax bases applying under the tax consolidation, this approach being consistent with the broad principles in AASB 112 *Income Taxes*. The nature of the tax funding agreement is discussed further below.

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

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

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

h) Taxation of financial arrangements (TOFA)

Legislation is in place which changes the tax treatment of financial arrangements including the tax treatment of hedging transactions. The Group has assessed the potential impact of these changes on the Group's tax position. No impact has been recognised and no adjustments have been made to the deferred tax and income tax balances at 30 June 2012 (2011: $Nil).

12. Dividends

Dividends payable are recognised when declared by the company.

a) Dividends paid or payable:

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

	2012 $'000	2011 $'000
Dividends paid on ordinary shares	**-**	**-**
Dividends paid to non-controlling interests in:		
De Run Securities Pty Ltd	-	22
Associated Advisory Practices Limited	714	946
Associated Advisory Practices (No 2) Ltd	370	91
Total dividends paid or payable	**1,084**	**1,059**

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% (2011: 30%)	28,971	28,971
Franking (debits)/credits that will arise from the refund/payment of income tax payable as at the end of the financial year	(986)	-
	27,985	**28,971**

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

13. (Loss)/Earnings per share

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

a) (Loss)/profit used in calculating (loss)/profit per share

	2012 $'000	2011 $'000
Net (loss)/profit attributable to ordinary equity holders of the parent	**(17,881)**	**(13,484)**

b) Weighted average number of shares

	No.	No.
Weighted average number of ordinary shares (excluding reserved shares)	99,851,429	83,203,884
Effect of dilution:	-	-
Partly paid shares	-	12,528
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	**99,851,429**	**83,216,412**

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

c) Information on the classification of securities

i) Options

There was no impact from share options on the earnings per share calculations. In the previous year, 6,000,000 options expired and were forfeited on 27 November 2010, prior to the Merger.

ii) Reserved shares (Centrepoint Alliance Employee Share Plan)

For the entire financial year 856,431 shares were held 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 *Financial Instruments: Presentation*.

iii) Partly Paid Shares

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

14. Trade and other receivables

	2012 $'000	2011 $'000
Current		
Trade receivables	23,772	24,310
Claims recoveries	-	56
Other	123	1,818
Total	**23,895**	**26,184**
Non-current		
Claims recoveries	562	655
Other	-	-
Total	**562**	**655**

Ageing analysis is addressed in note 3.

15. Interest bearing receivables

	2012 $'000	2011 $'000
Current		
Loan receivables – Insurance premium funding	94,446	84,795
Loan receivables – Investment advisers	853	1,430
Loan receivables – Other	-	2,337
Total	**95,299**	**88,562**
Non-current		
Loan receivables – Investment advisers	1,044	1,870
Loan receivables – Other	-	6,183
Total	**1,044**	**8,053**

a) Terms and conditions

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

b) Impairment of loan receivables

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

During the period since the merger an impairment expense relating to insurance premium funding loans of $347,000 (2011: $168,000) was written off to expenses. Loan impairments of $939,000 (2011: $997,000) against adviser loans and $NIL (2011: $116,000) against other loan receivables were made and incurred during the financial year. These amounts have been included in the other general and administration expenses under impairment of receivables.

	2012 $'000	2011 $'000
i) Allowance for Impairment		
Opening Balance	2,004	203
Movement in the allowance is as follows:		
Allowance acquired on business combination	-	716
Allowance for impairment	1,266	1,281
Bad debts written off (gross)	(861)	(196)
Closing Balance	**2,409**	**2,004**
ii) Receivables Impairment Expense		
Impairment expense	580	1,281
Bad debts written off directly	833	-
Amounts recovered against debts previously written off	(127)	(21)
Total expense	**1,286**	**1,260**

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

iii) Non-Accrual Loans

	2012 $'000	2011 $'000
Total of loan receivables with allowance	2,623	3,015
Specific allowance for impairment	(1,981)	(1,905)
Non-accrual loans included in loan receivables (net)	**642**	**1,110**
Interest foregone on non-accrual loans	25	17

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

Ageing analysis of loans is included in note 3.

c) Related party receivables

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

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

d) Fair value and risk management

The carrying value of interest bearing receivables approximates their fair value.

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

	2012 $'000	2011 $'000

16. Inventory

Brandsmart Riverbank property development project (at net realisable value)	-	-

During the previous financial year, on 13 December 2010, the Group disposed of the Riverbank property for a consideration of $36,500,000. The carrying value of the property at sale was $36,000,000 and recognised reversal of impairment of $506,000 was recorded in FY 2011. The majority of the consideration was applied to repay the entire debt associated with this property.

17. Other assets

	2012 $'000	2011 $'000
Current		
Security deposits	1,070	2,577
Prepayments	3,085	2,538
Total	**4,155**	**5,115**
Non-current		
Security deposits	1,784	1,810
Total	**1,784**	**1,810**

18. Investments

	2012 $'000	2011 $'000
Investments available for sale	-	35
Investments in associates	166	1,390
	166	**1,425**

Investments in associates

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

During the year the Group acquired a 40% interest in GPS IP Pty Ltd, a company providing products and services to financial advisers, for a cost of $333,000. The Group's share of the loss for the period of $167,000 has been deducted from this figure.

With effect from 1 July 2010, investments in Ventura Investment Management Limited and Australian Loan Company Limited were redesignated, from investments in controlled entities to investments in associates, and were equity accounted. During the financial year ended 30 June 2012 all external interests in both companies were acquired by the Group and they became wholly owned subsidiaries.

i) The Group holds investments in the following associates:

	Principal activities	Country	Reporting Date	Ownership 2012	Ownership 2011
GPS IP Pty Ltd	Financial Advisory Services	Australia	30-Jun	40%	-
Ginger Group Financial Services Ltd (GGFS)	Financial Services Software	New Zealand	31-Mar	14.28%	14.28%

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

	Revenues (100%)	Profit/ (loss) (100%)	Share of associate's net profit/(loss) recognised	Total Assets (100%)	Total Liabilities (100%)	Share of associate's net assets equity accounted
2012						
GPS IP	1,377	(417)	(166)	107	(483)	(166)
VIML*	679	317	54	-	-	-
ALCo*	3,756	47	23	-	-	-
GGFS	-	(62)	(21)	-	-	-
	5,812	**(115)**	**(110)**	**107**	**(483)**	**(166)**
2011						
RMS	168	(18)	-	19	(119)	23
VIML	3,427	531	90	6,648	(330)	1,027
ALCo	10,242	53	33	1,400	(1,394)	340
GGFS	2,052	(133)	(25)	524	(521)	-
	15,889	**433**	**98**	**8,591**	**(2,364)**	**1,390**

*Reflects results up to the date the entities were acquired.

19. Property, plant and equipment

a) Balances at year end

	2012 $'000	2011 $'000
Leasehold Improvements		
Cost	1,585	1,520
Less: Accumulated depreciation	(1,308)	(978)
Carrying value	277	542
Plant, Office Equipment & Software		
Cost	6,291	6,215
Less: Accumulated depreciation	(4,754)	(4,211)
Carrying value	1,537	2,004
Total Property, Plant & Equipment (at carrying value)	**1,814**	**2,546**

b) Movements during the period

	Opening WDV $'000	Additions $'000	Disposals $'000	Deprecn $'000	Forex Movement $'000	Closing WDV $'000
30 June 2012						
Leasehold improvements	542	25	(2)	(298)	10	277
Plant, equipment & software	2,004	452	(158)	(766)	5	1,537
Total Assets	**2,546**	**477**	**(160)**	**(1,064)**	**15**	**1,814**
30 June 2011						
Leasehold improvements	885	93	(117)	(251)	(68)	542
Plant, equipment & software	1,521	2,093*	(557)	(1,030)*	(23)	2,004
Total Assets	**2,406**	**2,186***	**(674)**	**(1,281)**	**(91)**	**2,546**

* *Includes assets acquired on acquisition*

20. Intangible assets and goodwill

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

	Goodwill $'000	Software $'000	Network & Client Lists $'000	Total $'000
Year ended 30 June 2012				
At 1 July 2011 net of accumulated amortisation and impairment	2,114	72	4,146	6,332
Additions	-	154	2,816	2,970
Business combination (Note 4)	1,209	-	-	1,209
Disposal	(938)	-	(119)	(1,057)
Impairment (Note 4)	(253)	-	(96)	(349)
Amortisation	-	(93)	(1,001)	(1,094)
At 30 June 2012 net of accumulated amortisation and impairment	**2,132**	**133**	**5,746**	**8,011**
At 30 June 2012				
Cost	4,613	2,052	9,866	16,531
Accumulated amortisation and impairment	(2,481)	(1,919)	(4,120)	(8,520)
Net carrying value	**2,132**	**133**	**5,746**	**8,011**
Year ended 30 June 2011				
At 1 July 2010 net of accumulated amortisation and impairment	2,783	217	6,087	9,087
Additions	-	45	213	258
Business combination	1,176	-	-	1,176
Disposal	-	(1)	(116)	(117)
Impairment	(1,770)	-	(1,315)	(3,085)
Amortisation	-	(188)	(714)	(902)
Effective movements in foreign exchange	(75)	(1)	(9)	(85)
At 30 June 2011 net of accumulated amortisation and impairment	**2,114**	**72**	**4,146**	**6,332**
At 30 June 2011				
Cost	5,545	1,898	7,575	15,018
Accumulated amortisation and impairment	(3,431)	(1,826)	(3,429)	(8,686)
Net carrying value	**2,114**	**72**	**4,146**	**6,332**

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

i) Goodwill
Goodwill of $1,176,000 was created as a result of the reverse acquisition of Centrepoint Alliance Limited by Centrepoint Wealth Ltd in December 2010. It represents goodwill on the insurance premium funding business.

Goodwill was also created during the year on the acquisitions of the externally owned interests in Ventura Investment Management Ltd of $93,000 and in Australian Loan Company Ltd of $863,000, (this is net of an impairment of $253,000).

Goodwill on other investments has been disposed or fully impaired at 30 June 2012.

ii) Adviser networks and client lists
Intangible assets in the form of adviser network businesses and adviser client lists acquired by the CPW Group to expand its adviser network. These had a total carrying value at 30 June 2012 of $5,746,000.

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

c) Impairment tests for goodwill and intangibles

i) Insurance Premium Funding - CGU
The goodwill relating to the premium funding business arose in the current year and is not considered impaired.

ii) Advice and Products - CGU
The recoverable amounts of goodwill and adviser networks and client lists are regularly tested for impairment.

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

- Growth rate for adviser network 0% (2011: 2%)
- Growth rate for client lists 0% (2011: 3%)
- Pre-tax risk-adjusted discount rate for cash flows 17.64% (2011: 20%)
- Pre-tax risk-adjusted discount rate for terminal values 17.64% (2011: 17%)
- Cost of equity 17.64% (2011: 8.5%)

The testing resulted in impairment losses of $349,000 (2011: $3,085,000) due to reduced net advice and product revenue as a consequence of the current economic environment.

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

21. Trade and other payables

	2012 $'000	2011 $'000
Current		
Current trade payables	37,718	37,803
Client claims payable	500	1,988
Other creditors and accrued expenses	2,648	3,623
	40,866	**43,414**
Non-current		
Client claims payable	-	461
Other creditors and accrued expenses	328	-
	328	**461**

a) Terms and conditions

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

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

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

b) Fair value

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

c) Financial guarantees

No guarantees have been given over trade and other payables.

d) Related party payables

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

e) Interest rate, foreign exchange and liquidity risk

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

22. Interest bearing liabilities

	2012 $'000	2011 $'000
Current		
Receivables finance liability– insurance premium funding	64,647	56,504
Loan liabilities – loans for managed investment schemes	-	9,107
Equipment hire and software finance liabilities	343	317
Total	**64,990**	**65,928**
Non-current		
Loan liabilities – loans for managed investment schemes	-	501
Equipment hire and software finance liabilities	253	613
Total	**253**	**1,114**

a) Fair value of interest bearing liabilities

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

b) Financial risk

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

c) Finance facilities

The Company has the following bank finance facilities available:

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

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

	Accessible $'000	Used $'000	Unused $'000
30 June 2012			
NAB multi-option facility	109,975	64,548	45,427
ABL class 'A' Note	-	-	-
WBC commercial bill facility	-	-	-
WBC equipment finance facility	540	368	172
30 June 2011			
NAB multi-option facility	95,550	56,482	39,068
ABL class 'A' Note	3,696	3,696	-
WBC commercial bill facility	2,460	-	2,460
WBC equipment finance facility	540	489	51

d) Defaults and breaches

There were no defaults or breaches of lending covenants during the year.

e) The Group's financing facilities have been renewed subsequent to the year end. Refer Note 33.

23. Provisions

	2012 $'000	2011 $'000
Current		
Provision for adviser client claims	5,771	7,494
Provision for employee leave entitlements	1,651	1,697
Total	**7,422**	**9,191**
Non-current		
Provision for adviser client claims	16,312	7,396
Provision for employee leave entitlements	1,068	936
Total	**17,380**	**8,332**

Provision is made for the cost of claims by clients of financial advisers that are authorised representatives of the Group for losses suffered as a result of advice given. The provision is based on estimates of the cost of addressing, resolving and settling claims notified, and was increased in FY 2012 by an amount of $11,052,000 to allow for claims expected to be incurred on earlier advice, which have not yet been reported. It is determined using internal modelling of historical trends and patterns and is supported by an independent actuarial assessment. It is measured at the present value of future costs that the Group expects to incur to settle the claims. Current claims are expected to be settled over a period between zero to five years. Settlement is dependent on the circumstances of each claim and the level of complexity involved in resolution.

i) Movement in provision for adviser client claims

	2012 $'000	2011 $'000
Opening Balance	14,890	8,989
Movement in the provision is as follows:		
Provision for year	16,430	11,936
Claims settled during the period	(9,237)	(6,035)
Closing balance	**22,083**	**14,890**
Credit claim expense		
Provision for year	16,430	11,936
Adjustment to discounting	306	-
Total expense	**16,736**	**11,936**

ii) Movement in provision for employee leave

	2012 $'000	2011 $'000
Opening Balance	2,633	1,979
Movement in the provision is as follows:		
Provision on acquisition	-	472
Provision for year	1,406	1,291
Leave taken during the year	(1,320)	(1,109)
Closing balance	**2,719**	**2,633**

24. Contributed equity

a) Paid Up Capital

		2012 $'000	2011 $'000
Ordinary shares	(i)	29,749	69,214
Reserved shares	(ii)	(1,173)	(1,173)
Partly Paid shares	(iii)	99	99
		28,675	**68,140**

i) Ordinary shares (issued & fully paid)

	Number of shares	2012 $'000	Number of shares	2011 $'000
Balance at start of year	96,739,747	69,214	46,659,530	36,862
Movements during the year:-				
- PIH shares issued (cash)	-	-	422,157	750
- Merger restructure adjustment	-	-	113,840,157	27,732
- Consolidation of share capital (1:7)	-	-	(137,932,702)	-
- Business combination share issue	4,457,583	3,783	70,250,605	-
- CAF share placement	-	-	3,500,000	3,870
- Offset of accumulated losses	-	(43,248)		
On issue at end of year	**101,197,330**	**29,749**	**96,739,747**	**69,214**

ii) Reserved shares

Balance at start of year	(856,429)	(1,173)	-	-
Movements during the year:-				
- Merger restructure adjustment	-	-	(5,995,000)	(1,173)
- Consolidation of share capital (1:7)	-	-	5,138,571	-
On issue at end of year	**(856,429)**	**(1,173)**	**(856,429)**	**(1,173)**

iii) Partly paid shares

Balance at start of year	428,572	99	-	-
Movements during the year:-				
- Merger restructure adjustment	-	-	3,000,000	99
- Consolidation of share capital (1:7)	-	-	(2,571,428)	-
On issue at end of year	**428,572**	**99**	**428,572**	**99**
Total contributed equity	**100,769,473**	**28,675**	**96,311,890**	**68,140**

At 30 June 2012 the Group eliminated $43,248,000 of accumulated losses by reducing contributed equity by the same amount. There was no resulting impact on net assets.

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

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

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

b) Capital management

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

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

No dividends on ordinary shares have been paid or declared in respect of financial years 2012 or 2011 as the Directors believe that in the current environment the best option is to conserve internally generated capital to fund growth and acquisitions. This policy will be reviewed regularly in light of changing circumstances.

25. Reserves

	2012 $'000	2011 $'000
Employee equity benefits reserve	51	28
Foreign currency translation reserve	(1,456)	(1,462)
Fair value reserve	-	-
Share option reserve	-	-
Total	**(1,405)**	**(1,434)**

a) Employee Equity Benefits Reserve

Balance at start of year	28	-
Value of share based payments provided or which vested during the year	23	28
Balance at end of year	**51**	**28**

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

b) Foreign Currency Translation Reserve

Balance at start of year	(1,462)	(1,075)
Foreign currency translation differences	6	(387)
Balance at end of year	**(1,456)**	**(1,462)**

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

c) Fair Value Reserve

Balance at start of year	-	37
Net change in fair value of available for sale assets	-	(37)
Balance at end of year	**-**	**-**

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

	2012 $'000	2011 $'000

d) Share Option Reserve

Balance at start of year	-	196
Balance extinguished on termination of PIH scheme	-	(196)
Balance at end of year	**-**	**-**

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

26. Notes to cash flow statement

a) Reconciliation of cash & cash equivalents

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

Cash at bank	14,621	20,420
	14,621	**20,420**

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

Net (loss)/profit after income tax	(17,299)	(13,125)
Adjustment for non cash items:		
Depreciation and amortisation	2,106	1,685
Foreign exchange losses/(gains)	(35)	160
Impairment of intangibles assets and receivables	1,760	3,253
(Profit)/loss on disposal of non-current assets	10	75
Interest received	(1,972)	(2,850)
Interest expense	518	4,874
Share based compensation expense	23	28
Share of loss of associates	106	-
Tax expense	2,774	844
Changes in Assets and Liabilities:		
(Increase)/decrease in assets:		
- Receivables	(2,382)	17,007
- Inventory	-	36,000
- Other assets	(986)	1,077
- Deferred tax assets	2,503	(197)
(Decrease)/increase in liabilities:		
- Payables	(2,467)	(27,956)
- Provisions for employee entitlements	86	182
- Provision for client claims	7,194	5,901
- Provision for tax	(104)	415
Net cash (used in)/from operating activities	**(8,165)**	**27,373**

c) Non-cash financing and investing activities

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

27. Parent entity information

	2012 $'000	2011 $'000
Total assets	119,580	115,632
Total liabilities	1,314	896
Net Assets	**118,266**	**114,736**
Issued capital	152,324	148,540
Employee benefit reserve	146	123
Accumulated losses	(34,204)	(33,927)
Total Shareholder Equity	**118,266**	**114,736**
Net profit/(loss) after tax of the parent entity	**(87)**	**361**
Total comprehensive income of the parent entity	**(87)**	**361**

At balance date the parent entity had given guarantees to external parties totalling $66,579 (2011: $121,000) (refer note 15). In addition the parent entity has given an unlimited interlocking guarantee and indemnity to the National Australia Bank as a condition of its banking facility arrangements to secure the borrowings of all Group entities.

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

At balance date the parent entity had no contingent liabilities.

28. Related party disclosure

a) Controlled entities

The Consolidated Financial Statements are based on the financial statements of Centrepoint Alliance Limited and its controlled entities listed in the following table.

Entity Name	Country of Incorporation	Ownership interest 2012	Ownership interest 2011	Principal activity
All Star Funds Management Ltd	Australia	100%	100%	Deregistered during the period
Associated Advisory Practices Ltd	Australia	55%	56.11%	AFSL licensee support services
Associated Advisory Practices (No 2) Ltd	Australia	55%	78.39%	AFSL licensee support services
Australian Loan Company Ltd*	Australia	100%	-	Mortgage broker / aggregator
Blueprint Investment Services Ltd	Australia	100%	100%	Deregistered during the period
Centrepoint Alliance Premium Funding Pty Ltd	Australia	100%	100%	Insurance premium funding
Centrepoint Alliance Services Pty Ltd	Australia	100%	100%	Trustee – Employee share plan
Centrepoint Wealth Ltd (formerly Professional Investment Holdings Ltd)	Australia	100%	100%	Holding Company
De Run Securities Pty Ltd	Australia	56%	56.01%	Dormant
Discovery Investment Services Corporation Ltd	Australia	100%	100%	Deregistered during the period
Diversified Portfolio Managers Limited	Australia	100%	100%	Deregistered during the period
GPS Wealth Ltd (formerly Professional Private Advice Ltd)	Australia	40%	100%	Financial services
IFMA Investment Services Pty Ltd	Australia	100%	100%	Deregistered during the period
The IFMA Unit Trust	Australia	100%	-	Vested & dissolved during the period
Imagine Your Lifestyle Pty Ltd (formerly Professional SMSF Services Pty Ltd)	Australia	50%	50%	Lifestyle publications
Investment & Finance Managers of Australia Pty Ltd ATF The IFMA Unit Trust	Australia	100%	100%	Deregistered during the period
Investment Diversity Limited	Australia	100%	100%	Provision of investment platform services
Mentor Investment Services Limited	Australia	100%	37.57%	Deregistered during the period
MI Professional Funding Pty Ltd	Australia	100%	100%	Disposed during the period
OAMPS Premium Funding Pty Ltd	Australia	100%	100%	Dormant
Parramatta Site Developments Pty Ltd	Australia	100%	100%	Deregistered during the period
Professional Accountants Ltd	Australia	100%	100%	Loans to adviser network
Professional Investment Asset Management Pty Ltd (formerly Professional SMSF Solutions Pty Ltd)	Australia	100%	100%	Deregistered during the period
Professional Investment Services Pty Ltd	Australia	100%	100%	AFSL licensee support services
Step by Step Guide Pty Ltd (formerly PAL Sub Four Pty Ltd)	Australia	100%	100%	Deregistered during the period
Ventura Investment Management Ltd*	Australia	100%	-	Investment management services
Wealthinfonet Admin Pty Ltd	Australia	100%	50%	Deregistered during the period
Ausican Inc.	Canada	100%	100%	Dormant
Professional Investment Holdings Inc	Canada	100%	100%	Dormant
Professional Investment Holdings (Canada) Inc	Canada	100%	100%	Dormant
Professional Investment Services (Beijing) Bojin	China	0%	80%	Disposed during the period

Entity Name	Country of Incorporation	Ownership interest 2012	2011	Principal activity
Advisors Worldwide Ltd	Hong Kong	100%	100%	Deregistered during the period
Alliance Finance Corporation (Hong Kong) Ltd	Hong Kong	100%	100%	Deregistered during the period
HFS Asset Management Limited (formerly Horwath Financial Services Limited)	Hong Kong	0%	98.80%	Disposed during the period
Professional Investment Services (HK) Ltd	Hong Kong	100%	100%	Dormant
Professional Investment Services (Malaysia) Sdn. Bhd.	Malaysia	55%	55%	Holding company
SFP Adviser Sdn Bhd	Malaysia	100%	55%	Financial services
Standard Financial Planner Sdn Bhd	Malaysia	100%	55%	Dormant
Advisors Worldwide (NZ) Ltd	New Zealand	100%	100%	Dormant
Ausiwi Limited	New Zealand	100%	100%	Holding company
Discovery Investment Services Corporation (NZ) Ltd	New Zealand	100%	100%	Dormant
Ginger Group Financial Services Corporation (NZ) Ltd	New Zealand	14%	-	Financial services
Minerva PIS (NZ) Limited	New Zealand	100%	100%	Dormant
Professional Investment Holdings (NZ) Ltd	New Zealand	43%	43%	Holding company
Professional Investment Services (NZ) Ltd	New Zealand	100%	42.84%	Dormant
Professional Lending Services Limited	New Zealand	24%	-	Dormant
Fifth Floor Pte Limited	Singapore	100%	100%	Holding company
Professional Advisory Holdings Pte Ltd	Singapore	90%	90%	Holding company
Professional Investment Advisory Services Pte Ltd	Singapore	100%	90.38%	Financial services
Professional Investment Services LLC	USA	100%	-	Dormant

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

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

b) Ultimate parent

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

c) Key management personnel ('KMP')

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

d) Other Director related transactions

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

These transactions by director are as follows:

R.J Nelson	Consulting Fees $159,524 (2011: $Nil)
N.J Griffin	None
A.D Robinson	None
S.J Maitland	None
M. Kidman	None
G.D Evans	Remuneration paid to related party of $21,741 (2011: $25,821) Loan of $126,855 repayable December 2012 on normal commercial terms and conditions (2011: Loan of $250,000 repayable August 2012 on normal commercial terms and conditions). Interest of $19,150 was charged on the loan amount (2011: $12,116)
S.J Murphy	Financial advice fees of $41,952 (2011: $12,219) Consulting fees of $Nil (2011: $48,000) Share registry & secretarial services of $442,409 (2011: $67,417)
C.J Castles	Financial advice fees of $1,547,811 (2011: $1,183,044)

29. Key management personnel

a) Details of Directors and other Key Management Personnel

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

Name	Position	No. of days of remuneration included 2012	No. of days of remuneration included 2011
Directors			
R.J. Nelson	**CAF** Group Chairman & Director (non executive)	366	200
A.D. Robinson	**CAF** Group Managing Director	366	200
N.J. Griffin	**CAF** Director (non-executive)	366	200
C.J. Castles	**CAF** Director (non-executive)	366	365
S.J. Maitland	**CAF** Director (non-executive) – *appointed 20 Dec 2011*	194	-
M. Kidman	**CAF** Director (non-executive) – *appointed 21 Feb 2012*	131	-
G.D. Evans	**CAF** Director (executive) – *resigned 6 June 2012*	342	365
S.J. Murphy	**CAF** Director (non-executive) – *resigned 30 Sept 2011*	92	365
M.M. Kane	**CAF** Director (non-executive) - *resigned 22 Dec 2010*	-	10
R. Bennetts	**CPW** Director (executive) – *resigned 14 Dec 2010*	-	167
K Butler	**CPW** Director (non-executive) – *resigned 14 Dec 2010*	-	167
G Whimp	**CPW** Director (non-executive) – *resigned 14 Dec 2010* **PIS** Chief Executive Officer – *10 Jan 2011 to 9 Jul 2011*	9	365
Executives			
I.R. Magee	**CAF** Chief Financial Officer & Company Secretary	366	200

Name	Position	No. of days of remuneration included 2012	No. of days of remuneration included 2011
R.M. Dodd	**CAPF** Chief Executive Officer	366	200
P.B. Walther	**PIS** Chief Executive Officer – *appointed 22 August 2011*	314	-

There were no changes to the KMP after the reporting date and before the balance date.

b) Compensation for key management personnel

	2012 $	2011 $
Short term	2,742,860	2,168,495
Post employment	150,155	71,920
Long term	-	-
Share based payments	19,136	524,406
	2,912,151	**2,764,821**

c) Shareholdings of Key Management Personnel

	Balance 1 July 2011	Pre-Merger Acquisitions	Capital Consolidation	Merger-related Acquisitions	Other Changes (Net)	Balance 30 June 2012
FY 2012						
R.J. Nelson	2,466,150	-	-	-	40,000[2]	2,506,150
A.D. Robinson	928,572	-	-	-	-	928,572
A.D. Robinson (Partly Paid shares)	428,572	-	-	-	-	428,572
N.J. Griffin	1,186,815	-	-	-	140,381[2]	1,327,196
C.J. Castles	121,627	-	-	-	109,227[2]	230,854
S.J. Maitland	-	-	-	-	7,567[3]	7,567
M. Kidman	-	-	-	-	-	-
G.D. Evans	540,647	-	-	-	(540,647)[1]	-
S.J. Murphy	833,908	-	-	-	(833,908)[1]	-
G. Whimp	281,998	-	-	-	(281,998)[1]	-
I.R. Magee	488	-	-	-	-	488
R.M. Dodd	7,368	-	-	-	-	7,368
P.B. Walther	-	-	-	-	40,000[2]	40,000
Total	6,796,145	-	-	-	(1,319,378)	5,476,767
FY 2011						
R.J. Nelson	17,062,498	-	(14,624,996)	28,648	-	2,466,150
A.D. Robinson	5,000,000	1,500,000	(5,571,428)	-	-	928,572
A.D. Robinson (Partly Paid shares)	3,000,000	-	(2,571,428)	-	-	428,572
N.J. Griffin	7,500,000	92,500	(6,507,857)	7,957	94,215[2]	1,186,815
C.J. Castles	-	-	-	121,627	-	121,627
G.D. Evans	-	-	-	540,647	-	540,647
S.J. Murphy	-	-	-	833,908	-	833,908
M.M. Kane	-	-	-	-	-	-
R.J. Bennetts	-	-	-	6,863,235	(6,863,235)[1]	-
K. Butler	-	-	-	864,456	(864,456)[1]	-
G. Whimp	-	-	-	281,998	-	281,998
I.R. Magee	3,412	-	(2,924)	-	-	488
R.M. Dodd	51,572	-	(44,204)	-	-	7,368
Total	32,617,482	1,592,500	(29,322,837)	9,542,476	(7,633,476)	6,796,145

1 Shareholding balance removed to reflect cessation as director and/or KMP 2 Acquisition of shares at market rate 3 Existing shareholding added upon appointment as director

d) Option holdings of key management personnel

No options to purchase shares were held by key management personnel during the years ended 30 June 2012 and 30 June 2011. Subsequent to the balance date, 2,250,000 options over ordinary shares, with the following terms, have been issued to Peter Walther as part of an incentive arrangement:

Number of Options	Exercise Price	Vesting Date	Expiry Date
1,000,000	$0.30	30 September 2014	31 December 2014
400,000	$0.40	30 September 2012	31 December 2016
400,000	$0.40	30 September 2013	31 December 2016
450,000	$0.40	30 September 2014	31 December 2016

e) Centrepoint Alliance Employee Share Plan

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

	2012 No.	2011 No.
A.D. Robinson	428,572	428,572
R.M. Dodd	107,143	107,143
I.R. Magee	70,714	70,714
	606,429	**606,429**

Details of the CAESP are provided in note 30.

f) Loans to directors and other key management personnel

On 1 September 2010 a loan of $250,000 was advanced by Centrepoint Wealth Ltd to Mr Grahame Evans for a period of one year. The loan was extended for a further twelve months in August 2011. At the date of his resignation Mr Evans repaid an amount of $123,145, the balance of $126,855 is now due for repayment on or before 31 December 2012. The loan is on normal commercial terms and conditions.

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

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

Refer to the Related Parties note for details.

30. Share based payment plans

a) Recognised share-based payment expenses

	2012 $'000	2011 $'000
Expense arising from equity-settled share based payment transactions under the Centrepoint Alliance Employee Share Plan (CAESP)	23	28
Expense arising from share based payment of incentive bonus paid in pre-merger CPW shares to CPW Group Managing Director	-	500
	23	**528**

b) Types of share-based payment plans

i) Centrepoint Alliance Employee Share Plan (CAESP)

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

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

The Board of Directors will determine:

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

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

ii) Centrepoint Alliance Employee Share Option Plan (CAESOP)

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

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

	2012		2011	
	No.	**WAEP***	**No.**	**WAEP***
(i) Shares under CAESP				
Outstanding at beginning of period	856,431	-	5,995,000	$0.22
Issued during period	-	-	-	-
Re-assigned during period	-		-	-
Purchased during period	-	-	-	-
Consolidation 1:7 November 2010	-	-	(5,138,569)	$1.30
Capital Return December 2010	-	-	-	-
Outstanding at end of period	**856,431**	**-**	**856,431**	**$1.34**
(ii) Options under CAESOP				
Outstanding at beginning of period	-	-	6,000,000	$1.25
Expired during the period	-	-	(6,000,000)	-
Outstanding at end of period	**-**		**-**	

**WAEP is weighted average exercise price*

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

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

d) Weighted average remaining contractual life

	2012	2011
	Yrs	**Yrs**
CAESP Shares	0.36	1.36

e) Range of exercise price

	$	$
CAESP Shares	$1.22 - $1.93	$1.22 - $1.93
CAESOP Options	-	-

f) Weighted average fair value at date of issue

	$	$
CAESP Shares	$0.175 - $0.245	$0.175 - $0.245
CAESOP Options	-	-

g) Option pricing model

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

31. Commitments

a) Contracted operating lease expenditure

	2012 $'000	2011 $'000
Not later than one year	3,841	3,742
Later than one year but not later than five years	2,149	10,203
Total operating lease commitments	**5,990**	**13,945**

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:

	2012		2011	
	Minimum Lease Payment $'000	P.V. of Lease Payment $'000	Minimum Lease Payment $'000	P.V. of Lease Payment $'000
Within one year	363	175	365	268
After one year but not later than five years	289	138	669	224
Total minimum lease payment	652	313	1,034	492
Less amounts representing finance charges	(56)	-	(104)	-
Present value of minimum lease payment	**596**	**313**	**930**	**492**

c) Remuneration commitments

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

	2012 $'000	2011 $'000
Not later than one year	-	751
Later than one year but not later than five years	-	-
Total remuneration commitments	**-**	**751**

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

32. Contingent liabilities

There were no other contingent liabilities at balance date.

33. Events after balance sheet date

The following matters have taken place/occurred subsequent to the year end:

1) On 8 August 2012, CAF entered into a conditional agreement for the sale of the Group's interest in its Singaporean financial advice business, Professional Investment Advisory Services Pte Ltd (PIAS).

   The consideration for the sale is to be satisfied by the purchaser to enter into a buy-back agreement with CAF under which the purchaser agrees to sell and transfer to CAF its 7.6% shareholding in CAF. In accordance with the buy-back agreement this will result in the cancellation of 7,731,884 shares. The financial impact of this transaction on the Group will be a reduction in contributed equity equivalent to the value of the consideration at settlement date and a gain on sale of approximately $1,000,000 at current share prices.

   The sale and purchase agreement is conditional upon a number of factors the main ones being:
   - The purchaser being satisfied with the findings of an independent compliance audit of the Singapore business;
   - CAF shareholders approving the terms of the buy-back agreement in accordance with section 257D of the Australian Corporations Act; and
   - Approval of the transaction by the Monetary Authority of Singapore.

2) On 14 August 2012 the National Australia Bank provided CAF with an offer to extend and enhance the existing banking facility arrangements. The CAF Board has approved the new facility arrangements and executed the relevant documents.

3) 2,250,000 options over ordinary shares, with the following terms, have been issued to Peter Walther as part of an incentive arrangement:

Number of Options	Exercise Price	Vesting Date	Expiry Date
1,000,000	$0.30	30 September 2014	31 December 2014
400,000	$0.40	30 September 2012	31 December 2016
400,000	$0.40	30 September 2013	31 December 2016

450,000	$0.40	30 September 2014	31 December 2016

4) On 10 September 2012 the Company has entered into an agreement with managing director, Tony Robinson to buy-back his 428,572 partly paid shares for no consideration. The buy-back, which is subject to shareholder approval, releases Mr Robinson from an obligation to pay the unpaid balance of $375,000, but will have no effect on total net assets and will result in a marginal increase in net assets per share.

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.

34. Fiduciary activities

The company does not undertake any fiduciary activities.

Directors' Declaration
30 June 2012

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

(a) In the opinion of the directors:

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

i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 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) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

(c) 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 2012.

On behalf of the directors:

Rick Nelson
Chairman
26 September 2012

ASX Additional Securities Exchange Information
30 June 2012

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 26 September 2012.

1. Distribution of equity securities

a) Fully paid ordinary shares

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

b) Partly paid ordinary shares

428,572 of the ordinary shares are held by Mr Tony Robinson (Managing Director), which are partly paid ($0.21 of the total issue price of $1.085). These shares carry voting and dividend rights in proportion to the percentage of the issue price paid.

c) Preference shares

There are no preference shares on issue.

d) The substantial shareholders are as follows:

Shareholder	No. of Shares	% Held
Thorney Holdings Pty Ltd	20,242,607	20.00%

e) Twenty largest holders of ordinary equity securities – (Fully paid ordinary shares):

Rank	Shareholder	No. of Shares	% Held
1	Thorney Holdings Pty Ltd	20,242,607	20.00%
2	Aviva Overseas Holdings	7,731,684	7.64%
3	HSBC Custody Nominees (Australia) Limited	5,691,150	5.62%
4	RBC Investor Services Australia	5,582,371	5.52%
5	Bellglow Pty Ltd (Bennetts Family A/C)	3,399,872	3.36%
6	Entities representing the interests of R.Nelson	2,506,150	2.48%
7	National Nominees Limited	2,149,743	2.12%
8	SOBA Pty Ltd	1,932,360	1.91%
9	Ulton Financial Planning	1,685,170	1.67%
10	Entities representing the interests of N.Griffin	1,667,880	1.65%
11	Fetterpark Pty Ltd (O'Reilly Family SF A/C)	1,355,330	1.34%
12	Dimarca Pty Ltd (The Robel Superfund A/C)	1,000,000	0.99%
13	Entities representing the interests of A Robinson	928,572	0.92%
14	Mr Benjamin Boris Weinglass & Mrs Marianne Weinglass (BB Weinglass SF (A/C)	886,008	0.88%
15	Centrepoint Alliance Services Pty Ltd (Centrepoint Alliance Employee Share Plan)	856,431	0.85%
16	Entities representing the interests of S Murphy	853,712	0.84%
17	Edsonmere Pty Ltd	829,600	0.82%
18	Austin Superannuation Pty Ltd (The Brian Austin S/F A/C)	679,501	0.67%
19	Briskin Investments Pty Ltd (D & A Briskin Family A/C)	579,151	0.57%
20	Benefice Pty Ltd (Cathcart Family A/C)	520,000	0.51%

ASX Additional Securities Exchange Information 30 June 2012 (continued)

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

Shareholding Range (Fully paid ordinary shares)	Number of Holders	Number of Shares
1 – 1,000	315	142,944
1,001 – 10,000	827	3,258,672
10,001 – 100,000	682	20,651,688
100,001 – 1,000,000	86	22,199,709
1,000,001 – and over	12	54,944,317

The number of shareholdings held in less than marketable parcels is 498.

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. Securities exchange listing

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

7. Publications

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

Independent auditor's report

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 Ltd, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

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

Auditor's responsibility

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

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

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

Independence

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

ERNST & YOUNG

Opinion

In our opinion:

a. 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 as at 30 June 2012 and of its performance for the year ended on that date; and

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

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note [XX].

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2012. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Centrepoint Alliance Limited for the year ended 30 June 2012, complies with section 300A of the *Corporations Act 2001*.

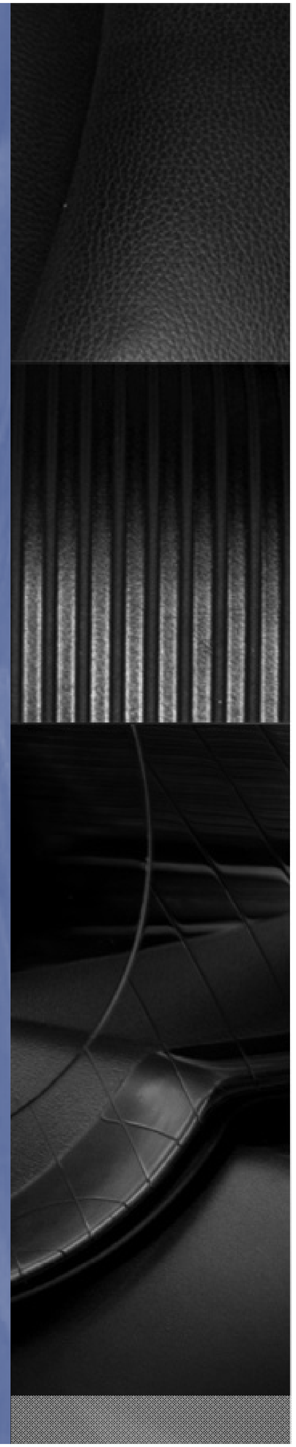
Ernst + Young

Ernst & Young

Peter McIver
Partner
Perth
26 September 2012

Solid Foundations

12 Months to 30 June 2012

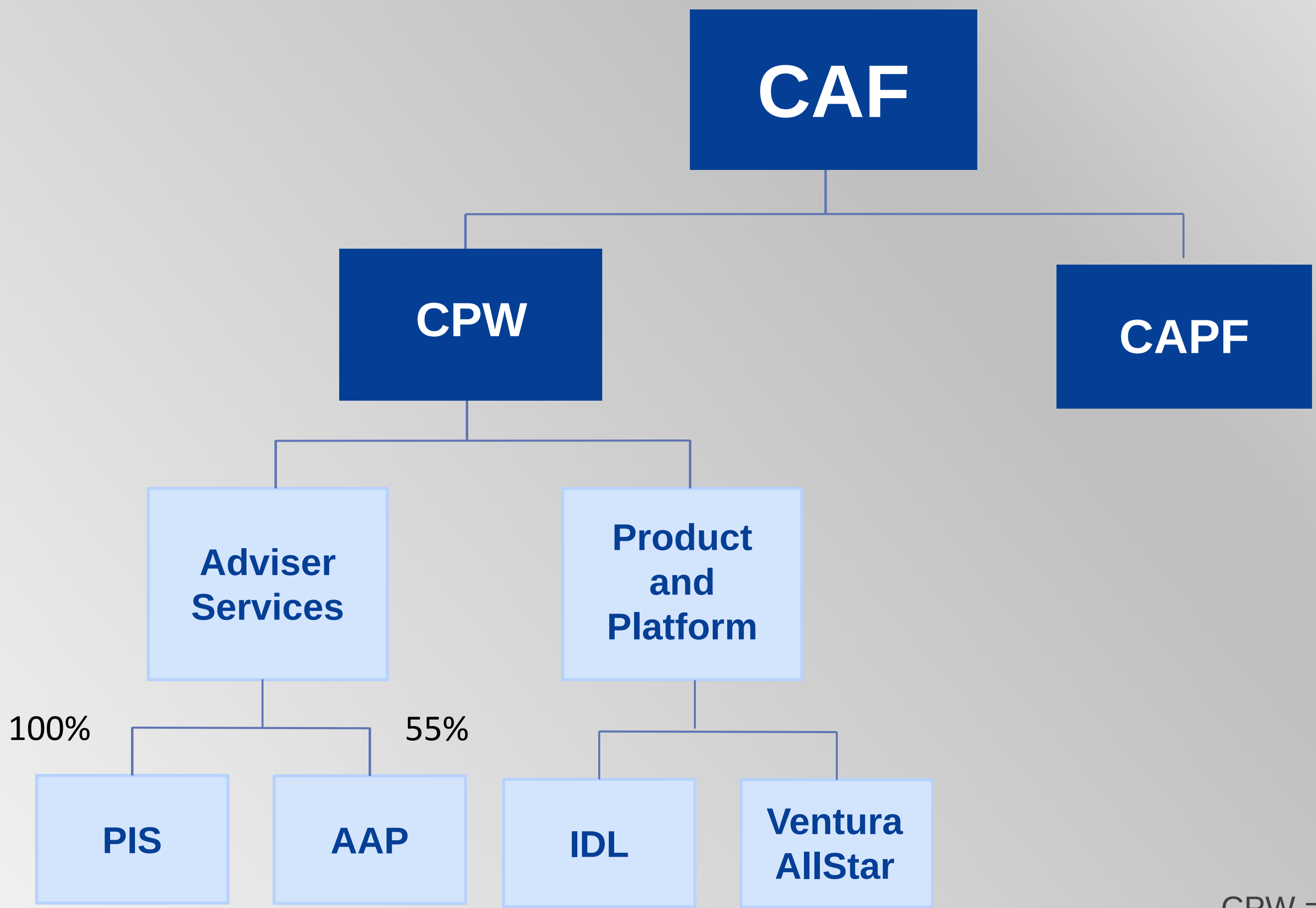


Tony Robinson
Managing Director
Centrepoint Alliance Limited

Overview

- Significant participant in its key markets
  - Premium Funding
    - Over $300 million of loans annually
  - Centrepoint Wealth (CPW)
    - PIS – 701 Authorised Representatives
    - AAP – 500 Authorised Representatives
    - Over $8 billion of funds generating revenue
- Turnaround of PIS continuing under capable new management
- Significant reduction in indirect costs
- Results include a provision for IBNR claims in PIS
- Retains sound balance sheet position

Principal Group Activities



Legend
CPW = Centrepoint Wealth
CAPF = Centrepoint Premium Funding
PIS = Professional Investment Services
AAP = Associated Advisory Practices
IDL = Investment Diversity Ltd

Profit & Loss Overview

- Result includes significant costs associated with legacy PIS

30 June 2012 ($m)						PCP
	Advice	Product & Platform	CAPF	Other (Int. and Corp.)	Group	Group
Revenue	38.9	5.6	13.1	4.5	**62.1**	**58.3**
Pre-tax	(12.2)	2.0	2.3	(6.6)	**(14.5)**	**(12.3)**
Tax	3.0	(0.9)	(0.7)	(4.2)	**(2.8)**	**(0.8)**
NPAT	(9.2)	1.1	1.6	(10.8)	**(17.3)**	**(13.1)**

30 June 2012 ($m)		PCP
	Group	Group
Pre-tax	**(14.5)**	**(12.3)**
Minorities	**(0.8)**	**(0.9)**
Legacy Costs	**16.5**	**4.3**
Pre-tax and legacy attributable to owners	**1.2**	**(8.9)**

Cash Flow Overview

- Cash from operations affected by EU and other non-claim legacy costs of over $4 million

	$m 30 June 2012	$m 30 June 2011	
Cash from operations and interest	6.0	9.0	
Claims	(11.2)	(19.5)	
Tax & dividends	(2.6)	(1.7)	
Net cash from operations	**(7.8)**	**(12.2)**	
Purchase/sale of businesses	0.1	-	
Net cash acquired in business acquisitions/disposals	3.5	15.9	
Change in Borrowing	4.7	(4.5)	
Change in Loan Receivables	(5.9)	4.5	
Share capital issues/returns	-	0.2	
Purchase of PP& E	(0.4)	(0.4)	
Net Cash Movement	**(5.8)**	**3.5**	

Balance Sheet Overview

- Cash not needed for operations is approximately $10 million

	$m 30 June 2012	$m 30 June 2011	
Cash	14.6	20.4	
Trade and Other receivables	24.5	26.8	
Interest bearing receivables	96.3	96.6	Premium Funding
Intangibles	8.0	6.3	
Deferred Tax Asset	7.3	9.8	
Other	8.0	11.0	
	158.7	**170.9**	
Trade Payables	41.2	43.9	
Interest Bearing Loans	65.2	67.0	Premium Funding
Provisions	24.8	17.5	
Other	0.2	0.4	
	131.5	**128.8**	
Net Assets	**27.2**	**42.1**	

Centrepoint Wealth

Professional Investment Services Pty Ltd

- Adviser Services business plus license coverage
  - Significant change achieved including separation of legacy business
  - Clarity of purpose
    - Independence of choice, quality of service, quality of advice
  - Performance exposed to equity market for both activity and volumes
  - Loss of advisers adding to revenue decline
  - Costs include significant legacy issues e.g. EU related and claims related expense
  - Key Management now in place
    - CEO growing capable management team
  - Enforceable Undertaking Expert Report submitted to ASIC

Key Numbers		
	30 June 2012	**30 June 2011**
Authorised Representatives	701	903
FUA - Platforms	4.5	5.7
Life Premiums written	$21.8 million	$24.7 million
In-force mortgages	$4.6 billion	$4.7 billion

Centrepoint Wealth

Associated Advisory Practices Ltd (AAP)

- Adviser Services business without license coverage
  - Sound business with manageable risks (e.g. no claims exposure)
  - Lower margin reflecting lower risks
  - Significant scale
  - Solid profit performance

Key Numbers		
	30 June 2012	30 June 2011
Number of Practices	167	167
FUA	$2.8 billion	$2.8 billion
Life Premium Written	$10.7 million*	$9.0 million

** Figure does not include payments from two additional providers which AAP are still waiting to receive*

Centrepoint Wealth

Product

- Simplified and lowered overhead costs
    - Merged AllStar and Ventura post acquisition of Ventura
    - Restructured key funds management arrangements (Russell)

Platforms (IDL)

- Established reseller arrangements exist with key players (BT, CFS, Onepath)
- Rewrote/amended contracts with partners & reflected expected FoFA impact

Key Numbers		
	30 June 2012	**30 June 2011**
Product - FUM	$0.7b	$0.9b
Platform - FUA	$1.3b	$1.4b

Centrepoint Alliance Premium Funding

Premium Funding

- Stable and capable management continues to regrow market share
- Reshaped and expanded core NAB facility
- Continuing to regrow market share
- Strong focus on improving net interest (NI) margins
- Key is controlling credit quality (credit assessment plus receivables insurance)

Key Numbers		
	30 June 2012	**30 June 2011**
Total Loans (written in 12 months)	$317m	$284m
Bad Debts Expense	$806k	$785k

Share Holding

Tightly held

• AVIVA	8% (buy back)
• Thorney	19.9%
• Board and other Institutions	10%
• Escrow	15%

Short-term Profit opportunities

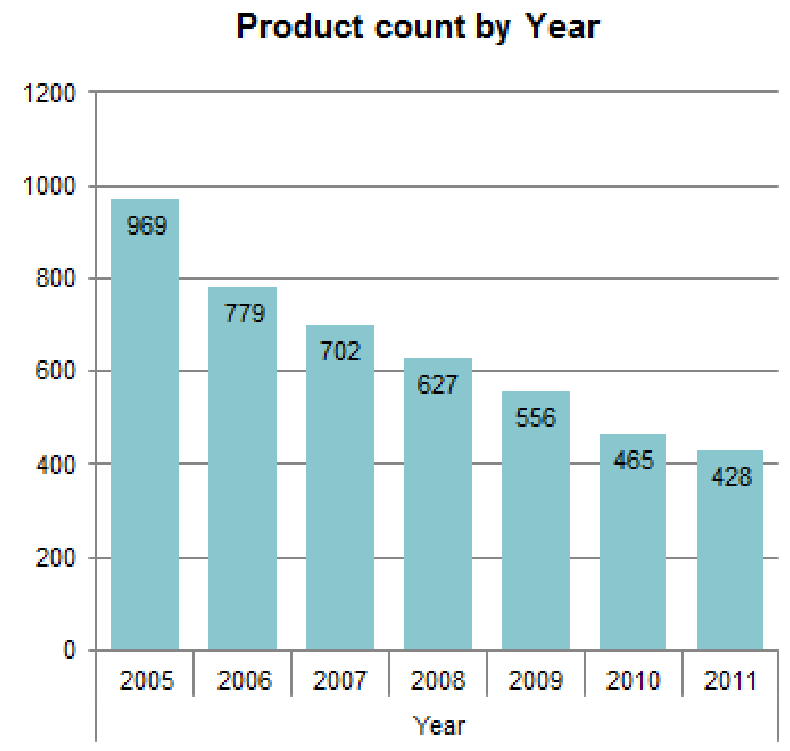
Other

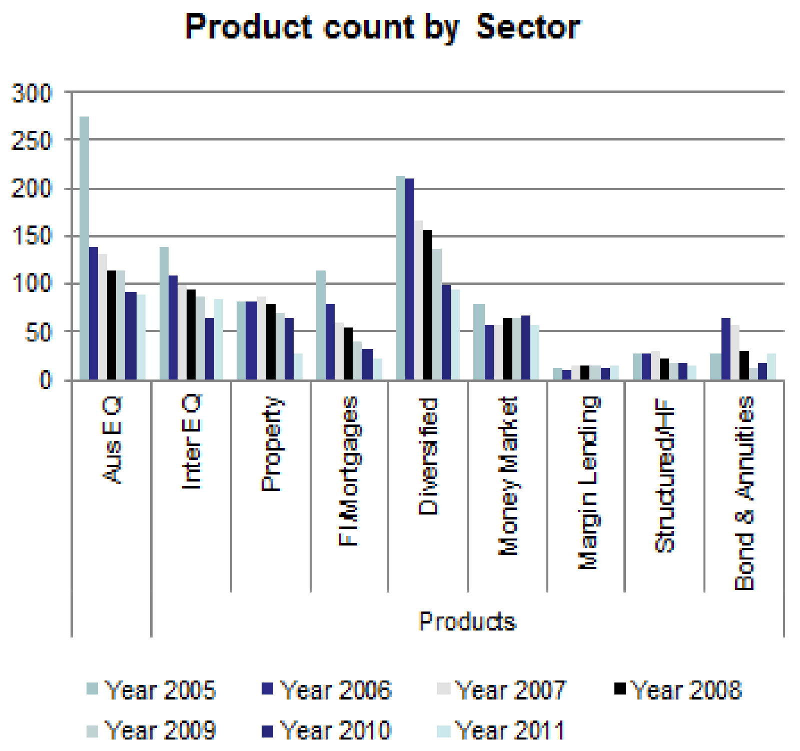
- Singapore Sale
- Malaysia Sale

Centrepoint Wealth

Professional Investment Services Pty Ltd

- Significant structural change to lower PIS





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Outlook

- Premium Funding business in solid state and expected to grow
- Most wealth business units in reasonable position
- PIS still in rebuilding phase
- Legacy PIS business now separated

THANK YOU