ASX Announcement
30 August 2013

Appendix 4E & Annual Report for year ended 30 June 2013

- **Strong performances by the Premium Funding, AAP and Wealth Products businesses**
- **FY13 statutory NPAT of $7.8m loss, an improvement on the $17.9m loss in 2012**
- **FY13 underlying profit of $4.1m, 29% down on FY 12**
- **Steady progress on transforming Professional Investment Services into a leading licensee business**

Centrepoint Alliance Limited (ASX Code: **CAF**) ('Centrepoint') today announced a Statutory Net Profit After Tax attributable to shareholders of $7.8m for the 12 month period to 30 June 2013 (FY13) compared to a loss of $17.9m in the prior corresponding period (FY12). Underlying profit was $4.1m, 29% down on FY12. The result reflects strong growth in premium funding, improvements in investment markets and lower claims legacy costs.

Centrepoint Managing Director John de Zwart commented that 'The operating result reflects a good performance across the business that is undergoing significant change. The group's premium funding, licensee services and wealth products businesses are performing exceptionally well, where there has been stable management and long term investment in developing market leading solutions. The licensee business has been undergoing a transformation to meet the new FOFA regulatory requirements and at the same time focusing on the needs of its customers.

'As a leading independent player in each of our core markets Centrepoint is exceptionally well placed in a market place which is undergoing rapid consumer and regulatory driven change. Our goal is to build a highly respected and valuable business that provides quality solutions designed to meet the needs of our clients and customers.'

Centrepoint has seen strong growth in new clients for Centrepoint Alliance Premium Funding ('IPF' – insurance premium funding), Associated Advisory Practice ('AAP' - licensee services), and Wealth Products (white labelled platforms and funds management products). Each business has grown market share and underlying profitability, demonstrating the market's desire for independent quality service providers.

The Group's IPF business continues to go from strength to strength, growing at more than twice the market at 16% over the past 12 months. Pre-tax profits were also up by 42%. The business has started the new financial period with volumes up 20% on the corresponding prior period. Bank funding lines were increased by 35% on improved terms in July 2013 underpinning medium term growth plans.

AAP provides a range of support services to individual AFSL holders (licensees). With a great service model combined with a rapidly changing regulatory environment, the business is seeing strong demand and growth in new clients. Licensees increased 12% over FY13 to 191 at 30 June 2013, and has since grown to 200 as at end of August 2013. Pre-tax profits decreased from $3.1m to $2.7m due to regulatory and scheme transaction costs. Centrepoint is currently midway through schemes to acquire the 45% minority shareholdings in the two companies that comprise AAP.

The Wealth Products business comprising Ventura and All Star funds management and Investment Diversity platforms grew revenues by 16% over FY13 and pre tax profits by 32% to $2.5m. The platforms are benefiting from an increasing number of advisers from external groups using the platforms.

The Professional Investment Services business has continued its investment in systems and processes to meet the new regulatory requirements along with building a platform from which to deliver enhanced service to its advisers and customers. The reduction in advisers seen over the last 3 years has ceased and we are building a solid platform for future growth.

The statutory NPAT result for FY13 includes provisioning costs of $10m, arising from claims against advisers for advice provided prior to July 2010. Centrepoint continues to invest in more efficiently managing its claims liability in relation to pre-2010 advice related legacy claims.

Centrepoint generated positive cash flows from operations of $12.4m before claims related payments, a proportion of which was reinvested to support growth of IPF. No dividends have been declared.

The strong market competitive positions of Centrepoint's businesses supported by a listed entity and recent management changes, position Centrepoint well for future shareholder value growth. The market is seeking independent service providers with good propositions focused on supporting their clients and end customers.

Centrepoint's Appendix 4E and Annual Report are appended.

For further information please contact:

John de Zwart
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Centrepoint Alliance Limited
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CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 057 507 507

Appendix 4E

Year ended 30 June 2013

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Revenues from ordinary activities	**Down**	**15%**	**to**	**$52,630,000**
Loss before tax and non-controlling interests	**Down**	**54%**	**to**	**$(6,632,000)**
Net loss for the period attributable to members	**Down**	**56%**	**to**	**$(7,781,000)**

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 2013	**30 June 2012**
Net tangible assets per share	**3.92 cents**	**11.64 cents**

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

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CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 057 507 507

ANNUAL REPORT

30 JUNE 2013

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Chairman's Report

Dear Shareholders,

Centrepoint Alliance Limited (Centrepoint) has continued to make significant progress during the financial year ended 30 June 2013 (FY 13) and subsequently, as it simultaneously deals with major legislative and regulatory issues, re-positions the business model of its Wealth business and continues to resolve legacy problems within that business.

The financial result for FY 13, a net loss after tax and non-controlling interests of $7.8m, is a combination of three strongly performing and profitable core businesses [Insurance Premium Funding (IPF), Adviser licensee services (AAP) and Wealth Investment Products] and a fourth loss-making AFSL-licensed adviser services business (PIS), which is undergoing a significant turnaround.

The Group's IPF business continues to go from strength to strength, growing revenues by 11% and pre-tax profits by 42%. The business has enjoyed strong support from its primary finance provider and in recent weeks has improved and increased its finance facility.

Centrepoint's other core businesses operate within the Wealth industry in Australia, which is dominated by major financial institutions and is going through a period of massive change, in particular with the introduction of the Future of Financial Advice (FOFA) legislative reforms, which is re-shaping the industry. We believe that although this is challenging, it is also providing opportunities for the development of new business models, which will enable us to grow revenues and profitability in the future.

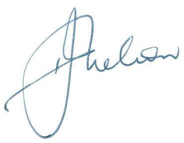
It is significant to note that the result for FY 13 is after claims provisioning costs of $10m arising from claims against PIS advisers for advice provided prior to July 2010. Centrepoint generated strong cash flows from operations before claims-related payments; a significant proportion of which was reinvested to expand the IPF business. Centrepoint also continues to invest in additional resources to more efficiently manage and to explore options to limit its liability in relation to pre-2010 PIS client claims.

Centrepoint's IPF, AAP and PIS businesses are the largest service providers in their markets that are supported by a listed entity and are independent of major financial and insurance organisations. Our vision is to be the most respected, independent financial services provider in Australia.

In terms of personnel, in January 2013 Chris Castles resigned from the Board and in April 2013 we saw the departure of Managing Director Tony Robinson. I would like to express my gratitude to both of them for their significant contributions. In April 2013 we welcomed John de Zwart to the position of Managing Director and he is already making a positive impact on the Group.

Finally I would like to thank the employees, authorised representatives, other business partners of Centrepoint and you, the shareholders, for your continued support.

Yours sincerely



Rick Nelson

Chairman

Directors' Report
30 June 2013

Your directors present their report for the year ended 30 June 2013.

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, Stephen Maitland and Matthew Kidman were in office for the entire period.
- John de Zwart was appointed as a director on 15 April 2013.
- Tony Robinson resigned as a director on 30 April 2013.
- Chris Castles resigned as a director on 30 January 2013.

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.

John de Zwart (appointed 15 April 2013)
B.Econ., CA
Managing Director and Chief Executive Officer

Over the past 25 years, John has worked in Australia, NZ and the UK and prior to accepting his current role was the Chief Financial Officer for TAL Limited (2008-2012) and TOWER Limited (2005-2008) and responsible for all financial activities of these businesses. This included strategy, investor relations, asset management, alliances, information technology, mergers and acquisitions and the formation of new business lines.

John has a long track record of delivering strategic change leading to business competitive advantage.

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.

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

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, 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 to October 2012

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

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 Chartered Secretaries Australia 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.

Tony Robinson (resigned 30 April 2013)
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 served as a director of the following other listed companies:

Listed Company	Period of directorship
Bendigo & Adelaide Bank Ltd	From April 2006 and continuing

Christopher Castles (resigned 30 January 2013)
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 was 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.

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	2,987,607	-	-
Noel Griffin	1,765,453	-	-
Stephen Maitland	50,000	-	-
Matthew Kidman	688,862	-	-
John de Zwart	-	-	-
Total Directors' Shares	**5,491,922**	**-**	**-**

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

Meetings of Directors

During the financial year, attendances at all Board and Board Committee meetings 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	16	16	6	6	-	-	-	-
Noel Griffin	16	16	6	6	-	-	-	-
Tony Robinson	13	12	-	-	-	-	3	3
Chris Castles	9	8	-	-	-	-	2	2
Stephen Maitland	16	13	-	-	5	5	4	4
Matthew Kidman	16	16	-	-	5	5	4	4
John de Zwart	4	4	-	-	-	-	1	-

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 Pty Ltd (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 retail 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.

Employees

As at 30 June 2013, the consolidated entity had 187 (2012: 257) 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
AAP Advantage Pty Ltd	Australia	100%	AFSL licensee support services
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 Pty Ltd	Australia	100%	Mortgage broker / aggregator
Centrepoint Alliance Premium Funding Pty Ltd	Australia	100%	Insurance premium funding
Centrepoint Alliance Services Pty Ltd	Australia	100%	Trustee – Employee share plan
Centrepoint Wealth Pty Ltd (formerly Professional Investment Holdings Ltd	Australia	100%	Holding Company
De Run Securities Pty Ltd	Australia	56%	Dormant
GPS IP Ltd	Australia	40%	Financial services
Imagine Your Lifestyle Pty Ltd	Australia	50%	Lifestyle magazine publication & distribution
Investment Diversity Limited	Australia	100%	Packages investment platforms
Centrepoint Adviser Services Pty Ltd	Australia	100%	Dormant
Professional Accountants Pty Ltd	Australia	100%	Loans to adviser network
Professional Investment Services Pty Ltd	Australia	100%	AFSL licensee support services
Ventura Investment Management Ltd	Australia	100%	Packages managed investment funds
Professional Investment Services (Malaysia) Sdn. Bhd.	Malaysia	55%	Holding company
Standard Financial Planner Sdn Bhd	Malaysia	55%	Financial services
SFP Adviser Sdn Bhd	Malaysia	55%	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
Professional Investment Holdings (NZ) Limited	New Zealand	43%	Holding company
Professional Investment Serv ices (NZ) Limited	New Zealand	100%	Dormant
Professional Lending Services Limited	New Zealand	24%	Dormant
Fifth Floor Ltd	Singapore	100%	Dormant

The Group will continue to close and de-register the dormant entities as soon as all statutory obligations have been met.

Operating & Financial Review

Group Business Operations

Centrepoint Alliance Limited operates predominantly in the financial services industry within Australia and has four core revenue generating segments:

- Insurance premium funding (Centrepoint Alliance Premium Funding ('CAPF'));
- An AFSL licensed dealership providing services to a network of financial advisers and accountants (Professional Investment Services ('PIS'));
- A provider of services to self-licensed financial advisers (Associated Advisory Practices ('AAP'); and
- The packaging of wealth management products and services including investment platforms and funds management services ('Investment Products').

In addition the Group has controlling investments in a number of allied smaller Australian businesses and a corporate cost centre exists, which is used to support the costs of the listed parent entity, the Board & Managing Director, and the corporate finance and company secretarial functions.

During the year the Group also had an interest in adviser services businesses in Singapore, Malaysia and New Zealand. The Singapore business was sold effective 14 January 2013 and an agreement has been entered into for the sale of the Malaysian business, which will be completed upon receipt of approval from the regulatory authority in Malaysia. The international businesses have been treated as discontinued operations in the financial accounts at 30 June 2013.

A discussion of the main transactions and events, the key business drivers and the market conditions are addressed by individual business in the following review of the core business segments.

Review of Business Segments

a) Insurance Premium Funding (CAPF)

Description: CAPF provides finance to corporate and consumer clients to fund the annual cost of their insurance premiums.

Business Model: Business is sourced through a national network of insurance brokers and is supported by strong relationships and effective administration and turnaround of a large volume of relatively small value short term loans. Funding is currently sourced from a bulk receivables finance facility.

Key Drivers: Volume of loans written, the number of supporting insurance brokers, management of lending margins, efficient loan administration and credit management and ability to source sufficient cost-effective funding.

Overview of FY 2013: The insurance premium funding (IPF) market, estimated to be around $5bn per annum, is highly competitive, being dominated by insurance company Allianz (through Hunter Premium Finance) and the Macquarie Bank Group. The merger of major competitors Macquarie and Pacific Premium Funding saw CAPF become the largest independent operator in the Australian industry.

CAPF received strong support from its funding partner (National Australia Bank) with two limit increases and improved lending terms negotiated during the year.

Financial Performance: CAPF benefited from the consolidation of competitors and growth from existing and new broker relationships, increasing its market share and generating strong growth of 16% in loan volumes in FY 2013 to $368 million (2012: $317 million). Net revenues rose by 11% to $14.6m (2012: $13.1m). Pre-tax profits rose by 42% to $3.4m (2012: $2.4m) as a consequence of lower borrowing costs, effective credit management and improved cost to income ratios.

b) Professional Investment Services (PIS)

Description: PIS is an AFSL licensed, independent dealership providing a range of support services including training, compliance, systems and product support for a network of authorised representatives (financial advisers and accountants) across Australia.

Business Model: Revenue is generated from retention of a portion of advice fees earned by its advisers and from distribution or reseller margin fees paid by investment and insurance product providers based on the value of funds invested by PIS advisers' clients in their approved products.

Key Drivers: Number of advisers, amount of funds under advice (FUA) in approved products, operating costs and the cost of any claims (including related insurance) against PIS advisers.

Overview of FY 2013: The financial advice industry has been significantly impacted in recent years by increased regulation and compliance including the introduction of the Future of Financial Advice (FOFA) legislation, which became effective on 1 July 2013. This has led to rationalisation and changes in the industry with the large institutions increasing their domination of the industry by acquiring smaller businesses and offering attractive incentives for advisers to move to them. During FY 2013 PIS' adviser practices numbers fell from 701 to 533. PIS remains the largest non institutionally-owned dealership in Australia.

During FY 2013 PIS also continued to be adversely impacted by the results of unsatisfactory compliance processes that existed prior to 2010, which resulted in ASIC imposing an Enforceable Undertaking on the Company in December 2010. A significant number of compensation claims against the Company have been paid to clients of PIS advisers in relation to advice provided between 2004 and 2010.

Financial Performance: PIS net revenues fell by 28% to $24.3m (2012: $33.9m) primarily as a result of the reduction in adviser numbers. The pre-tax loss for the year was $11.2m (2012: $15.3m), which is after the following significant non-trading costs:

- $10.0m (2012: $16.7m) in increased provisioning for client claims;
- $0.5m (2012: $3.7m) professional fees on ASIC monitoring programs; and
- $0.4m (2012: $Nil) from impairment of intangibles.

c) Associated Advisory Practices (AAP)

Description: AAP provides a range of support services (including compliance, training and technical advice) to boutique AFSL licensed financial advice dealerships throughout Australia. It is the largest business of this kind in Australia.

Business Model: Revenue is principally generated from margin fees paid by platform providers and insurance companies based on the funds under administration and new business risk insurance placed by AAP dealerships in products for which AAP has a partnership agreement. Revenue is impacted by both net inflow/outflow of funds and by changes in the economy and their impact on stock markets and asset prices.

Key Drivers: Number of contracted licensees, the value of funds under advice (FUA) and new business in partnership products and the level of operating costs.

Overview of FY 2013: AAP was impacted by the changes in the financial advice industry outlined in the review of PIS, including the additional costs associated with FOFA, it successfully continued to recruit new licensees (up 12% to 191). This was aided to some degree because, as a consequence of FOFA, some smaller advice businesses are required to enhance their processes, compliance and other support services, which has led them to seek external assistance.

The Group currently owns 55% of the AAP business and, as announced on 20 June 2013, a Merger Implementation Deed was entered into which, if the transaction receives the necessary approvals, will result in Centrepoint acquiring the remaining 45% of AAP currently owned by customer licensees.

Financial Performance: AAP's revenues increased by 6% to $5.2m (2012: $5.0m) as a result of licensee recruitment and favourable market movements. The business continued to generate strong pre-tax profits of $2.7m (2012: $3.1m); the small reduction from last year primarily reflects the additional costs of FOFA preparation and the costs associated with the merger transaction with Centrepoint.

d) Investment Platforms and Funds Management (Investment Products)

Description: The Investment Products business has two divisions; Investment Diversity Ltd (IDL), which packages investment platforms for dealers and financial advisers and Ventura Investment Management Ltd (Ventura), which packages managed investment funds.

Business Model: IDL researches, packages (product development) and monitors the adviser distribution and servicing for a range of white-labelled investment platforms, that have been developed in conjunction with leading platform providers, in return for a portion of the investment platform administration fees. Ventura is the investment manager for a range of managed investment funds for which it receives management fees, a portion of which is shared with contracted sub investment managers and an outsourced responsible entity and custodian.

Key Drivers: The key drivers for IDL are funds under administration (FUA) in contracted platforms and overhead expenses. Ventura is primarily driven by the amount of funds under management (FUM) in its funds, the cost of outsourced services and also the level of overheads expenses.

Overview of FY 2013: Both businesses incurred costs associated with FOFA. Both businesses benefited from the improvement in the investment market. IDL, in conjunction with the relevant platform providers, launched two new white label platform concepts, and it successfully expanded its FUA by 18% to $1.6bn. Ventura changed its business model early in the year to outsource the responsible entity position for its funds. The business attracted good inflows to its Ventura funds via packaged platform initiatives but was also impacted by the reduction of adviser numbers in PIS and by the short term under-performance of one of its managed funds.

Financial Performance: Combined revenues for Investment Products increased by 16% to $6.5m (2012: $5.6m) primarily due to the strong performance of IDL. IDL was also largely responsible for the 32% increase in combined pre-tax profit to $2.5m (2012: $1.9m).

e) Corporate & Other

Description: The costs of the Centrepoint board of directors, its corporate finance and company secretarial functions and the administration of the listed public entity are reflected in the Corporate cost centre. For segment reporting purposes this is combined with the trading results of minor non-core businesses controlled by the Group, which are involved in loan management, finance broking and lifestyle magazine publication.

Financial Performance: The Group's finance broking business (Australian Loan Company Pty Ltd) traded profitably recording a pre-tax profit of $236,000 (2012: $273,000), as did the adviser loan business Professional Accountants Pty Ltd with a profit of $122,000 (2012: a loss of $659,000), while the lifestyle magazine company recorded a small loss of $47,000 (2012: loss of $118,000).

The Group's corporate operations cost centre incurred a net cost before tax of $3.9m (2012: $6.5m) for the year.

f) Consolidated Group Financial Performance & Cash Flows

The Consolidated Statement of Comprehensive Income reflects the following:

	2013 $M	2012 $M
Revenue	52.6	62.1
Pre-Tax loss	(6.7)	(14.5)
Tax	(0.6)	(2.8)
Net loss after tax	(7.3)	(17.3)
Non-controlling interests	0.5	0.6
Net loss to shareholders	**(7.8)**	**(17.9)**

Three of the Group's four core operating businesses have been profitable, with the insurance premium funding recording strong growth in revenues and profits. The Group benefited from a net gain of $621,000 (2012: $Nil) from the disposal of international and other non-core businesses, principally the Singapore adviser services business. However the decline in Group revenues and the consolidated loss for the period are largely the result of the cost of claims in the Professional Investment Services business.

The major adverse impacts on financial performance during the year have been:

- The additional cost of provisioning for client claims against PIS advisers for pre-2010 advice;
- The reduction in adviser numbers and consequently revenues in PIS;
- The costs across all the adviser services and wealth products businesses, but particularly PIS, incurred in preparing for changes required FOFA; and
- Rationalisation and executive termination expenses.

Despite recording a net loss for the year, the accounts reflect a net tax expense of $571,000 (2012: $2,774,000) for the period. This is partially because there is tax expense on the profitable, partly-owned businesses which are not part of the consolidated tax group. The Group is not currently recognising the benefit of deferred tax assets from tax losses.

The results also reflect a net loss after tax of $85,000 (2012: $Nil) from the discontinuing international operations, and the deduction of net profit attributable to non-controlling interests of $493,000 (2012: $582,000).

The retained net loss after tax translates to a net loss per share of 8.04 cents (2012: 17.90 cents).

The consolidated cash flow statement shows that despite the loss for the period and after adjustment for the cash cost of $11,295,000 (2012: $11,237,000) in settlement of legacy PIS client claims, there was a positive cash flow from operations of $1,159,000 (2012: cash outflow of $8,165,000). The Group retains a cash balance of $9,352,000 (2012: $14,621,000).

Financial Position

The Group has net assets at 30 June 2013 of $17,238,000 (2012: $27,162,000) and net tangible assets of $3,665,000 (2012: $11,633,000) representing net tangible assets per share of 3.92 cents (2012: 11.64 cents).

The disposal and elimination of the international businesses has reduced net assets by $1.3m. The sale of the Singapore operation involved the buy-back and cancellation of 7.7m ordinary shares at a deemed value of $3.8m, which is reflected in the reduction in share capital during the period.

The Group has an unrecognised asset at 30 June 2013 of approximately $12,000,000 (2012: $12,000,000) for the tax equivalent value of accumulated tax revenue losses and has accumulated dividend franking credits of $28,902,000 (2012: $27,985,000), which would notionally allow the Group to pay up to $67,400,000 in fully franked dividends.

Risks & Risk Management

Risk	Mitigation Strategies
Going concern	Cash flow forecasts are updated and reviewed on a regular basis and available cash is closely monitored on daily basis. Controllable costs are managed in response to revenue inflows and claims settlement outflows. Contingent cash realisation strategies are regularly considered and reviewed.
Claims & litigation against PIS in relation to legacy advice or failed products	Claims are actively addressed and managed, and appropriate professional expertise is sourced as required. Professional indemnity insurance is in place and efforts are being made to purchase additional insurance to 'ring fence' and limit liability on legacy claims.
Falling PIS adviser numbers	Adviser systems and services are being upgraded. A new client and customer-centric model is being developed.
Failure to satisfactorily complete ASIC monitoring program in PIS	Extensive investment has been made in compliance activities and processes within PIS. An independent expert has been engaged to assess the quality of advice and compliance processes.
Loss of funding for Insurance Premium Funding business	Centrepoint has a strong relationship with its banking partner. The finance facility has recently been renewed for 18 months on improved terms. Regular process audits are conducted by the bank and all reporting and covenant requirements are complied with.
Loss of key personnel	A comprehensive staff review and feedback process is actively employed. Regular reviews of remuneration to ensure market competitiveness are undertaken, and the Board has recently approved a structured short-term incentive program and long term incentive program for staff.

Strategies & Prospects

Considerable effort has been devoted in the last two years to simplify the group structure and exit non-core activities. As indicated in the review of risks, these issues are now regularly monitored and managed with considerable resources devoted to improving processes, upgrading systems and enhancing the service offering to customers.

Dividends

No dividends have been declared or paid by the Company in respect of the year ended 30 June 2013.

Options

Unissued shares

During the year Mr. Peter Walther (ex CEO of Professional Investment Services Ltd) was issued with 2,250,000 options over ordinary shares, of which 1,850,000 lapsed upon his resignation in April 2013. The remaining 400,000 options are fully vested and are exercisable at $0.40 each on or before 31 December 2016.

In August 2013 the Company granted 4,100,000 performance rights, which are options to acquire shares at nil cost. 1,500,000 of these options were granted to Managing Director, John de Zwart and the remaining 2,600,000 were offered to five senior executives. Mr de Zwart does not have an entitlement to the options unless they are approved by shareholders at the Annual General Meeting. The options will vest either partially or in full in September 2016 if certain profit targets are met. Earlier vesting can occur if certain events occur such as a takeover of the Company.

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 two 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

On 4 July 2013 the Company executed a revised bank facility agreement with the National Australia Bank for its insurance premium funding business. The new facility includes an increased facility limit and improved terms and is for an eighteen month term until January 2015.

In June 2013 the Company announced the commencement of a transaction involving the acquisition of the 45% of the AAP subsidiaries, through two schemes of arrangement, which is not currently owned by the Group. It was initially anticipated that this transaction would complete on 30 August 2013. On 8 August 2013 the Company proposed a deferral of the scheduled scheme meetings to allow amendment of the scheme documents to include the financial results for financial year ending 30 June 2013. This postponement has occurred and it is anticipated that the schemes will now be completed in mid October 2013.

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 been addressed in the Operating and Financial Review and in the subsequent events disclosure. The directors are not aware of any other significant material likely developments.

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 $61,178 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 remuneration arrangements of the directors and executives of 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 Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company, and includes the 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 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)
J.M. de Zwart	Managing Director (executive) – appointed 15 April 2013
A.D. Robinson	Managing Director (executive) – resigned 30 April 2013
C.J. Castles	Director (non-executive) – resigned 30 January 2013
S.J. Maitland	Director (non-executive)
M. Kidman	Director (non-executive)

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 – resigned 18 April 2013

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 2013	No. of days of remuneration included 2012
Directors			
R.J. Nelson	**CAF** Group Chairman & Director (non executive)	365	366
A.D. Robinson	**CAF** Group Managing Director – *resigned 30 April 2013*	304	366
J.M. de Zwart	**CAF** Group Managing Director – *appointed 15 April 2013*	76	-
N.J. Griffin	**CAF** Director (non-executive)	365	366
C.J. Castles	**CAF** Director (non-executive) – *resigned 30 January 2013*	214	366
S.J. Maitland	**CAF** Director (non-executive)	365	194
M. Kidman	**CAF** Director (non-executive)	365	131
Executives			
I.R. Magee	**CAF** Chief Financial Officer & Company Secretary	365	366
R.M. Dodd	**CAPF** Chief Executive Officer	365	366
P.B. Walther	**PIS** Chief Executive Officer – *resigned 18 April 2013*	292	314

John de Zwart was appointed to the position of Managing Director of CAF Group on 15 April 2013. There were no other changes of KMP after the reporting date and before the signing of this Report.

Remuneration philosophy

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

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

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

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

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

Remuneration Report (Audited) (continued)

Group performance

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

	2013	2012	2011	2010	2009
Group**					
NPAT - Net Profit/(Loss) after tax ($'000)	(7,288)	(17,299)	(13,125)	1,315	(21,061)
EPS (basic) – (Cents per share)	(8.04)	(17.90)	(16.21)	0.25	(31.89)
EPS (diluted) – (Cents per share)	(8.04)	(17.90)	(16.21)	0.25	(31.89)
Share price ($)	0.27	0.18	0.90	0.95	1.40

***Comparatives are pre-merger with CPW 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 maximum aggregate remuneration for financial year ended 30 June 2013, which was approved by a resolution of shareholders at the Annual General Meeting on 29 November 2012 is $425,000 (2012: $350,000).

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:

John de Zwart – Managing Director – Appointed 15 April 2013
Contract commencement date: 02 August 2013
Term: No term specified
Incentives:
Short term incentive –
Consists of a potential cash bonus of $200,000 based on achieving certain criteria.

i) $75,000 for being employed 12 months after commencement date.
ii) The balance of $125,000 will be determined based on Key Result Areas agreed and reviewed by the Board.

Long term incentive –
Issue of up to 1,500,000 fully paid ordinary CAF shares at nil cost based on achievement of growth targets in the consolidated underlying profit of the Company (as determined by the Directors) over the next three financial years, as follows:

If the cumulative underlying profit of financial years 2014, 2015 and 2016 divided by 3 is:

- Less than 133% of 2013 underlying profit, none will be issued;
- 133% to 138% of 2013 underlying profit one-third of the total will be issued;
- 139% to 145% of 2013 underlying profit two-thirds of the total will be issued;
- 146% or greater of 2013 underlying profit 100% will be issued.

Required notice (Executive): 3 months
Required notice (Company): 6 months
Termination Entitlement: Remaining amount of total fixed annual remuneration.

Tony Robinson - Managing Director – Resigned 30 April 2013
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. In FY 2013, an ex gratia bonus of $50,000 was paid upon termination.
Long term incentive –

i) Previously in the form of shares through the Centrepoint Alliance Employee Share Plan. The component consisted of an entitlement to acquire 428,572 fully paid ordinary shares at a cost of $1.225 each. The entitlement expired unexercised on 31 October 2012.
ii) In December 2009, Mr Robinson was issued the current equivalent of 428,572 partly paid shares at a total cost of $1.085 per share , on which he paid 21 cents per share on issue with the balance payable in October 2012. At a meeting of shareholders on 19 October 2012 a resolution was passed to buy back the partly paid shares at nil cost from Mr Robinson. The shares were subsequently cancelled.

Required notice (Executive): 6 months
Required notice (Company): 6 months
Termination entitlements: 6 months of total fixed annual remuneration.

Remuneration Report (Audited) (continued)

Ian Magee - Chief Financial Officer & Company Secretary
Contract commencement: 1 May 2003
Term: No term specified
Incentives:
Short term incentive –
This consists of a cash bonus based on achieving certain performance and profit criteria, which are revised annually and determined by the NRGC. In FY 2013 the incentive consisted of a potential bonus of $35,000 based on achieving key project responsibilities; including completion of the sale of Singapore business and other tasks and profit targets as measured by the NRGC. The bonus was accrued in FY2013 and subsequent to the balance date the Board has approved a cash payment of $20,000.
Long term incentive –
This is in the form of shares through the Centrepoint Alliance Employee Share Plan. The component consists of an entitlement to acquire 70,714 fully paid ordinary shares through the Employee Share Plan at a price of $0.40 per share. The entitlement is fully vested and expires on 31 October 2014. There is no other long term incentive currently in place.
Required Notice (Executive): 1 month.
Required notice (Company): None specified.
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 –
This consists in the form of a cash bonus based on achieving certain profit and performance criteria determined by the NRGC, including the achievement of certain profit targets in the IPF business unit. In FY2013 a bonus of $170,700 was accrued. The bonus was paid in full subsequent to the balance date.
Long term incentive –
This was previously in the form of shares through the Centrepoint Alliance Employee Share Plan. The component consists of an entitlement to acquire 107,143 fully paid ordinary shares through the Employee Share Plan at a price of $0.40 per share. The entitlement is fully vested and expires on 31 October 2014.

Subsequent to the balance date the Board has approved the possible issue of up to 600,000 fully paid ordinary shares in the Company at nil cost which are subject to the achievement of the profit hurdles outlined below.

If the cumulative underlying Group profit of financial years 2014, 2015 and 2016 divided by 3 is:

- Less than 133% of 2013 underlying profit, none will be issued;
- 133% to 138% of 2013 underlying profit one-third of the total will be issued;
- 139% to 145% of 2013 underlying profit two-thirds of the total will be issued;
- 146% or greater of 2013 underlying profit 100% will be issued.

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

Remuneration Report (Audited) (continued)

Peter Walther - Chief Executive Officer (Professional Investment Services) – Resigned 18 April 2013
Contract commencement date: 22 August 2011
Term: No term specified
Incentives:
Short term incentive –
This consisted of a cash bonus based on achieving certain profit and performance criteria as determined by the NRGC. A bonus of $125,000 was paid on the first anniversary of employment on 22 August 2012. Upon termination, contractual entitlements of $209,105 were paid.
Long term incentive –
Mr Walther was issued with 2,250,000 options over ordinary shares with the following terms.

Number of Shares	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

Upon Mr Walther's resignation in April 2013 all of his unvested options lapsed unexercised. He retains 400,000 unexercised options exercisable at $0.40, which expire on 31 December 2016.
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.

Remuneration Report (Audited) (continued)

Table 1 - Remuneration of Directors, Key Management Personnel and Executives for the Group

	Short-Term				Post Employment	Share-based Payments	Total	Performance Related	Share Related
	Salary/Fees $	Cash Bonus $	Percentage of Maximum %	Other $	Superannuation $	$	$	%	%
30 June 2013									
Directors									
R.J. Nelson	101,300	-	-	-	9,117	-	110,417	-	-
A.D. Robinson[1,5]	342,501	-	-	50,000	27,867	-	420,368	11.89	-
J.M. de Zwart[2]	77,471	-	-	-	6,972	-	84,443	-	-
N.J. Griffin	60,550	-	-	-	5,450	-	66,000	-	-
C.J. Castles[3]	16,500	-	-	-	-	-	16,500	-	-
S.J. Maitland	60,550	-	-	-	5,450	-	66,000	-	-
M. Kidman	55,046	-	-	-	4,954	-	60,000	-	-
Executives									
I.R. Magee	255,000	20,000	57.14	-	22,950	4,794	302,744	6.61	1.58
R.M. Dodd[6]	300,000	170,700	100.00	-	27,000	7,264	504,964	33.80	1.49
P.B. Walther[1,5]	434,408	125,000	100.00	209,105	16,573	49,600	834,686	20.92	5.94
Total	**1,703,326**	**315,700**		**259,105**	**126,333**	**61,658**	**2,466,122**		
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	100.00	-	21,839	2,430	301,930	11.59	0.80
R.M. Dodd[6]	251,534	158,348	100.00	23,000	25,055	3,681	461,618	34.30	0.79
P.B. Walther[2,6]	362,007	106,900	100.00	19,800	15,775	-	504,482	21.19	-
G. Whimp[1,5]	-	30,000	100.00	76,663	-	-	106,663	28.13	-
Total	**1,929,028**	**330,248**		**483,584**	**150,155**	**19,136**	**2,912,151**		

[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 short term incentives (STI) 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

Previously STI's have been made available only to selected senior employees and the basis of the incentive has varied depending on the role and circumstance of the employee. Actual STI payments granted to each executive depended on the extent to which specific targets set at the beginning of the financial year are met. The targets consisted 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.

In July 2013 the directors approved a new Group-wide structured STI scheme applicable to all employees. Under the new STI employees may be able to achieve an STI award based as a percentage of annual base salary, the percentage increases based on level of seniority. The STI is determined based on a mix of Group financial performance, the employee's business unit's financial performance and the individual's personal performance rating based on a structured performance review score card.

The new STI system is a simple, consistent method of remunerating and rewarding employees and directors believe it aligns their interests with those of the shareholders and will improve staff engagement.

Remuneration Report (Audited) (continued)

Long term incentives

Objective

The objective of long term incentives (LTI) 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’) or in the form of performance rights (zero cost share options). Under the rules of CAESP 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. The performance rights will only vest if certain profit targets are met.

Awards

No awards were made under the CAESOP or the CAESP during the financial year.

During the year, in accordance with a resolution of the shareholders in general meeting, the Company bought back, from former Managing Director Tony Robinson, 428,572 partly paid shares in the Company. The partly paid shares, which had been paid up to $0.21 out of a total of $1.085 per share, were bought back for $Nil consideration and were cancelled.

Subsequent to the balance date the Board has approved the grant of up to 1,500,000 performance rights (options to acquire fully paid ordinary shares in the Company at nil cost) to the Managing Director (subject to shareholder approval) and up to 2,600,000 performance rights to nominated senior executives of the Centrepoint Alliance Group of companies, which are subject to achievement of the profit hurdles outlined below:

If the cumulative underlying profit of financial years 2014, 2015 and 2016 divided by 3 is:

- Less than 133% of 2013 underlying profit, none will be issued;
- 133% to 138% of 2013 underlying profit one-third of the total will be issued;
- 139% to 145% of 2013 underlying profit two-thirds of the total will be issued;
- 146% or greater of 2013 underlying profit 100% will be issued.

Underlying profit is a measure of consolidated net profit after tax for the Group from its core trading activities only, which excludes gains or losses from unusual or rarely-occurring events and from any misalignment between economic value and accounting treatment. The final underlying profit or loss for a period will be determined by the Board.

These arrangements form part of the Company’s long term incentive scheme for senior executives, the purpose of which is to align their interests with those of the shareholders and to provide a key retention incentive. Upon issue, the shares will rank equally with all other fully paid ordinary shares in the Company then on issue.

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

	2013		2012	
	No.	**WAEP***	**No.**	**WAEP***
(i) Shares under CAESP				
Outstanding at beginning of period	749,288	1.07	749,288	$1.07
New share awards	-	-	-	-
Expired and transferred to unallocated shares	(571,430)	(1.40)	-	-
Outstanding at end of period	**177,858**	**0.40**	**749,288**	**$1.07**
(ii) Options under CAESOP				
Outstanding at beginning of period	-	-	-	-
New option awards	2,250,000	0.36	-	-
Expired during the period	(1,850,000)	(0.35)	-	-
Outstanding at end of period	**400,000**	**0.40**	**-**	

**WAEP is weighted average exercise price*

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 2013. The independence declaration which forms part of this report is on page 25.

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

	2013 $	2012 $
Regulatory compliance (Enforceable Undertaking)	-	1,411,591
Taxation services	167,633	120,000
Sundry	20,000	-
Total non-audit services	**187,633**	**1,531,591**

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

30 August 2013

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

In relation to our audit of the financial report of Centrepoint Alliance Limited for the financial year ended 30 June 2013, 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

Peter McIver
Partner
Perth
30 August 2013

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 is 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 (8 years)

J de Zwart

Managing Director (4 months)

N J Griffin

Non-executive Director (8 years)

S J Maitland

Non-executive Director (1.8 years)

M Kidman

Non-executive Director (1.5 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 is 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

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 is reviewed at least annually.

Risk Committee

The principle roles of the Risk Committee are oversight of:

- 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 Committee comprises two non-executive directors and the managing director and is chaired by Mr Stephen Maitland. The committee operates under a Board Charter approved by the Board of directors, which is reviewed at least annually.

The Company also has a detailed Risk Management Policy and Risk Management Framework, which are reviewed at least annually. Individual business units appoint risk officers and maintain risk registers for their businesses including a description and rating of the risk, risk implications and detailed treatment and mitigation strategies.

Each business is required to report to the Committee on a regular basis to summarise their risks, provide detail on high and very high risks and update on any changes and progress in relation to risk management.

CEO and CFO Certification

In accordance with section 295A of the *Corporations Act 2001*, the CEO (Managing Director) and CFO have provided a written statement to the board that:

- Their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the board.
- The Company's risk management and internal compliance and control system is operating effectively in all material respects.

The Board agrees with the views of the ASX on this matter and notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

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 is reviewed at lease annually. 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.

Diversity

The Board is committed to creating an inclusive workplace where everyone is treated equally and fairly, and where discrimination, harassment and inequity are not tolerated. Accordingly a Diversity, Anti-Discrimination & Equal Employment Opportunity Policy has been established and is reviewed regularly.

A number of diversity objectives have been established to assess progress towards the Board's commitments including:

- Monitoring and reporting on the percentage of females in the workforce and in senior management positions (currently 60% of employees and 36% of senior manager positions, including directors, are females).
- Promoting an inclusive culture which treats the workforce with fairness and respect (the Company has set a zero tolerance against discrimination of employees).
- Providing career development opportunities for all employees irrespective of gender, cultural or other differences (the Company encourages training and advancement for all employees through regular reviews and assessments).

The Company will continue to review and update the measurable objectives to promote diversity for the future.

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 are reviewed at least 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.
- Periodic shareholder newsletters from the Managing Director or Chairman.

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

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2013

Continuing Operations	Notes	Year Ended 30 Jun 2013 $'000	Year Ended 30 Jun 2012 $'000
Revenue			
Advice and financial product revenue		128,013	177,260
Advice and financial product fees paid		(92,685)	(131,975)
Advice and financial product revenue (net of fees)		35,328	45,285
Interest income	6	14,207	14,201
Other revenue/income	7	3,095	2,604
		52,630	**62,090**
Expenses			
Borrowing expenses	8	(5,015)	(5,451)
Employee benefit expenses	9(a)	(22,550)	(24,753)
Professional consulting fees		(4,313)	(9,206)
Client claims	21	(9,980)	(16,736)
Insurances		(2,066)	(3,124)
Property costs		(3,689)	(4,216)
Impairment of assets	9(b)	(993)	(1,635)
Other general and administration expenses	9(c)	(10,656)	(11,494)
Loss before tax		**(6,632)**	**(14,525)**
Income tax expense	11(a)	(571)	(2,774)
Net loss for the period from continuing operations		**(7,203)**	**(17,299)**
Discontinued operations			
Loss after tax from discontinued operations		(85)	-
Net loss for the period		**(7,288)**	**(17,299)**
Other comprehensive income			
Items that may be classified subsequently to profit and loss:			
Foreign currency translation		1,456	16
Total comprehensive loss for the period		**(5,832)**	**(17,283)**
Net loss attributable to:			
Owners of the parent		(7,781)	(17,881)
Non-controlling interests		493	582
Net loss for the period		**(7,288)**	**(17,299)**
Total comprehensive loss attributable to:			
Owners of the parent		(6,325)	(17,875)
Non-controlling interests		493	592
Total comprehensive loss for the period		**(5,832)**	**(17,283)**
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	(8.04)	(17.90)
Basic and diluted loss per share from continuing operations		(7.95)	(17.90)

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the attached notes included in pages 34 to 80.

Consolidated Statement of Financial Position
As at 30 June 2013

	Notes	As at 30 Jun 2013 $'000	As at 30 Jun 2012 $'000
Assets - Current			
Cash and cash equivalents	24(a)	9,352	14,621
Trade and other receivables	14	13,730	23,895
Interest bearing receivables	15	107,622	95,299
Other assets	16	2,760	4,155
Current tax asset		225	-
Total current assets		**133,689**	**137,970**
Assets - Non-current			
Trade and other receivables	14	92	562
Interest bearing receivables	15	557	1,044
Other assets	16	1,119	1,950
Property, plant and equipment	17	1,193	1,593
Intangible assets and goodwill	18	6,521	8,232
Deferred tax assets	11(d)	7,052	7,297
Total non-current assets		**16,534**	**20,678**
Total Assets		**150,223**	**158,648**
Liabilities - Current			
Trade and other payables	19	37,544	40,866
Interest bearing liabilities	20	71,656	64,990
Provisions	21	10,250	7,422
Current tax liability		121	247
Total current liabilities		**119,571**	**113,525**
Liabilities - Non-current			
Trade and other payables	19	-	328
Interest bearing liabilities	20	90	253
Provisions	21	13,324	17,380
Total non-current liabilities		**13,414**	**17,961**
Total Liabilities		**132,985**	**131,486**
Net Assets		**17,238**	**27,162**
Equity			
Contributed equity	22	24,809	28,675
Reserves	23	69	(1,405)
Accumulated losses	22	(7,913)	-
Equity attributable to shareholders		**16,965**	**27,270**
Non-controlling interests		273	(108)
Total Equity		**17,238**	**27,162**

The Consolidated Statement of Financial Position is to be read in conjunction with the attached notes included in pages 34 to 80.

Consolidated Statement of Cash Flows
For the year ended 30 June 2013

	Notes	Year Ended 30 Jun 2013 $'000	Year Ended 30 Jun 2012 $'000
Cash flows from operating activities			
Cash receipts from customers		172,007	204,707
Cash paid to suppliers and employees		(159,554)	(200,107)
Cash provided by operations		12,453	4,600
Claims and litigation settlements	21	(11,295)	(11,237)
Income tax refunded/(paid)		1	(1,528)
Net cash flows (used in)/provided by operating activities	24(b)	**1,159**	**(8,165)**
Cash flows from investing activities			
Interest received		711	1,932
Cash acquired on acquisitions		-	3,542
Proceeds from sale of investments		-	1,656
Acquisition of investments		-	(1,554)
Acquisition of property, plant and equipment		(439)	(444)
Net cash flows provided by investing activities		**272**	**5,132**
Cash flows from financing activities			
Interest and borrowing expenses paid		(326)	(518)
Net increase/(decrease) in borrowings		6,540	4,702
Net (increase)/decrease in loan funds advanced		(12,225)	(5,914)
Dividends paid to non-controlling interests	12	(920)	(1,084)
Net cash flows used in financing activities		**(6,931)**	**(2,814)**
Net (decrease)/increase in cash and cash equivalents		**(5,500)**	**(5,847)**
Cash and cash equivalents at the beginning of the period		14,621	20,420
Effect of exchange rate fluctuations on cash held		231	48
Cash and cash equivalents at the end of the period	24(a)	**9,352**	**14,621**

The Consolidated Statement of Cash Flows is to be read in conjunction with the attached notes included in pages 34 to 80.

Consolidated Statement of Changes in Equity
For the year ended 30 June 2013

	Notes	Ordinary Shares $'000	Reserves $'000	Accumulated Losses $'000	Total $'000	Non-Controlling Interests $'000	Total Equity $'000
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 (loss)/income for the period		**-**	**6**	**(17,881)**	**(17,875)**	**592**	**(17,283)**
Issue of share capital	22	3,783	-	-	3,783	-	3,783
Offset of accumulated losses against share capital	22	(43,248)	-	43,248	-	-	-
Share-based payment	28	-	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**
Balance at 1 July 2012		28,675	(1,405)	-	27,270	(108)	27,162
(Loss)/profit for the period		-	-	(7,781)	(7,781)	493	(7,288)
Other comprehensive income							
Foreign currency translation differences		-	1,456	-	1,456	-	1,456
Net change in fair value of available for sale assets		-	-	-	-	-	-
Total comprehensive income/(loss) for the period		**-**	**1,456**	**(7,781)**	**(6,325)**	**493**	**(5,832)**
Issue of share capital	22	-	-	-	-	-	-
Buyback and cancellation of shares from sale of Singapore business	22	(3,866)	-	-	(3,866)	-	(3,866)
Offset of accumulated losses against share capital		-	-	-	-	-	-
Share-based payment	28	-	18	54	72	-	72
Deconsolidation and sale of overseas subsidiaries		-	-	-	-	622	622
Dilution gains/(losses)		-	-	(186)	(186)	186	-
Dividends paid	12	-	-	-	-	(920)	(920)
Balance at 30 June 2013		**24,809**	**69**	**(7,913)**	**16,965**	**273**	**17,238**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the attached notes included in pages 34 to 80.

Notes to the Consolidated Financial Statements
30 June 2013

1. Corporate information

The financial report of Centrepoint Alliance Limited and its Controlled Entities (the Group) for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 29 August 2013.

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.

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 $17,238,000 (2012: $27,162,000) and net tangible assets of $3,665,000 (2012: $11,633,000). The Group also holds $9,352,000 (2012: $14,621,000) in cash and cash equivalents at year end which is sufficient to meet its operational needs. The Group is projecting a positive cash position at the end of financial year 2014.

On 1 July 2013 the National Australia Bank provided CAF with an offer to expand and extend until 31 January 2015 the bank facility arrangements for insurance premium funding. The CAF Board has approved the new facility arrangements and executed the relevant documents.

In April 2012 the main operating entity of the Group, Professional Investment Services Pty Ltd (PIS), completed 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 pre-2010 matters of compliance, documentation and systems within PIS. As a follow up to the EU, in February 2013 ASIC have requested that a further monitoring program be completed, with a review by independent expert PricewaterhouseCoopers. It is anticipated that the monitoring program will be completed during the second quarter of 2014. The directors expect that this monitoring program will be completed to the satisfaction of all parties. However, if this is not the case, there is a risk that ASIC may impose further operating conditions or potentially even suspend or withdraw PIS's Australian Financial Services Licence which would mean that it would not be able to continue its operations.

Continuous Disclosure

It is recommended that this financial report be considered together with any public announcements made by Centrepoint Alliance Limited and its controlled entities during the year ended 30 June 2013 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 2013. The directors believe that the application of these new or amended accounting standards and interpretations would not have any material financial effect on the Consolidated Financial Statements presented.

Title	Application date of standard	Application date for Group
AASB 10: *Consolidated Financial Statements* Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10.	1 January 2013	1 July 2013
AASB 11: *Joint Arrangements* Consequential amendments were also made to this and other standards via AASB 2011-7, AASB 2010-10 and amendments to AASB 128.	1 January 2013	1 July 2013
AASB 12: *Disclosure of Interests in Other Entities*	1 January 2013	1 July 2013
AASB 13: *Fair Value Measurement* Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	1 July 2013
AASB 119: *Employee Benefits* Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	1 July 2013
Interpretation 20: *Stripping Costs in the Production Phase of a Surface Mine* Consequential amendments were also made to other standards via AASB 2011-12.	1 January 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 2012-5 : Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle	1 January 2013	1 July 2013
AASB 2012-9: Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039	1 January 2013	1 July 2013
AASB 2011-4: Amendments to Australian Accounting Standards 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* Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2, 2011-2, 2011-6, 2011-11, 2012-1, 2012-7 and 2012-11.	1 July 2013	1 July 2013
AASB 2012-3 Amendments to Australian Accounting Standards - *Offsetting Financial Assets and Financial Liabilities*	1 January 2013	1 July 2013

Title	Application date of standard	Application date for Group
Interpretation 21: *Levies*	1 January 2014	1 July 2014
AASB 1055: Budgetary Reporting AASB 2013-1 removes the requirements relating to the disclosure of budgetary information from AASB 1049 (without substantive amendment).	1 July 2014	1 July 2013
AASB 9: *Financial Instruments* Further amended by AASB 2010-7, AASB 2012-6 Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and 2010-10.	1 January 2015	1 July 2015

a) Changes in accounting policy and disclosures

i) Changes to accounting policies

New standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 have been adopted by the Group. The adoption of these standards had no material financial impact on the current period or any prior period and is not likely to affect future periods.

The table below summarises the new standards and amendments to standards that have been adopted by the Group for the financial year beginning 1 July 2012.

Title	Application date of standard	Application date for Group
AASB 2010-8: Amendments to Australia Accounting Standards – Deferred Tax: Recovery of Underlying Assets AASB 112	1 July 2012	1 July 2012
AASB 2011-9: Amendments to Australia Accounting Standards – Presentation of Other Comprehensive Income AASB 1,5,7,101,112,120,121,132,133,134,1039 & 1049	1 July 2012	1 July 2012

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.

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(m) and 18.
- *Impairment of loan receivables – adviser loans* – note 15.
- *Provision for client claims* – notes 2(q) and 21.
- *Recognition of deferred tax assets* - notes 2(u) 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.

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 makers 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.

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. 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

i) Insurance Premium Finance

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

ii) 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.

iii) 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.

iv) Impairment of loan receivables

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

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

i) Trade and other receivables

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

j) Investments and other financial assets

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

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

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

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

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

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

i) Recognition and derecognition

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

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

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

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

ii) Impairment

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

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

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

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

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

k) 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

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.

l) 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.

m) Goodwill and intangibles

i) Goodwill

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

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

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

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

Impairment losses recognised for goodwill are not subsequently reversed.

ii) Intangibles

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

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

n) 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.

o) 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.

i) 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).

p) 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.

q) Provisions and employee benefits

i) Provisions (refer to Note 21)

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

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

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

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

ii) Employee benefits

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

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

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

b) Long service leave

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

r) 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 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.

s) 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.

t) 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.

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.

u) Income tax and other taxes

i) Income Tax

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

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

a) Current tax

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

b) Deferred tax

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

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

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

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

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

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

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

c) Tax consolidation legislation

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

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

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.

v) 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, cash and short-term deposits.

The Group manages its exposure to key financial risks 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, and liquidity 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 assessments of market forecasts for interest rates. 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 and trade and other receivables. 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:

	2013 $'000	2012 $'000
Australia	122,001	116,010
New Zealand	-	46
Singapore	-	4,600
Malaysia	-	144
Total exposure	**122,001**	**120,800**

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

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

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

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

i) Trade and other receivables

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

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

ii) Loans receivable – insurance premium funding

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

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

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

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) Ageing analysis

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

2013	**Total**	**0-30 days**	**31-60 days**	**61-90 days PDNI***	**61-90 days CI****	**+91 days PDNI***	**+91 days CI****
Trade receivables	13,822	11,313	131	163	-	21	2,194
Loan receivables – IPF	107,170	106,503	172	53	93	258	91
Loan receivables – Adviser	1,009	30	29	29	-	921	-

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

2012	**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.

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 20. 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:

	2013		2012	
	Fixed $'000	Variable $'000	Fixed $'000	Variable $'000
Financial Assets				
Cash	3	3,894	-	11,481
Loan receivables – insurance premium funding	-	107,170	-	94,446
Loan receivables – investment advisers	841	168	1,378	519
Deposits	6,537	-	3,140	-
	7,381	111,232	4,518	106,446
Financial Liabilities				
Receivables finance facility – IPF	-	71,456	-	64,647
Equipment hire and software finance	290	-	596	-
	290	71,456	596	64,647
Net exposure	**7,091**	**39,776**	**3,922**	**41,799**

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. While individual IPF loans are at fixed interest rate, and hence not subject to interest rate risk, the loan book consists of multiple small value loans with an average period to run of 5 to 6 months. 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 and as new loans are written on a daily basis the overall receivable is considered to be variable.

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)	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Judgements of reasonably possible movements:				
+1% (100 basis points)	318	667	318	667
-1% (100 basis points)	(318)	(667)	(318)	(667)

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 20(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 the IPF interest bearing receivable, which comprises the majority, consists of multiple small loans with an average period left to run of 5 to 6 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.

i) 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.

The tables below are 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 2013				
Financial assets				
Cash	3,897	-	-	3,897
Trade receivables	12,714	1,016	92	13,822
Loan receivables – insurance premium funding	54,083	53,087	-	107,170
Loan receivables – investment advisers	347	105	557	1,009
Deposits	5,508	-	1,029	6,537
	76,549	54,208	1,678	132,435
Financial liabilities				
Trade and other payables	37,174	370	-	37,544
Receivables finance facility – IPF	36,060	35,396	-	71,456
Equipment hire and software finance	226	226	90	542
	73,460	35,992	90	109,542
Net Maturity	**3,089**	**18,216**	**1,588**	**22,893**

	≤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	49,768	48,852	-	98,620
Loan receivables – investment advisers	446	446	1,090	1,982
Deposits	-	1,070	1,784	2,854
	87,907	51,838	3,436	143,181
Financial liabilities				
Trade and other payables	40,866	-	328	41,194
Receivables finance facility – IPF	34,066	33,439	-	67,505
Equipment hire and software finance	172	171	253	596
	75,104	33,610	581	109,295
Net Maturity	**12,803**	**18,228**	**2,855**	**33,886**

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

At balance date, the Group has available approximately $50,636,000 (2012: $45,427,000) of unused credit facilities available for immediate use.

e) Foreign currency risk

During the year the Group disposed of its primary international subsidiary based in Singapore. Its remaining international interests have been treated as investments and have been fully impaired at balance date. Accordingly foreign currency risk for the Group is now negligible.

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.

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.

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.

There were no transfers between categories during the year.

4. Business combination

There have been no material business combinations during the period.

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:

- Insurance Premium Funding (IPF)
- Financial Advice Services (Own AFSL) – Australia (PIS)
- Financial Advice Services (Licensees) – Australia (AAP)
- Investment Products & Services – Australia (INVESTMENT PRODUCTS)
- Corporate & Other (CORPORATE & OTHER)
- Discontinued International Operations (DISCONTINUED)

The following table presents revenue and profit information for reportable segments for the years ended 30 June 2013 and 30 June 2012:-

	IPF $'000	PIS $'000	AAP $'000	Investment Products $'000	Corporate & Other $'000	Discontinued $'000	TOTAL $'000
Year Ended 30 June 2013							
Advice & product revenue (net)	-	22,458	5,113	6,350	1,407	2,776	38,104
Interest income	13,553	58	22	13	561	-	14,207
Other revenue	1,070	1,801	103	134	(13)	101	3,196
Total net revenue	**14,623**	**24,317**	**5,238**	**6,497**	**1,955**	**2,877**	**55,507**
Borrowing expenses	(4,723)	(292)	-	-	-	(6)	(5,021)
Client claims	-	(9,980)	-	-	-	(4)	(9,984)
Depreciation and amortisation	(99)	(1,243)	-	(395)	(169)	(74)	(1,980)
Impairment of assets	(434)	(559)	-	-	-	-	(993)
Other expenses	(6,015)	(23,486)	(2,541)	(3,641)	(5,685)	(2,847)	(44,215)
Profit/(loss) before tax	**3,352**	**(11,243)**	**2,697**	**2,461**	**(3,899)**	**(54)**	**(6,686)**
Income tax (expense)/ credit	(1,035)	-	(145)	(568)	1,177	(31)	(602)
Net profit/(loss) after tax	**2,317**	**(11,243)**	**2,552**	**1,893**	**(2,722)**	**(85)**	**(7,288)**
At 30 June 2013							
Current assets	**109,591**	**25,479**	**1,716**	**9,262**	**(12,359)**	**-**	**133,689**
Non-current assets:							
Property, plant and equipment	165	1,012	-	3	13	-	1,193
Intangible assets and goodwill	328	2,814	-	879	2,500	-	6,521
Other	(274)	7,867	67	(211)	1,371	-	8,820
Total assets	**109,810**	**37,172**	**1,783**	**9,933**	**(8,475)**	**-**	**150,223**
Total liabilities	**93,968**	**35,680**	**796**	**807**	**1,734**	**-**	**132,985**
Net assets	**15,842**	**1,492**	**987**	**9,126**	**(10,209)**	**-**	**17,238**

	IPF $'000	PIS $'000	AAP $'000	Investment Products $'000	Corporate & Other $'000	Discontinued $'000	TOTAL $'000
Year Ended 30 June 2012							
Advice & product revenue (net)	-	27,961	4,888	2,008	1,242	4,615	40,714
Interest income	12,228	241	55	130	1,546	1	14,201
Other revenue	913	5,701	7	3,458	(3,062)	158	7,175
Total net revenue	**13,141**	**33,903**	**4,950**	**5,596**	**(274)**	**4,774**	**62,090**
Borrowing expenses	(4,932)	(160)	-	(1)	(350)	(8)	(5,451)
Client claims	-	(16,716)	-	-	(7)	(13)	(16,736)
Depreciation and amortisation	(80)	(1,444)	-	(255)	(157)	(222)	(2,158)
Impairment of assets	(375)	41	-	-	(1,301)	-	(1,635)
Other expenses	(5,397)	(30,957)	(1,811)	(3,396)	(4,419)	(4,655)	(50,635)
Profit/(loss) before tax	**2,357**	**(15,333)**	**3,139**	**1,944**	**(6,508)**	**(124)**	**(14,525)**
Income tax (expense)/credit	(718)	-	(876)	(875)	(305)	-	(2,774)
Net profit/(loss) after tax	**1,639**	**(15,333)**	**2,263**	**1,069**	**(6,813)**	**(124)**	**(17,299)**
At 30 June 2012							
Current assets	**96,756**	**29,103**	**2,817**	**7,348**	**945**	**1,001**	**137,970**
Non-current assets:							
Investment in associates	-	-	-	-	166	-	166
Property, plant and equipment	381	1,193	-	3	24	213	1,814
Intangible assets and goodwill	-	4,077	-	815	1,797	1,322	8,011
Other	-	9,525	4	40	1,118	-	10,687
Total assets	**97,137**	**43,898**	**2,821**	**8,206**	**4,050**	**2,536**	**158,648**
Total liabilities	**83,579**	**38,361**	**1,214**	**892**	**1,436**	**6,004**	**131,486**
Net assets	**13,558**	**5,537**	**1,607**	**7,314**	**2,614**	**(3,468)**	**27,162**

6. Interest revenue

	2013 $'000	2012 $'000
Interest income – insurance premium funding*	13,553	12,229
Interest Income – other	654	1,972
Total	**14,207**	**14,201**

*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 $8,014,912 (2012: $6,708,727) on financing activities has been netted off against (i.e. deducted from) interest and fee income.

a) Rates of Interest:-

	Average Balance		Interest		Average Rate p.a.	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 %	2012 %
Loan receivables – insurance premium funding (net)	118,722	100,920	13,553	12,228	11.42	12.12
Loan receivables – investment advisers	1,682	3,222	188	289	11.17	8.96
Loan receivables – other	-	5,734	-	755	-	13.16
Cash and deposits	8,508	18,393	466	928	5.48	5.05

7. Other revenue

	2013 $'000	2012 $'000
Recoveries from advisers	1,256	1,542
Gain on sale of investments	621	151
Other	1,218	911
Total Other Revenue	**3,095**	**2,604**

8. Borrowing expenses

	2013 $'000	2012 $'000
Interest expense	3,701	4,331
Bank fees & other	1,314	1,120
Total Borrowing Expenses	**5,015**	**5,451**

a) Rates of Interest:-

	Average Balance		Interest		Average Rate p.a.	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000	2013 %	2012 %
Interest expense	78,077	72,041	3,701	4,331	4.74	6.01

	2013 $'000	2012 $'000

9. Other Expenses

	2013 $'000	2012 $'000
(a) Employee benefit expenses		
Wages and salaries	19,071	21,334
Other associated personnel expenses	3,319	3,318
Share based compensation expense	72	15
Increase in liability for employee entitlements	88	86
	22,550	**24,753**
(b) Impairment of assets		
Impairment of receivables	605	1,286
Impairment of intangibles	388	349
	993	**1,635**
(c) Other general and administration expenses		
Audit fees	491	518
Communication expenses	662	735
Computer expenses	1,105	1,201
Adviser conference & training expenses	1,379	1,593
Depreciation and amortisation	1,906	2,126
Directors fees and expenses	356	467
Entertainment	301	282
Foreign exchange gain/(loss)	75	(35)
Licensing, subscriptions and registrations	574	636
Marketing and promotion	403	518
Management fees	619	791
Other expenses	1,541	1,100
Printing, stationary and postage	312	487
Travel and accommodation	932	1,075
	10,656	**11,494**

10. Remuneration of auditors

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

Remuneration received, or due and receivable:

	2013	2012
Ernst & Young (Australia):		
Audit fees	379,000	398,025
Taxation services	167,633	120,000
Other regulatory audit services	20,000	-
Regulatory compliance – Enforceable Undertaking	-	1,411,591
Total remuneration	566,633	1,929,616
Other Auditors:		
Audit fees – Managed funds & international businesses	120,945	119,617
Total Remuneration	**687,578**	**2,049,233**

11. Income tax

a) Income tax expense

The major components of the income tax expense for continuing businesses are:

	2013 $'000	2012 $'000
Income statement		
Current income tax		
Current income tax charge	138	704
Adjustment to current tax of prior period	188	(434)
Deferred income tax		
Relating to origination and reversal of temporary differences	(361)	(1,763)
Adjustment to deferred tax of prior period	606	4,267
Income tax expense reported in the income statement	**571**	**2,774**

b) Amounts charged or credited directly to equity

No income tax amounts where charged or credited directly to equity for the year ending 2013 (2012: $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:

	2013 $'000	2012 $'000
Accounting loss before tax	(6,686)	(14,525)
At the Parent Entity's statutory income tax rate of 30% (2012: 30%)	(2,006)	(4,358)
Tax on discontinued operations	(30)	-
Non-deductible expenses	135	211
Amounts not included in assessable income	(177)	-
Effect of tax losses not taken to account	1,855	3,088
Write off of deferred tax asset relating to prior year tax losses	-	4,267
Adjustments in respect of current tax of prior years	188	(434)
Adjustments in respect of deferred tax of prior years	606	-
Aggregate income tax expense	**571**	**2,774**

d) Recognised deferred tax assets and liabilities

Deferred income tax at 30 June 2013 relates to the following:

	Balance Sheet		Income Statement	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Deferred tax liabilities				
Deferred revenue	(16)	(518)	502	(510)
Prepayments	(1,838)	(705)	(1,133)	(238)
Gross deferred tax liabilities	(1,854)	(1,223)	(631)	(748)
Deferred tax assets				
Provisions for claims	6,231	6,625	(394)	2,068
Provision for impairment of loan receivables	1,099	251	848	213
Deferred fee income	64	52	12	7
General accruals	537	426	111	181
Employee benefits	700	756	(56)	502
Deferred transaction costs	275	410	(135)	(460)
Carried forward revenue losses	-	-	-	(4,267)
Gross deferred tax assets	8,906	8,520	386	(1,756)
Net deferred tax assets	**7,052**	**7,297**		
Movement in deferred tax assets/liabilities			**(245)**	**(2,504)**
Deferred income tax (expense)/benefit is attributable to:				
Continuing operations			**(245)**	**(2,504)**

e) Tax losses

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

	2013 $'000	2012 $'000
Revenue losses	39,536	39,800
Capital losses	29,233	29,223
Total unrecognised	**68,769**	**69,023**

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 2013, the tax value of unrecognised temporary differences associated with the Group's investments in subsidiaries or associates is $497,000 (2012: $497,000).

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 2013 (2012: $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:

	2013 $'000	2012 $'000
Dividends paid on ordinary shares	-	-
Dividends paid to non-controlling interests in:		
Associated Advisory Practices Limited	525	714
Associated Advisory Practices (No 2) Ltd	395	370
Total dividends paid or payable	**920**	**1,084**

	2013 $'000	2012 $'000

b) Franking credit balance

The amount of franking credits available for the subsequent financial year are:

	2013 $'000	2012 $'000
Franking account balance as at the end of the financial year at 30% (2012: 30%)	27,985	28,971
Franking credits/(debits) that will arise from the refund/payment of income tax payable as at the end of the financial year	917	(986)
	28,902	**27,985**

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

	2013 $'000	2012 $'000
Net (loss)/profit attributable to ordinary equity holders of the parent	**(7,781)**	**(17,881)**
Net (loss)/profit attributable to ordinary equity holders of the parent from continuing operations	**(7,696)**	**(17,881)**

b) Weighted average number of shares

	No.	**No.**
Weighted average number of ordinary shares (excluding reserved shares)	96,840,753	99,851,429
Effect of dilution:	-	-
Partly paid shares	-	-
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	**96,840,753**	**99,851,429**

In July 2013 the directors approved the grant of 2,600,000 performance rights (nil cost options over ordinary shares with profit-based hurdles) to five senior executives and 1,500,000 performance rights to Managing Director, John de Zwart. The grant to Mr de Zwart is subject to shareholder approval. 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.

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, which were bought back and cancelled in October 2012, were included in determining weighted average shares as appropriate.

14. Trade and other receivables

	2013 $'000	2012 $'000
Current		
Trade receivables	13,556	23,772
Other	174	123
Total	**13,730**	**23,895**
Non-current		
Claims recoveries	92	562
Total	**92**	**562**

Ageing analysis is addressed in note 3(b)(iv).

An impairment expense of $123,000 (2012: $Nil) was incurred as a result of impairment of receivables.

15. Interest bearing receivables

	2013 $'000	2012 $'000
Current		
Loan receivables – insurance premium funding	107,170	94,446
Loan receivables – investment advisers	452	853
Total	**107,622**	**95,299**
Non-current		
Loan receivables – investment advisers	557	1,044
Total	**557**	**1,044**

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.

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 impairment expense relating to insurance premium funding loans of $434,000 (2012: $347,000) was written off to expenses, and impairments of $48,000 (2012: $939,000) against other loan receivables. These amounts have been included in the other general and administration expenses under impairment of receivables.

	2013 $'000	2012 $'000
i) Allowance for Impairment		
Opening Balance	2,409	2,004
Movement in the allowance is as follows:		
Allowance for impairment	605	1,286
Bad debts written off (gross)	(397)	(881)
Closing Balance	**2,617**	**2,409**
ii) Receivables Impairment Expense		
Impairment expense	380	580
Bad debts written off directly	447	833
Amounts recovered against debts previously written off	(222)	(127)
Total expense	**605**	**1,286**

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

	2013 $'000	2012 $'000
Total of loan receivables with allowance	690	2,623
Specific allowance for impairment	(270)	(1,981)
Non-accrual loans included in loan receivables (net)	**420**	**642**
Interest foregone on non-accrual loans	7	25

"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 27.

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.

	2013 $'000	2012 $'000

16. Other assets

	2013 $'000	2012 $'000
Current		
Security deposits	53	1,070
Prepayments	2,707	3,085
Total	**2,760**	**4,155**
Non-current		
Security deposits	1,029	1,784
Investments in associates	90	166
Total	**1,119**	**1,950**

a) Investments in associates

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

The Group holds a 40% interest in GPS IP Pty Ltd, a company providing products and services to financial advisers. The Group's share of the loss for the period of $76,000 (2012: $166,000) has been deducted from this the consideration for the initial investment of $333,000.

i) The Group holds investments in the following associates:

	Principal activities	Country	Reporting Date	Ownership 2013	Ownership 2012
GPS IP Pty Ltd	Financial Advisory Services	Australia	30-Jun	40%	40%
Ginger Group Financial Services Ltd (GGFS)	Financial Services Software	New Zealand	31-Mar	-	14.28%

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

	Revenues (100%)	Profit/ (loss) (100%)	Share of associate's net profit/(loss) recognised	Total Assets (100%)	Total Liabilities (100%)	Share of associate's net assets equity accounted
2013						
GPS IP	5,976	(189)	(76)	1,074	(1,557)	(76)
	5,976	**(189)**	**(76)**	**1,074**	**(1,557)**	**(76)**
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)**

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

17. Property, plant and equipment

a) Balances at year end

	2013 $'000	2012 $'000
Leasehold Improvements		
Cost	564	1,585
Less: Accumulated depreciation	(463)	(1,308)
Carrying value	101	277
Plant & Equipment		
Cost	5,592	5,964
Less: Accumulated depreciation	(4,500)	(4,648)
Carrying value	1,092	1,316
Total Property, Plant & Equipment (at carrying value)	**1,193**	**1,593**

b) Movements during the period

	Opening WDV $'000	Additions $'000	Disposals $'000	Deprecn $'000	Forex Movement $'000	Closing WDV $'000
30 June 2013						
Leasehold improvements	277	1	(112)	(72)	7	101
Plant & equipment	1,316	283	(144)	(366)	3	1,092
Total Assets	**1,593**	**284**	**(256)**	**(438)**	**10**	**1,193**
30 June 2012						
Leasehold improvements	542	25	(2)	(298)	10	277
Plant & equipment	1,920	239	(104)	(744)	5	1,316
Total Assets	**2,462**	**264**	**(106)**	**(1,042)**	**15**	**1,593**

18. 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 2013				
At 1 July 2012 net of accumulated amortisation and impairment	2,132	354	5,746	8,232
Additions	-	154	-	154
Disposals	-	(9)	-	(9)
Impairment	-	-	(388)	(388)
Amortisation	-	(96)	(1,372)	(1,468)
At 30 June 2013 net of accumulated amortisation and impairment	**2,132**	**403**	**3,986**	**6,521**
At 30 June 2013				
Cost	2,385	2,475	9,653	14,513
Accumulated amortisation and impairment	(253)	(2,072)	(5,667)	(7,992)
Net carrying value	**2,132**	**403**	**3,986**	**6,521**

	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	86	4,146	6,346
Additions	-	366	2,816	3,182
Business combination	1,209	-	-	1,209
Disposals	(938)	(15)	(119)	(1,072)
Impairment	(253)	-	(96)	(349)
Amortisation	-	(83)	(1,001)	(1,084)
At 30 June 2012 net of accumulated amortisation and impairment	**2,132**	**354**	**5,746**	**8,232**
At 30 June 2012				
Cost	4,613	2,378	9,866	16,857
Accumulated amortisation and impairment	(2,481)	(2,024)	(4,120)	(8,625)
Net carrying value	**2,132**	**354**	**5,746**	**8,232**

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 FY 2012 on the acquisitions of the externally owned interests in Ventura Investment Management Ltd of $93,000 and in Australian Loan Company Pty 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 2013 of $3,986,000 (2012: $5,746,000).

iii) Business software

The CPW Group has developed or acquired software tools, 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 on the reverse acquisition of that business during the merger transaction in December 2010. It is regularly tested 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% (2012: 0%)
- Growth rate for client lists 0% (2012: 0%)
- Pre-tax risk-adjusted discount rate for cash flows 17.64% (2012: 17.64%)
- Pre-tax risk-adjusted discount rate for terminal values 17.64% (2012: 17.64%)
- Cost of equity 12.35% (2012: 12.35%)

The testing resulted in impairment losses of $388,000 (2012: $349,000).

A sensitivity analysis indicated that a decrease in the assumed growth rates of 1% would have resulted in a further impairment expense of $Nil (2012: $156,000).

19. Trade and other payables

	2013 $'000	2012 $'000
Current		
Current trade payables	32,870	37,718
Client claims payable	-	500
Other creditors and accrued expenses	4,674	2,648
	37,544	**40,866**
Non-current		
Other creditors and accrued expenses	-	328
	-	**328**

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 26.

e) Interest rate, foreign exchange and liquidity risk

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

20. Interest bearing liabilities

	2013 $'000	2012 $'000
Current		
Receivables finance liability – insurance premium funding	71,456	64,647
Equipment hire and software finance liabilities	200	343
Total	**71,656**	**64,990**
Non-current		
Equipment hire and software finance liabilities	90	253
Total	**90**	**253**

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 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.

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

	Accessible $'000	Used $'000	Unused $'000
30 June 2013			
NAB multi-option facility	121,975	71,318	50,657
WBC equipment finance facility	540	540	-
30 June 2012			
NAB multi-option facility	109,975	64,548	45,427
WBC equipment finance facility	540	540	-

d) Defaults and breaches

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

21. Provisions

	2013 $'000	2012 $'000
Current		
Provision for adviser client claims	8,515	5,771
Provision for employee entitlements	1,735	1,651
Total	**10,250**	**7,422**
Non-current		
Provision for adviser client claims	12,253	16,312
Provision for employee entitlements	1,071	1,068
Total	**13,324**	**17,380**

Provision is made for the cost of known and incurred but not reported (IBNR) claims by clients of financial advisers, who are authorised representatives of the Group, for losses suffered as a result of advice given. The provision is based on the estimated cost of addressing, resolving and settling claims. It is determined using an independent actuarial valuation assessment which uses internal historical data on past claims. 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.

a) Movement in provision for adviser client claims

	2013 $'000	2012 $'000
Opening Balance	22,083	14,890
Movement in the provision is as follows:		
Claims provisioning expense during the period	9,980	16,430
Claims settlements & fees paid (net of recoveries) during period	(11,295)	(9,237)
Closing balance	**20,768**	**22,083**

b) Movement in provision for employee entitlements

	2013 $'000	2012 $'000
Opening Balance	2,719	2,633
Movement in the provision is as follows:		
Provision for year	1,415	1,406
Leave taken during the year	(1,328)	(1,320)
Closing balance	**2,806**	**2,719**

22. Contributed equity

a) Paid Up Capital

		2013 $'000	2012 $'000
Ordinary shares	(i)	25,982	29,749
Reserved shares	(ii)	(1,173)	(1,173)
Partly paid shares	(iii)	-	99
		24,809	**28,675**

i) Ordinary shares (issued & fully paid)

	Number of shares	2013 $'000	Number of shares	2012 $'000
Balance at start of year	101,197,330	29,749	96,739,747	69,214
Movements during the year:-				
- Transfer from cancelled partly paid shares	-	99	-	-
- Business combination share issue	-	-	4,457,583	3,783
- Buyback and cancellation of shares from sale of Singapore business	(7,731,684)	(3,866)	-	-
- Offset of accumulated losses	-	-	-	(43,248)
On issue at end of year	**93,465,646**	**25,982**	**101,197,330**	**29,749**

ii) Reserved shares

Balance at start of year	(856,431)	(1,173)	(856,431)	(1,173)
Movements during the year	-	-	-	-
On issue at end of year	**(856,431)**	**(1,173)**	**(856,431)**	**(1,173)**

iii) Partly paid shares

Balance at start of year	428,572	99	428,572	99
Movements during the year:-				
- Buyback and cancellation of shares	(428,572)	-	-	-
- Transfer to ordinary share capital	-	(99)	-	-
On issue at end of year	**-**	**-**	**428,572**	**99**
Total contributed equity	**92,609,215**	**24,809**	**100,769,471**	**28,675**

In FY 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.

During the year the partly paid shares held by Mr. Tony Robinson (ex Managing Director), as part of his agreed remuneration arrangements, were bought back and cancelled by the Company in accordance with a resolution of the shareholders.

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 2013 or 2012 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.

23. Reserves

	2013 $'000	2012 $'000
Employee equity benefits reserve	69	51
Foreign currency translation reserve	-	(1,456)
Total	**69**	**(1,405)**

a) Employee Equity Benefits Reserve

	2013 $'000	2012 $'000
Balance at start of year	51	28
Value of share based payments provided or which vested during the year	72	23
Value of share based payments expired during the year	(54)	-
Balance at end of year	**69**	**51**

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

	2013 $'000	2012 $'000
Balance at start of year	(1,456)	(1,462)
Foreign currency translation differences	1,456	6
Balance at end of year	**-**	**(1,456)**

The foreign currency translation reserve comprised 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.

	2013 $'000	2012 $'000

24. 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:

	2013 $'000	2012 $'000
Cash at bank	9,352	14,621
	9,352	**14,621**

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

	2013 $'000	2012 $'000
Net (loss)/profit after income tax	(7,288)	(17,299)
Adjustment for non cash items:		
Depreciation and amortisation	1,906	2,106
Foreign exchange losses/(gains)	75	(35)
Impairment of intangibles assets and receivables	993	1,760
(Profit)/loss on disposal of non-current assets	16	10
Interest received	(654)	(1,972)
Interest expense	321	518
Share based compensation expense	72	23
Share of loss of associates	76	106
Tax expense	571	2,774
Changes in Assets and Liabilities:		
(Increase)/decrease in assets:		
- Receivables	7,620	(2,382)
- Other assets	2,227	(986)
- Deferred tax assets	245	2,503
(Decrease)/increase in liabilities:		
- Payables	(3,650)	(2,467)
- Provisions for employee entitlements	87	86
- Provision for client claims	(1,315)	7,194
- Provision for tax	(143)	(104)
Net cash (used in)/from operating activities	**1,159**	**(8,165)**

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

25. Parent entity information

	2013 $'000	2012 $'000
Current assets	3,115	10,988
Non-current assets	14,766	17,488
Current liabilities	(631)	(1,013)
Non-current liabilities	(12)	(301)
Net Assets	**17,238**	**27,162**
Issued capital	24,809	28,675
Employee benefit reserve	69	146
Accumulated losses	(7,640)	(1,659)
Total Shareholder Equity	**17,238**	**27,162**
Net loss after tax of the parent entity	**(6,036)**	**(87)**
Total comprehensive loss of the parent entity	**(6,036)**	**(87)**

Investments held by the parent entity in subsidiary company have been impaired to reflect the value of the consolidated net assets of the Group at balance date.

At balance date the parent entity had given guarantees to external parties totalling $46,804 (2012: $66,579) (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 Centrepoint Alliance Premium Funding Pty Ltd.

Contractual commitments of the parent entity at balance date were the same as those of the consolidated entity (refer note 29).

At balance date the parent entity had no contingent liabilities.

26. 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 2013	Ownership interest 2012	Principal activity
AAP Advantage Pty Ltd	Australia	100%	-	AFSL licensee support services
Associated Advisory Practices Ltd	Australia	55%	55%	AFSL licensee support services
Associated Advisory Practices (No 2) Ltd	Australia	55%	55%	AFSL licensee support services
Australian Loan Company Pty Ltd	Australia	100%	100%	Mortgage broker / aggregator
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 Pty Ltd (formerly Professional Investment Holdings Ltd)	Australia	100%	100%	Holding Company
De Run Securities Pty Ltd	Australia	56%	56%	Dormant
Imagine Your Lifestyle Pty Ltd	Australia	50%	50%	Lifestyle publications
Investment Diversity Limited	Australia	100%	100%	Provision of investment platform services
Centrepoint Adviser Services Pty Ltd	Australia	100%	100%	Dormant
Professional Accountants Pty Ltd	Australia	100%	100%	Loans to adviser network
Professional Investment Services Pty Ltd	Australia	100%	100%	AFSL licensee support services
Ventura Investment Management Ltd	Australia	100%	100%	Investment management services
Professional Investment Services (Malaysia) Sdn. Bhd.	Malaysia	55%	55%	Holding company
SFP Adviser Sdn Bhd	Malaysia	55%	55%	Financial services
Standard Financial Planner Sdn Bhd	Malaysia	55%	55%	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
Professional Investment Holdings (NZ) Ltd	New Zealand	43%	43%	Holding company
Professional Investment Services (NZ) Ltd	New Zealand	100%	100%	Dormant
Professional Lending Services Limited	New Zealand	24%	24%	Dormant
Fifth Floor Pte Limited	Singapore	100%	100%	Dormant
Professional Advisory Holdings Pte Ltd	Singapore	0%	90%	Disposed during the period
Professional Investment Advisory Services Pte Ltd	Singapore	0%	100%	Disposed during the period

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 27.

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 $178,286 (2012: $159,524)
N.J Griffin	None
A.D Robinson	None
S.J Maitland	None
M. Kidman	None
C.J Castles	Financial advice fees of $1,550,667 (2012: $1,547,811)

27. 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 2013	No. of days of remuneration included 2012
Directors			
R.J. Nelson	**CAF** Group Chairman & Director (non executive)	365	366
J.M. de Zwart	**CAF** Group Managing Director – *appointed 15 April 2013*	76	-
A.D. Robinson	**CAF** Group Managing Director – *resigned 30 April 2013*	304	366
N.J. Griffin	**CAF** Director (non-executive)	365	366
C.J. Castles	**CAF** Director (non-executive) – *resigned 30 January 2013*	214	366
S.J. Maitland	**CAF** Director (non-executive)	365	194
M. Kidman	**CAF** Director (non-executive)	365	131
Executives			
I.R. Magee	**CAF** Chief Financial Officer & Company Secretary	365	366
R.M. Dodd	**CAPF** Chief Executive Officer	365	366
P.B. Walther	**PIS** Chief Executive Officer – *resigned 18 April 2013*	292	314

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

b) Compensation for key management personnel

	2013 $	2012 $
Short term	2,019,026	2,302,076
Post employment	126,333	150,155
Share based payments	61,658	19,136
Termination benefits	259,105	440,784
	2,466,122	**2,912,151**

c) Shareholdings of Key Management Personnel

	Balance 1 July 2012	Shares Acquired	Existing Holding on Appointment	Disposed or Cancelled	Holding on Termination	Balance 30 June 2013
FY 2013						
R.J. Nelson	2,506,150	481,457	-	-	-	2,987,607
A.D. Robinson	928,572	-	-	-	(928,572)	-
A.D. Robinson (Partly Paid shares)	428,572	-	-	(428,572)	-	-
N.J. Griffin	1,327,196	438,257	-	-	-	1,765,453
C.J. Castles	230,854	-	-	-	(230,854)	-
S.J. Maitland	7,567	42,433	-	-	-	50,000
M. Kidman	-	688,862	-	-	-	688,862
I.R. Magee	488	5,969	-	-	-	6,457
R.M. Dodd	7,368	-	-	-	-	7,368
P.B. Walther	40,000	-	-	-	(40,000)	-
Total	5,476,767	1,656,978	-	(428,572)	(1,199,426)	5,505,747
FY 2012						
R.J. Nelson	2,466,150	40,000	-	-	-	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	-	-	-	1,327,196
C.J. Castles	121,627	109,227	-	-	-	230,854
S.J. Maitland	-	-	7,567	-	-	7,567
M. Kidman	-	-	-	-	-	-
G.D. Evans	540,647	-	-	-	(540,647)	-
S.J. Murphy	833,908	-	-	-	(833,908)	-
G. Whimp	281,998	-	-	-	(281,998)	-
I.R. Magee	488	-	-	-	-	488
R.M. Dodd	7,368	-	-	-	-	7,368
P.B. Walther	-	40,000	-	-	-	40,000
Total	6,796,145	329,608	7,567	-	(1,656,553)	5,476,767

d) Option holdings of key management personnel

In August 2012, 2,250,000 options over ordinary shares, with the following terms, were 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

Upon Mr Walther's resignation in April 2013 all of his unvested options lapsed unexercised. He retains 400,000 unexercised options exercisable at $0.40, which expire on 31 December 2016.

No other options to purchase shares were held by key management personnel.

e) Centrepoint Alliance Employee Share Plan

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

	2013 No.	2012 No.
A.D. Robinson	-	428,572
R.M. Dodd	107,143	107,143
I.R. Magee	70,714	70,714
	177,857	**606,429**

Details of the CAESP are provided in note 28. Mr Robinson's entitlement expired unexercised on 31 October 2012.

f) Loans to directors and other key management personnel

A loan of $250,000 to former director, Mr Grahame Evans was issued in a prior year. The outstanding balance was repaid in full during the financial year. Mr Evans resigned as a director on 6 June 2012.

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 (Note 26).

28. Share based payment plans

a) Recognised share-based payment expenses

	2013 $'000	2012 $'000
Expense arising from equity-settled share based payment transactions under the Centrepoint Alliance Employee Share Plan (CAESP)	22	23
Expense arising from equity-settled share based payment transactions under the Centrepoint Alliance Employee Share Option Plan (CAESOP)	50	-
	72	**23**

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 has acquired shares by both a new issue and an off-market purchase for the purpose of making awards to employees. 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

	2013		2012	
	No.	**WAEP***	**No.**	**WAEP***
(i) Shares under CAESP				
Outstanding at beginning of period	856,431	1.07	856,431	1.07
New share awards	-	-	-	-
Expired and transferred to unallocated shares	(571,430)	(1.40)	-	-
Outstanding at end of period	**285,001**	**0.40**	**856,431**	**1.07**
(ii) Options under CAESOP				
Outstanding at beginning of period	-	-	-	-
Issued during the period	2,250,000	0.36	-	-
Expired during the period	(1,850,000)	(0.35)	-	-
Outstanding at end of period	**400,000**	**0.40**	**-**	**-**

**WAEP is weighted average exercise price*

All current share and option awards are fully vested at balance date, and there are 571,430 (2012: Nil) unallocated shares from expired awards which are held within the CAESP.

d) Weighted average remaining contractual life

	2013	2012
	Yrs	**Yrs**
CAESP Shares	1.33	0.36
CAESOP Options	3.50	-

e) Range of exercise price

	$	$
CAESP Shares	$0.40	$1.22 - $1.93
CAESOP Options	$0.40	-

f) Weighted average fair value at date of issue

	$	$
CAESP Shares	$0.226	$0.226
CAESOP Options	$0.124	-

g) Option pricing model

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

29. Commitments

a) Contracted operating lease expenditure

	2013 $'000	2012 $'000
Not later than one year	1,989	3,841
Later than one year but not later than five years	4,568	2,149
Total operating lease commitments	**6,557**	**5,990**

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:

	2013		2012	
	Minimum Lease Payment $'000	P.V. of Lease Payment $'000	Minimum Lease Payment $'000	P.V. of Lease Payment $'000
Within one year	178	101	363	175
After one year but not later than five years	93	65	289	138
Total minimum lease payment	271	166	652	313
Less amounts representing finance charges	(18)	-	(56)	-
Present value of minimum lease payment	**253**	**166**	**596**	**313**

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:

	2013 $'000	2012 $'000
Not later than one year	-	-
Later than one year but not later than five years	-	-
Total remuneration commitments	**-**	**-**

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.

30. Contingent liabilities

There were no other contingent liabilities at balance date.

31. Events after balance sheet date

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

On 4 July 2013 the Company executed a revised bank facility agreement with the National Australia Bank for its insurance premium funding business. The new facility includes an increased facility limit and improved terms and is for an eighteen month term until January 2015.

In June 2013 the Company announced the commencement of a transaction involving the acquisition of the 45% of the AAP subsidiaries, through two schemes of arrangement, which is not currently owned by the Group. It was initially anticipated that this transaction would complete on 30 August 2013. On 8 August 2013 the Company proposed a deferral of the scheduled scheme meetings to allow amendment of the scheme documents to include the financial results for financial year ending 30 June 2013. This postponement has occurred and it is anticipated that the schemes will now be completed in mid October 2013.

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.

32. Fiduciary activities

The company does not undertake any fiduciary activities.

Directors' Declaration
30 June 2013

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 2013 and of its performance for the year ended on that date;

ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;

iii) complying with International Financial Reporting Standards as stated in Note 2.

(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 2013.

On behalf of the directors:

Rick Nelson
Chairman
30 August 2013

ASX Additional Securities Exchange Information
30 June 2013

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 August 2013.

1. Distribution of equity securities

a) Fully paid ordinary shares

93,465,646 fully paid ordinary shares are held by individual shareholders. All issued ordinary shares carry one vote per share and carry rights to dividends.

b) Partly paid ordinary shares

There are no partly paid ordinary shares on issue.

c) Preference shares

There are no preference shares on issue.

d) The substantial shareholders are as follows:

Shareholder	No. of Shares	% Held
TIGA Trading Pty Ltd	20,669,589	22.11%

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

Rank	Shareholder	No. of Shares	% Held
1	TIGA Trading Pty Ltd	20,669,589	22.11%
2	River Capital Pty Ltd	5,593,777	5.98%
3	Wilson Asset Management Group	5,182,174	5.54%
4	Entities representing the interests of R.Nelson	2,987,607	3.20%
5	Bellglow Pty Ltd (Bennetts Family A/C)	2,116,599	2.26%
6	SOBA Pty Ltd	1,932,360	2.07%
7	Entities representing the interests of N.Griffin	1,765,453	1.89%
8	National Nominees Limited	1,629,501	1.74%
9	Ulton Financial Planning Pty Ltd	1,555,170	1.66%
10	Fetterpark Pty Ltd (O'Reilly Family SF A/C)	1,355,330	1.45%
11	Dimarca Pty Ltd (The Robel Superfund A/C)	947,769	1.01%
12	Rowena House Pty Ltd	928,572	0.99%
13	Mr Benjamin Boris Weinglass & Mrs Marianne Weinglass (BB Weinglass SF (A/C)	886,008	0.95%
14	Centrepoint Alliance Services Pty Ltd (Centrepoint Alliance Employee Share Plan)	856,431	0.92%
15	Kerstat Pty Ltd (Murphy Investment A/C)	843,810	0.90%
16	Edsonmere Pty Ltd	829,600	0.89%
17	Entities representing the interests of M.Kidman	688,862	0.74%
18	Austin Superannuation Pty Ltd (The Brian Austin S/F A/C)	679,501	0.73%
19	Equity Trustees Limited (SGH IC2E)	643,801	0.69%
20	Benefice Pty Ltd (Cathcart Family A/C)	520,000	0.56%

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	307	139,558
1,001 – 5,000	547	1,359,274
5,001 – 10,000	261	1,903,862
10,001 – 100,000	627	18,892,241
100,001 – and over	115	71,170,711

The number of shareholdings held in less than marketable parcels is 531.

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.

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

Report on the financial report

We have audited the accompanying financial report of Centrepoint Alliance Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's responsibility

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

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

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

Independence

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

Opinion

In our opinion:

a. the financial report of 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 2013 and of its performance for the year ended on that date; and

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

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2013. 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 2013, complies with section 300A of the *Corporations Act 2001*.

Ernst + Young

Ernst & Young

Peter McIver

Peter McIver
Partner
Perth
30 August 2013

Annual Results
30 June 2013

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FY13 Highlights

Centrepoint Alliance

- Strong growth in Premium Funding with volumes up 16% and EBITDA up 42%
- Strong growth with Associated Advisory Practices licensees up 12% to 191 practices
- The Wealth Products business comprising Ventura Funds Management and Investment Diversity platforms grew revenues by 16% over FY13 and pre tax profits by 32% to $2.5m
- NPAT of ($7.3m) down from ($17.3m) in FY12
- Underlying Profit of $4.1m and Underlying EPS 4.2 cents
- New Premium Funding systems exceeding expectations

Financial Highlights

Centrepoint Alliance

	FY13	FY12	% Change
Underlying Profit	$4.1m	$5.8m	(29%)
Statutory Profit	($7.3m)	($17.3m)	(58%)
Total Revenue	$52.6m	$62.1m	(15%)
Total Expenses (excl claims)	$49.3m	$59.9m	(18%)
Cost to Income Ratio	0.94	0.96	(2%)
Underlying EPS	4.2 cps	5.8 cps	(27%)
Premiums Funded	$368m	$317m	16%
Wealth Practices	555	N/A	-
Funds Under Product Distribution Agreements	$7,651m	$8,296m	(8%)
Funds Under Management	$637m	$649m	(2%)

Group Structure

Centrepoint Alliance

Centrepoint Alliance Limited

Wealth

Financial Advice

- Associated Advisory Practices*
- Professional Investment Services

Platforms and Administration

- Investment Diversity

Funds Management

- Ventura Funds
- AllStar Funds

Funding

Premium Funding

- Centrepoint Alliance Premium Funding

Mortgage Broking

- Australian Loan Company

Note: * AAP shareholders include Centrepoint 55% and licensee customers 45%

Wealth Market

Centrepoint Alliance

Market

- Long term growth projected for the independent full advice market
- Australians require comprehensive financial advice to navigate the complex tax, welfare, health and retirement savings regulatory environments
- Advice space has been heavily institutionalised with over 80% of advisers operating under a licensee owned by an institution
- Many professional advisers who care about their customers will look for an ‘easy transition’ into the Independent advice space
- Banks and Industry Funds investing in ‘scaled’ or ‘general’ advice

Independent Proposition

- To attract independent advisers, licensees will require scale to provide a flexible ‘model practice’ to enable easy transition from the institution
- To then retain independent advisers, licensees will have to deliver
  - consistent and reliable outcomes for customers
  - good margins and lower cost to serve the advisers
  - will have to deliver adviser practice succession
- A financially secure licensee group with sustainable margins derived from across all parts of the value chain ie. licensee fees, platform and administration margins, product solution design and construction margins

Wealth Strategy

Centrepoint Alliance

Vision	**To be the leading and most respected advice services business in Australia**

Goals	People	Growth	Productivity	Brand

Model	Customer Centric Model Practice

Priorities	Strengthen Professional Investment Services	Simplify and Focus Wealth business	Grow

Priorities

Centrepoint Alliance

Priorities

Strengthen Professional Investment Services	Simplify and Focus Wealth business	Grow
• Prepare organisation and advisers for FOFA (2H13) • Re-engage advisers (2H13) • Enhance service to advisers (1H14) • Minimise legacy claims costs (1H14) • Reduce costs and strengthen financial performance (FY14) • Ensure consistent quality advice (ongoing)	• Continue to build experienced transformational management team (1H14) • Integrate wealth businesses (1H14) • Exit non-core activities (FY14) • Align business model to support cross sell (1H14) • Standardise business systems, processes and collateral (1H14) • Develop financial reporting and profitability systems (2H14) • Align staff remuneration to support Centrepoint objectives (1H14) • Design (1H14) and build (staged delivery until 2H15) new adviser ‘model practice’	• Support continued double digit growth of Premium Funding, AAP and Wealth Products ie. secure medium term funding (1H14), align KPIs to maximise cross sell (1H14) • Grow adviser adoption of the model practice (1H15) • Consider collaboration opportunities within independent wealth and premium funding markets • Financial Outcomes – secure a net 50bps across the value chain

Business Line Overview

Centrepoint Alliance

Business	Metric 2013	Metric 2012	PBT 2013	PBT 2012
Funding				
Centrepoint Alliance Premium Funding	$368m premiums funded	$317m	$3.4m	$2.4m
Australian Loan Company	$563m new loans	$629m new loans	$0.4m	$0.2m
Financial Advice				
Associated Advisory Practices	191 practices	170 practices	$2.7m	$3.1m
Professional Investment Services	364 practices	N/A	($11.2m)	($15.3m)
Platforms and Administration				
Investment Diversity	$1,590m FUA	$1,343m FUA	$2.0m	$1.6m
Funds Management				
Ventura & AllStar Funds	$637m FUM	$649m FUM	$0.5m	$0.3m

Business Line Overview

Premium Funding – Operational Review

Centrepoint Alliance

Clear focused strategy with excellent execution capability

Strong growth in premiums funded up 16% YOY

Margins benefited from stable operating costs combined with falling interest rates. Profits up 42%

Strong risk management. Bad debts relatively benign

Bank funding successfully secured. Limit increased 35% to $145m, extended to January 2015 and margins and terms improved. Second funding partner being explored in conjunction with existing partner, nab

Operational platform functioning well and providing consistent service and fast turnaround times. Platform has ability to scale further without requiring investment

Distribution historically weighted towards Western Australia. Business mix being re-balanced with future market share growth targeted from the eastern states

Premium Funding – FY13 Results

Centrepoint Alliance

		FY13	FY12	% Change
Financial Results				
Revenue	$m	14.6	13.1	11%
Expenses	$m	11.2	10.7	5%
PBT	$m	3.4	2.4	42%
Key Metrics				
Loan Volume	$m	368	317	16%
Active brokers	#	269	228	18%
Loan Numbers	#	19,801	16,079	23%
Avg Loan Size	$	18,585	19,715	(6%)

- Double market growth in loan volumes
- Active broker numbers increased
- Largest independent and number 3 in market
- Average loan size down 6% (smaller deals more profitable)
- Higher broker commission costs impacted gross margins
- Borrowing and overhead costs contained

Associated Advisory Practices (AAP) – Operational Review

Centrepoint Alliance

Largest licensee service provider in the market. Client engagement is strong with high level of new client referrals

Strong growth in self licensed financial planning clients, up 12% to 191 at 30 June 2013. Increased to 200 as at August 2013

Successfully implemented FOFA regulatory changes and assisted clients to train staff and update practices

No loss of revenue from FOFA regulatory changes to date

Strong market demand for licensee support services given significant complex regulatory environment. Compliance costs and legal liability for licensees increasing therefore supporting long term demand for AAP services

Centrepoint is currently mid way through two schemes; (AAP comprises two legal entities) to acquire 45% minority interest from clients. This is expected to complete in October 2013

In FY14 will expand licensee services to include website, compliance system and professional indemnity support

Exploring opportunities to encourage use of Centrepoint platforms and funds management solutions by licensees

Associated Advisory Practices – FY13 Results

		FY13	FY12	% Change
Financial Results				
Revenue	$m	5.2	4.9	6%
Expenses	$m	2.5	1.8	40%
PBT	$m	2.7	3.1	(14%)
Key Metrics				
Funds under product distribution agreement	$m	3,036	2,878	5%
Product rebate margin	bps	17.1	16.7	2%
Licensee (practices) – 30 June	#	191	170	12%
Authorised Reps (circa)	#	970	860	13%

- Revenue growth of 6% less than licensee growth of 12% due to loss of two significant clients and being replaced with smaller clients
- FY13 profit impacted by costs associated with schemes ($0.2m) and FOFA ($0.1m)
- Funds under product distribution agreements (ie. product rebates) remained relatively flat due to increasing use by advisers of direct equities and ETFs

Professional Investment Services – Operational Review

Centrepoint Alliance

Adviser losses have been stemmed in the final months of FY13 following aggressive competitor activity and inadequate care given to client relationships

Significant investment in systems and processes in preparation for FOFA which came into effect 1 July 2013

Management costs have been reduced with a simplified wealth management team operating across all businesses. Other external consulting costs have been substantially reduced in recent months

Compliance, training and client audit activities have been amalgamated with AAP to provide advisers with a market leading service

New client and customer centric service model has been communicated. Components to be deployed over next two years

Ongoing monitoring program started in July 2013 reviewing the quality of advice provided over preceding three month period. Program is scheduled to complete in 2H14 at a total cost of $0.5m (accrued in FY13)

Good use by advisers of Centrepoint platforms with circa 30% of inflows on aligned platforms in 4Q13. Investigating opportunities to encourage greater use in FY14

Professional Investment Services – FY13 Results

Centrepoint Alliance

		FY13	FY12	% Change
Financial Results				
Revenue	$m	24.3	33.9	(28%)
Expenses (ex claims provisions)	$m	25.5	32.5	(21%)
PBT	$m	(11.2)	(15.3)	(27%)
Key Metrics				
Funds under product distribution agreements	$m	4,615	5,418	(15%)
Product rebate margin	bps	25.7	26.3	(3%)
Life premiums inforce	$m	131	143	(8%)
Practices	#	364	N/A	-

- Significant reduction in practices impacted advice revenue
- Revenue from product rebate margins also impacted by loss of advisers and by lower average margins due to net movement into lower yielding products
- FY13 includes $10.0m costs for additional client claims provisioning for pre-2010 advice (FY12 $16.7m)
- Operating expenses are lower due to reduction in expenditure on professional fees

Wealth Products: Platforms and Funds – Operational Review

Centrepoint Alliance

Business model is to select leading platform (IDL) and investment management (Ventura and AllStar) services, and construct and coordinate the distribution of differentiated ‘white labelled’ alternatives to generate construction and management fees

Strong growth in funds on IDL’s platforms due to favorable net inflows and market movements. This was partially offset by the loss of Professional Investment Services advisers during the period which increased outflows

Two new white labelled platforms introduced in FY13

Ventura funds are managed with support from Russell Investments. The funds which have a “highly recommended” rating with leading research house have performed very well to benchmarks

AllStar Funds with a variety of external specialist investment managers have had mixed performances and funds have decreased during the period

Responsible entity for Ventura funds outsourced reducing capital requirements however offset by higher costs and reduced revenues

Wealth Products – FY13 Results

		FY13	FY12	% Change
Financial Results				
Revenue	$m	6.5	5.6	16%
Expenses	$m	4.0	3.7	11%
PBT	$m	2.5	1.9	32%
Key Metrics				
Funds Under Administration (FUA) – Platforms	$m	1,590	1,343	18%
Funds Under Management (FUM)	$m	637	649	(2%)

- Strong net inflows onto platforms combined with favorable investment markets lifted FUA by 18%
- Good cost control enabled profit growth of 32%
- Costs were impacted by FOFA legal costs ($0.1m), responsible entity outsourcing ($0.2m) and senior staff exit costs ($0.2m)
- Platform margins are being reduced as funds are gradually moved from higher margin products to lower margin alternatives

Group FY13 Results – Corporate & Other

		FY13	FY12	% Change
Financial Results				
Revenue	$m	2.0	(0.3)	-
Expenses	$m	5.9	6.2	(6%)
PBT	$m	(3.9)	(6.5)	(40%)

- Includes costs of maintaining listed parent entity, including board of directors, CEO, corporate secretarial and group finance function
- Costs include professional and consulting fees associated with legal services, corporate development, tax, audit and accounting services
- Increased net revenue reflects increased recharges for services provided to subsidiary entities

Centrepoint Group - FY13 Results

Consolidated Group Financial Performance ($m)

Centrepoint Alliance

	FY13	FY12	% Change
Financial Results			
Revenue	52.6	62.1	(15%)
EBITDA	(4.7)	(12.0)	(61%)
Interest, Depn, Amortisation*	(2.0)	(2.5)	(20%)
Tax	(0.6)	(2.8)	(79%)
NPAT	(7.3)	(17.3)	(58%)
NCI	(0.5)	(0.6)	(15%)
Retained NPAT	(7.8)	(17.9)	(57%)
Underlying Profit			
PBT	(6.6)	(14.5)	(54%)
Claims Expenses (PIS)	10.0	16.7	(40%)
Prof Fees – AISC EU & OMP (PIS) & FOFA	0.9	3.7	(75%)
Transaction Costs/AAP Scheme	0.2	—	—
Asset Impairments	0.6	1.4	(56%)
Amortisation of intangibles	1.3	1.0	37%
Gain on sale of subsidiaries	(0.6)	—	—
Underlying PBT	5.8	8.3	(29%)
Tax at 30%	(1.7)	(2.5)	(29%)
Underlying Profit	4.1	5.8	(29%)

Items within the Underlying Profit reconciliation include:

- PIS client claims costs ($10.0m)
- FOFA preparation costs and ongoing monitoring program costs ($0.9m)
- Amortisation ($1.3m) and asset impairments ($0.6m)

Note: *Excludes interest on premium funding business.

Legacy Claims

Centrepoint Alliance

Legacy claims provision is $20.8m at 30 June 2013, compared to $20.9m at 31 December 2012 and $22.1m at 30 June 2012

The provision is related to advice given during the period prior to Centrepoint taking control of Professional Investment Services in 2010

The provision is based on an external actuaries modelling. The liability is updated and analysed each half year. The FY13 provision has been peer reviewed by a third party actuary and reviewed by E&Y actuaries as part of the audit process

A large proportion of the claims management process had been outsourced to an external legal firm. This was brought in-house in July 2013. This is expected to improve outcomes and substantially lower legal expenses and total cost of claims

Internal data analysis is being undertaken to better understand the drivers/levers of claims and claims costs

Alternatives are being explored to reduce the risk of future increases to the claims provision eg. stop loss insurance

Legacy Claims

Centrepoint Alliance

The claims movement in 2H13 was due to:	$m
Revisions to open claims liability at 31/12/12 – Note 1	3.0
Inflation and discount unwind	0.4
Over run of legal expenses	0.4
Net other factors eg. number of claims, claims size	(0.1)
Sub-total change in external actuary assessed liability	3.7
Removal of post June 2010 advice future claims liability – Note 2	(1.2)
Strengthening of provision reserves	2.0
Total increase in legacy (ie. pre-July 2010) claim provision in 2H13	4.5

Notes:

1. The understatement at 31 December 2012 occurred because new claims which had been recently received and not fully assessed were provided with too low an estimate of likely cost of claim
2. The board has determined that the post 2013 liability for unreported claims is not material and will expense these as reported. Total claims expense in FY13 for advice provided in the 3 years since July 2010 was $68k

Outlook

Centrepoint Alliance

- Continued steady market growth in both Wealth and Funding markets
- Continued strong performances and market share growth in Premium Funding and AAP
- Strong growth in Wealth Products particularly from aligned practices
- Completion of the AAP schemes and move to 100% Centrepoint ownership
- Continued improvement in Professional Investment Services and building of leading client and customer centric licensee
- Continued de-risking of the group, in particular, legacy claims
- Develop internal performance reporting around KPIs, margins and client profitability
- Strengthen the Group’s financial position
- Seek opportunities to collaborate with industry peers

Appendices

Cash Flow Analysis

Centrepoint Alliance

Cash Flows from Operating Activities - $m	FY13	FY12	% Change
Cash receipts from customers	172.0	204.7	(16%)
Cash paid to suppliers and employees	(159.6)	(200.1)	(20%)
Cash provided by operations	**12.4**	**4.6**	**171%**
Claims and litigation settlements	(11.3)	(11.2)	1%
Income tax (paid)/refunded	-	(1.6)	(100%)
Net cash flows provided by/(used in) operating activities	**1.1**	**(8.2)**	**113%**
Net cash flows provided by investing activities	0.3	5.2	(94%)
Net cash flows used in financing activities	(6.9)	(2.8)	146%
Net decrease in cash and cash equivalents	**(5.5)**	**(5.8)**	**(6%)**
Cash & cash equivalents at the beginning of the year	14.6	20.4	(28%)
Effect of exchange rate fluctuations on cash held	0.2	-	-
Cash and cash equivalents at the end of the period	**9.3**	**14.6**	**(36%)**

Balance Sheet

Centrepoint Alliance

$m	FY13	FY12
Assets		
Cash	9.3	14.6
Interest Bearing Recbles (IBR)	108.2	96.3
Trade & Other Receivables	13.8	24.4
Intangibles	6.5	8.2
Deferred Tax Assets	7.1	7.3
Other Assets	5.3	7.8
Total	150.2	158.6
Liabilities		
Interest Bearing Liabilities (IBL)	71.7	65.2
Trade & Other Payables	37.7	41.4
Provisions	23.6	24.8
Total	133.0	131.4
Net Assets	17.2	27.2
Equity		
Share Capital	24.8	28.7
Accumulated Losses & Reserve	(7.9)	(1.4)
Non-controlling Interests	0.3	(0.1)
Total	17.2	27.2

- Group retains significant uncommitted cash balance
- Growth of premium funding reflected in increases in Interest Bearing Receivables and Interest Bearing Liabilities
- Reductions in other balances is result of disposal of international businesses and Professional Investment Services adviser losses
- Provisions includes $20.8m for Professional Investment Services client claims
- Share capital reduction reflects cancellation of Aviva shares