Announcement to the Market

28 February 2014

HALF YEARLY RESULT 31 DECEMBER 2013

CENTREPOINT RETURNS TO PROFIT

Centrepoint Alliance Limited (ASX: 'CAF') is pleased to announce a strongly improved performance with the reported pre-tax profit of $2.2m up from $1.7m loss in the prior corresponding period ("pcp").

The Premium Funding division had an excellent start to the year with strong growth in revenues, profits and market share. The Wealth Management division made good progress in its transformation to become a highly respected customer and adviser centric business.

Overall revenues increased 2% to $27.4m reversing prior year trends. Expenses were well contained resulting in the improved performance.

Insurance Premium Funding reported a strong underlying pre-tax result of $2.5m, up 32% on the prior corresponding period. The leading broker proposition combined with industry consolidation has provided the opportunity to grow market share with the number of insurance brokers actively providing business increasing by 25%. Investments made in enhancing IT systems are benefiting productivity and customer experience, whilst also improving the cost to income ratio.

Wealth Management reported an underlying pre-tax profit of $3.0m, down from $5.3m in 1H13. Revenue was 5% lower than 1H13 due to the decline in adviser numbers in 2013. During the period, adviser engagement has increased significantly leading to increased adviser retention. The team made tremendous progress in improving service, introducing new IT systems to improve adviser efficiency, implementing regulatory change and addressing legacy issues.

Improvements to adviser systems, standards and training have been implemented with further enhancements scheduled for launch in 2H14. Management capabilities continue to be strengthened and the culture aligned with our vision of being a highly respected non-institutional service provider to financial advisers and licensees.

Cash Flow

The Group generated a strong cash flow from underlying operating activities of $9.3m during the period. $7.7m of capital was used to fund the strong growth in Premium Funding. A further $3.0m was absorbed in the settlement of existing claims.

Outlook

The Group holds strong positions in segments of the financial services market which are fast growing and high margin. The business has an experienced, quality team that is growing market share in each segment, building capabilities and delivering superb service to customers and clients. Significant investment is being made in people and technology to position the Group for sustainable above market growth by delivering leading solutions designed to meet our customers' needs whilst assisting brokers, financial planners and accountants operate efficient and profitable businesses.

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CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 057 507 507

Appendix 4D

Half year ended 31 December 2013

RESULTS FOR ANNOUNCEMENT TO THE MARKET

In thousands of Australian dollars				
Net revenues from ordinary activities	**Up**	**2%**	**to**	**$27,357**
Net profit before tax and non-controlling interests	**Up**	**229%**	**to**	**$2,193**
Net profit for the period attributable to members	**Up**	**194%**	**to**	**$1,320**

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Interim dividend	**0.0 cents**	**0.0 cents**
Previous corresponding period	**0.0 cents**	**0.0 cents**
Record date for determining entitlements to dividend	**Not applicable**	
Payment date of dividend	**Not applicable**	
	31 Dec 2013	***30 Jun 2013***
Net tangible assets per share	**6.52 cents**	**3.92 cents**

- Results are extracted from the attached Half Year Financial Report for the six months ended 31 December 2013 which was subject to an independent review.
- For explanation and commentary on the results refer to the Directors' Report in the attached Half Year Financial Report.

CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 052 507 507

Half Year Financial Report

for the six months ended 31 December 2013

Directors' Report
For the half year ended 31 December 2013

The directors of Centrepoint Alliance Limited (ASX code 'CAF' and herein 'Centrepoint') submit their report for the half year ended 31 December 2013.

Directors

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

- Rick Nelson (Chairman)
- John de Zwart (Managing Director)
- Noel Griffin (Non-Executive Director)
- Matthew Kidman (Non-Executive Director)
- Stephen Maitland (Non-Executive Director)

Review of Financial Performance & Position

Financial Performance

The Consolidated Statement of Comprehensive Income shows a profit before tax from continuing operations for the half year to 31 December 2013 of $2.193m (the previous corresponding result was a loss before tax of $1.701m).

Total revenue increased by 2% to $27.357m with net advice and product revenue declining by 1% due to the impact of the reduction in adviser numbers in 2013. Interest income increased by 9% due to the growth in insurance premiums funded.

Total expenses decreased by 12% compared to the previous corresponding period. The major variation being a significant decrease in adviser client claims expense of $4.575m. The provision for adviser client claims is reassessed at least annually by an independent actuary. Actual claims activity for the period has been close to the activity projected by the independent actuary in August 2013, for the period ended 30 June 2013. Accordingly a further independent review has not been undertaken during the period. The next independent actuarial valuation will be undertaken for the full year financial statements.

Cash Flows

Cash provided by operations was $8.335m (2012: $9.078m) during the period. Payments of $3.003m (2012: $6.838m) were made in relation to adviser client claims and $7.799m (2012: $3.130m) was applied to financing activities, primarily funding the growth in the insurance premium funding business. There was an overall net decrease in cash and cash equivalents of $1.834m (2012: $0.996m) during the period.

Financial Position

The Group has net assets at 31 December 2013 of $18.766m (30 June 2013: $17.238m) and net tangible assets of $6.456m (30 June 2013: $3.665m) representing net tangible assets per share of 6.52 cents (30 June 2013: 3.92 cents).

Total assets increased to $194.715m (30 June 2013: $150.223m) reflecting a 42% increase in interest bearing receivables in the insurance premium funding business. Total liabilities increased 32% to $175.949m (30 June 2013: $132.985m) due to the external funding of those interest bearing receivables.

The Group held a total of $7.518m in cash and cash equivalents at 31 December 2013 (30 June 2013: $9.352m).

Review of Operations

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').

A review of the Group's operations during the half year and the results of those operations is set out below.

Centrepoint Alliance Insurance Premium Funding Division

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

Business Model: Business is sourced through general insurance brokers and is supported by strong relationships and effective administration. It provides a large volume of relatively small short-term loans. Funding is currently sourced from a receivables finance facility with a major bank.

Key Drivers: The number of supporting brokers and the proportion of their loan referrals received; volume of loans written; lending margins; the level of bad debts; and expenses.

Overview of HY 2014: CAPF has continued its strong growth in the period. A strong proposition combined with industry consolidation has provided the opportunity to grow market share with the number of brokers actively providing business to CAPF improving by 38%. Investments made in enhancing IT systems are benefiting productivity and customer experience resulting in additional repeat business.

Financial Performance: CAPF has had continued strong results during the period. Net revenues increased by 12% to $8.768m (HY 2013: $7.818m). Operating expenses of $3.290m (HY 2013: $3.015m) and credit management have been well controlled enabling pre-tax profits to rise by 32% to $2.529m (HY 2013: $1.910m).

Centrepoint Wealth ('CPW') Division

The Centrepoint Wealth division comprises the adviser services and investment products & services businesses of the Centrepoint Group.

a) Professional Investment Services

Description: PIS is an AFSL licensed, independent dealer 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 revenue earned by its advisers and rebates paid by investment and insurance product providers.

Key Drivers: Number of advisers; adviser fees; amount of funds under product distribution agreements; expenses and the cost of any claims related expenses (including insurance) against any PIS adviser.

Overview of HY 2014: During the period PIS has stabilised its adviser numbers through improvement in services and adviser engagement. It has strengthened its organisational capabilities, particularly in professional standards, product development and practice development. PIS maintained good progress on the Ongoing Monitoring Program ('OMP') with ASIC. The final report is due to be submitted to ASIC in April 2014.

The financial advice industry was impacted by increased regulation and compliance notably as a result of Future of Financial Advice ('FoFA') legislation with significant components coming into effect on 1

July 2013. The introduction of the FoFA legislation had minimal impact on PIS revenue during the period.

Client claims continue to be closely monitored. Claims activity for the period was in line with the activity projected by the independent actuary in August 2013 using data up to 30 June 2013. Claims management is now being undertaken by PIS staff to reduce costs previously incurred with external legal consultants and to improve outcomes.

Financial Performance: PIS net revenues fell by 7% to $11.497m (HY 2013: $12.361m) primarily as a result of the reduction in adviser numbers in 2013 and associated funds under product distribution agreements. Operating expenses increased by 8% to $11.340m (HY 2013 $10.535m) primarily as a result of restructuring costs; the hiring of compliance and claims management staff and investment in new capabilities for future growth. Cost savings initiatives undertaken during the period will benefit the second half results.

b) <u>Associated Advisory Practices</u>

Description: AAP provides a range of support services (including compliance, business consulting and education) to boutique AFSL licensed financial advice dealers throughout Australia. It is the largest business of its kind in Australia.

Business Model: Revenue is principally generated from rebates paid by platform providers and insurance companies.

Key Drivers: Number of contracted licensees; the value of funds under product distribution agreements; insurance policies written and renewed; and the level of expenses.

Overview of HY 2014: On 14 October 2013 the Group completed two Schemes of Arrangement whereby it acquired the 45% externally held shares of Associated Advisory Practices Ltd and Associated Advisory Practices (No 2) Ltd increasing its ownership to 100% in both entities.

Financial Performance: Rebate revenue has increased by 2% as a result of favourable market movements and licensee recruitment. The business contributed pre-tax profits of $1.332m down 20% (HY 2013: $1.639m). The reduction is the result of Scheme costs and investment in the business for further growth.

c) <u>Investment Products</u>

Description: Investment Products has two entities: Investment Diversity Ltd ('IDL') which packages investment platforms for dealers and financial advisers, and Ventura Investment Management Ltd ('VIML') which packages managed investment funds.

Business Model: IDL provides a range of white-labelled investment platforms that have been developed in conjunction with leading platform providers to meet the needs of advisers. IDL receives a share of the revenue received by platform providers in relation to funds administered on the platforms.

VIML is the investment manager for a range of managed investment funds for which it receives management fees, a portion of which is paid to contracted investment managers, a responsible entity and a custodian.

Key Drivers: The key drivers for IDL are funds under administration ('FUA') in contracted platforms; platform margins and expenses. For VIML the key drivers are funds under management ('FUM'); margins and expenses.

Overview of HY 2014: Both businesses have benefited from improvement in investment markets, and a slowing of outflows relating to advisers switching clients to other products following their departure from PIS. IDL FUA is up 9% to $1.7b and VIML FUM is up 6% to $667m in the period.

Financial Performance: Investment Products continued to trade profitably contributing combined net profit before tax of $0.909m (HY 2013: $1.179m) and combined revenues of $3.105m (HY 2013: $3.079m) primarily due to the continued performance of IDL. Operating expenses of $1.948m (HY

2013: \$1.687m) are higher than the prior period due to higher staff costs and professional fees in relation to the implementation of FoFA legislation.

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 division. 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 and finance broking.

Financial Performance: The combined result was a net loss before tax of \$1.791m (HY 2013: \$2.275m).

Subsequent Events

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.

Rounding

The amounts contained in this report and the Half Year Financial Report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

Auditor's Independence Declaration

Ernst & Young, our auditors, have provided a written independence declaration to the directors in relation to their review of the Half Year Financial Report for the period ended 31 December 2013. This independence declaration can be found at page 5 and forms part of this report.

Signed in accordance with a resolution of the directors.

Rick Nelson
Chairman

28 February 2014

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Auditor's independence declaration to the directors of Centrepoint Alliance Limited

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

Paula McLuskie
Partner
28 February 2014

Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2013

	Notes	Half Year to 31 Dec 2013 $'000	Half Year to 31 Dec 2012 $'000
Continuing Operations			
Revenue			
Advice and financial product revenue (gross)		62,540	65,375
Advice and financial product fees		(45,080)	(47,666)
Advice and financial product revenue (net)		17,460	17,709
Interest income	5	8,374	7,666
Other revenue	6	1,523	1,443
		27,357	**26,818**
Expenses			
Borrowing expenses		(2,730)	(2,678)
Employee benefits expense	7(a)	(12,599)	(11,363)
Professional consulting fees		(1,333)	(1,103)
Client claims	16	(312)	(4,887)
Insurances		(916)	(1,081)
Property costs		(1,639)	(1,716)
Impairment of assets	7(b)	(335)	(620)
Other general and administration expenses	7(c)	(5,300)	(5,071)
Profit/(Loss) before tax from continuing operations		**2,193**	**(1,701)**
Income tax (expense)/benefit		(906)	304
Net profit/(loss) for the period from continuing operations		**1,287**	**(1,397)**
Discontinued Operations			
Loss after tax for the period from discontinued operations	13	-	(29)
Net profit/(loss) for the period		**1,287**	**(1,426)**
Other comprehensive income			
Items that may be classified subsequently to profit and loss:			
Foreign currency translation		-	12
Total comprehensive profit/(loss) for the period		**1,287**	**(1,414)**
Net profit/(loss) attributable to:			
Owners of the parent		1,320	(1,406)
Non-controlling interests		(33)	(20)
Net profit/(loss) for the period		**1,287**	**(1,426)**
Total comprehensive profit/(loss) attributable to:			
Owners of the parent		1,320	(1,392)
Non-controlling interests		(33)	(22)
Total comprehensive profit/(loss) for the period		**1,287**	**(1,414)**
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the parent		Cents	Cents
Basic earnings/(loss) per share	9	1.39	(1.40)
Diluted earnings/(loss) per share	9	1.33	(1.40)
Earnings/(loss) per share from continuing operations attributable to the ordinary equity holders of the parent			
Basic earnings/(loss) per share	9	1.39	(1.37)
Diluted earnings/(loss) per share	9	1.33	(1.37)

The Consolidated Statement of Financial Position is to be read in conjunction with the attached notes included in pages 10 to 22.

Consolidated Statement of Financial Position
As at 31 December 2013

	Notes	31 Dec 2013 $'000	30 Jun 2013 $'000
Assets			
Current			
Cash and cash equivalents	10	7,518	9,352
Trade and other receivables		14,691	13,730
Interest bearing receivables	11	152,367	107,622
Current tax asset		-	225
Other assets	12	4,995	2,760
Total current assets		**179,571**	**133,689**
Non-current			
Trade and other receivables		186	92
Interest bearing receivables	11	486	557
Other assets	12	1,034	1,119
Property, plant and equipment		1,128	1,193
Intangible assets and goodwill	14	5,798	6,521
Deferred tax assets		6,512	7,052
Total non-current assets		**15,144**	**16,534**
Total assets		**194,715**	**150,223**
Liabilities			
Current			
Trade and other payables		47,112	37,544
Interest bearing liabilities	15	108,276	71,656
Provisions	16	8,808	10,250
Current tax liability		309	121
Total current liabilities		**164,505**	**119,571**
Non-current			
Interest bearing liabilities	15	364	90
Provisions	16	11,080	13,324
Total non-current liabilities		**11,444**	**13,414**
Total liabilities		**175,949**	**132,985**
Net assets		**18,766**	**17,238**
Equity			
Contributed equity	17	26,385	24,809
Reserves	18	306	69
Accumulated losses		(8,094)	(7,913)
Equity attributable to shareholders		**18,597**	**16,965**
Non-controlling interests		169	273
Total equity		**18,766**	**17,238**

The Consolidated Statement of Financial Position is to be read in conjunction with the attached notes included in pages 10 to 22.

Consolidated Statement of Cash Flows
For the half year ended 31 December 2013

	Notes	Half Year to 31 Dec 2013 $'000	Half Year to 31 Dec 2012 $'000
Cash flows from operating activities			
Cash receipts from customers		70,479	91,823
Cash paid to suppliers and employees		(62,144)	(82,745)
Cash provided by operations		8,335	9,078
Claims and litigation settlements & associated professional fees		(3,003)	(6,838)
Income tax refunded/(paid)		48	(265)
Net cash flows provided by operating activities		**5,380**	**1,975**
Cash flows from investing activities			
Interest received		264	335
Proceeds from sale of investments		400	-
Proceeds from sale of property, plant and equipment		10	-
Acquisition of property, plant and equipment		(89)	(176)
Net cash flows provided by investing activities		**585**	**159**
Cash flows from financing activities			
Interest and borrowing expenses paid		(127)	(69)
Net increase/(decrease) in borrowings		36,894	24,637
Net (increase)/decrease in loan funds advanced		(44,566)	(27,698)
Net cash flows used in financing activities		**(7,799)**	**(3,130)**
Net decrease in cash and cash equivalents		**(1,834)**	**(996)**
Cash and cash equivalents at the beginning of the period	10	9,352	14,621
Effect of exchange rate fluctuations on cash held		-	19
Cash and cash equivalents at the end of the period	10	**7,518**	**13,644**

The Consolidated Statement of Cash Flows is to be read in conjunction with the attached notes included in pages 10 to 22.

Consolidated Statement of Changes in Equity
For the half year ended 31 December 2013

	Notes	Ordinary Shares $'000	Reserves $'000	Discontinued Operations $'000	Accumulated Losses $'000	Total $'000	Non-Controlling Interests $'000	Total Equity $'000
Balance at 1 July 2012		28,675	51	(1,456)	-	27,270	(108)	27,162
(Loss)/profit for the period		-	-	-	(1,406)	(1,406)	(20)	(1,426)
Other comprehensive income								
Foreign currency translation differences		-	-	14	-	14	(2)	12
Total comprehensive income/(loss) for the period		**-**	**-**	**14**	**(1,406)**	**(1,392)**	**(22)**	**(1,414)**
Share-based payment	17	-	196	-	-	196	-	196
Dilution gains/(losses)		-	(150)	-	(28)	(178)	177	(1)
Balance at 31 December 2012		**28,675**	**97**	**(1,442)**	**(1,434)**	**25,896**	**47**	**25,943**
Balance at 1 July 2013		24,809	69	-	(7,913)	16,965	273	17,238
Profit/(loss) for the period		-	-	-	1,320	1,320	(33)	1,287
Other comprehensive income								
Total comprehensive income/(loss) for the period		**-**	**-**	**-**	**1,320**	**1,320**	**(33)**	**1,287**
Issue of share capital on acquisition of non-controlling interest	3,17	1,576	-	-	(1,434)	142	(142)	-
Share-based payment		-	237	-	-	237	-	237
Dilution gains/(losses)		-	-	-	(67)	(67)	71	4
Balance at 31 December 2013		**26,385**	**306**	**-**	**(8,094)**	**18,597**	**169**	**18,766**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the attached notes included in pages 10 to 22.

Notes to the Consolidated Financial Statements
For the half year ended 31 December 2013

1. Corporate information

The financial report of Centrepoint Alliance Limited (the Company) and its controlled entities for the half year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 27 February 2014.

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

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

2. Summary of significant accounting policies

Basis of preparation

The general purpose condensed financial report for the half-year ended 31 December 2013 has been prepared in accordance with AASB 134: *'Interim Financial Reporting'* and the *Corporations Act 2001*.

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

It is recommended that the Half Year Financial Report be considered together with any public announcements made by Centrepoint Alliance Limited and its controlled entities during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

The Half Year Financial Report has been prepared on a historical cost basis, except for certain financial assets and derivative financial instruments that have been measured at fair value.

The Half Year Financial Report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the company under ASIC Class Order 98/100.

For the purpose of preparing the Half Year Financial Report, the half year has been treated as a discrete reporting period.

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 $18.766m (30 June 2013: $17.238m), net tangible assets of $6.456m (30 June 2013: $3.665m) and its market capitalisation exceeded its net assets. The Group also held $7.518m in cash and cash equivalents at 31 December 2013 (30 June 2013: $9.352m).

Basis of consolidation

The half year consolidated financial statements comprise the financial statements of Centrepoint Alliance Limited and its subsidiaries as at 31 December 2013 ('the Group'). Interests in associates are equity accounted and are not part of the consolidated Group.

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.

Significant accounting policies

The half-year consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements of the Group for the year ended 30 June 2013, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2013, as described below:

Reference	Title	Application date of standard	Application date for Group
AASB 10	**Consolidated Financial Statements** AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and UIG-112 *Consolidation - Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10.	1 July 2013	1 July 2013
AASB 12	**Disclosure of Interests in Other Entities** AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests.	1 July 2013	1 July 2013
AASB 13	**Fair Value Measurement** AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 July 2013	1 July 2013

Reference	Title	Application date of standard	Application date for Group
AASB 119	**Employee Benefits** The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 July 2013	1 July 2013
AASB CF 2013-1	**Amendments to the Australian Conceptual Framework** AASB CF 2013-1 replaces the guidance in the *Framework* on the objective of general purpose financial reporting and the qualitative characteristics of useful financial information, as an integral part of the *Framework* and it also withdraws Statement of Accounting Concepts SAC 2 *Objective of General Purpose Financial Reporting*.	Ending on or after 20 December 2013	Ending on or after 20 December 2013

Changes in accounting policy

The Group has adopted all accounting standards and interpretations applicable from 1 July 2013. The adoption of the new standards and interpretations has had no impact on the recognition, measurement and disclosure of any assets, liabilities or the income statement for the period.

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

Significant estimates

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

In preparing this consolidated half-year financial report, the significant judgements made by management in applying the Group’s accounting policies and the sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2013.

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

- Goodwill and intangible assets recoverable amounts (Note 14).
- Provision for client claims (Note 16).
- Recognition of deferred tax assets.
- Contingencies (Note 19).

3. Business combinations and acquisition of non-controlling interests

There have been no material business combinations during the period.

Acquisition of additional interest in Associated Advisory Practices Ltd ('AAP') and Associated Advisory Practices (No 2) Ltd ('AAP2')

On 14 October 2013, the Group acquired via Schemes of Arrangement, the 45% non-controlling interests in the ordinary shares of AAP and AAP2, increasing its ownership to 100% in both entities. Consideration was in the form of scrip for scrip whereby Centrepoint issued 5,626,175 ordinary shares at 28 cents per share in exchange for 3,030,209 AAP ordinary shares and 1,584,822 AAP2 ordinary shares. The following is a schedule of the additional interest acquired in AAP and AAP2:

	No.	Fair Value	
Components of consideration	**#**	**$**	**$**
Fully paid ordinary shares in Centrepoint Alliance Limited	5,626,175	0.28	1,575,329
Carrying value of non-controlling interest derecognised			(142,190)
Difference recognised in retained earnings within equity			**1,433,139**

4. Segment information

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

The operating segments are identified by management based on the manner in which the product is sold, whether retail or wholesale, 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 ('Premium Funding')
- Financial Advice Services (Own AFSL) ('Professional Investment Services')
- Financial Advice Services (Licensees) ('Associated Advisory Practices')
- Financial Products and Services ('Investment Products')
- Corporate & Other ('Corporate & Other')
- Discontinued International Operations ('Discontinued')

4. Segment information (continued)

The following tables present financial information for reportable segments for the half-years ended 31 December 2013 and 31 December 2012.

	Premium Funding $'000	Professional Investment Services $'000	Associated Advisory Practices $'000	Investment Products $'000	Corporate & Other $'000	Dis-continued $'000	TOTAL $'000
Half Year to 31 December 2013							
Advice & product revenue (net)	-	10,999	2,598	3,103	760	-	17,460
Interest income	8,050	90	2	2	230	-	8,374
Other revenue	718	408	-	-	397	-	1,523
Total net revenue	**8,768**	**11,497**	**2,600**	**3,105**	**1,387**	**-**	**27,357**
Borrowing expenses	(2,603)	(54)	(1)	-	(72)	-	(2,730)
Client claims	-	(309)	-	(3)	-	-	(312)
Depreciation and amortisation	(80)	(580)	-	(176)	(83)	-	(919)
Impairment of assets	(266)	-	-	(69)	-	-	(335)
Other expenses	(3,290)	(11,340)	(1,267)	(1,948)	(3,023)	-	(20,868)
Net profit/(loss) before tax	**2,529**	**(786)**	**1,332**	**909**	**(1,791)**	**-**	**2,193**
At 31 December 2013							
Current assets	**155,736**	**24,496**	**2,596**	**9,429**	**(12,686)**	**-**	**179,571**
Non-current assets:							
Property, plant and equipment	231	883	-	3	11	-	1,128
Intangible assets and goodwill	284	2,387	-	703	2,424	-	5,798
Other	(177)	7,242	58	(174)	1,269	-	8,218
Total assets	**156,074**	**35,008**	**2,654**	**9,961**	**(8,982)**	**-**	**194,715**
Total liabilities	**(137,709)**	**(34,829)**	**(584)**	**(665)**	**(2,162)**		**(175,949)**
Net assets	**18,365**	**179**	**2,070**	**9,296**	**(11,144)**	**-**	**18,766**

4. Segment information (continued)

	Premium Funding	Professional Investment Services	Associated Advisory Practices	Investment Products	Corporate & Other	Dis-continued	TOTAL
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Half Year to 31 December 2012							
Advice & product revenue (net)	-	11,414	2,554	3,068	672	2,173	18,140
Interest income	7,286	7	15	11	347	-	7,666
Other revenue	532	940	52	-	(80)	79	3,264
Total net revenue	**7,818**	**12,361**	**2,621**	**3,079**	**939**	**2,252**	**29,070**
Borrowing expenses	(2,594)	(61)	-	-	(23)	(4)	(2,682)
Client claims	-	(4,883)	-	-	-	(4)	(4,887)
Depreciation and amortisation	(30)	(617)	-	(213)	(84)	(59)	(1,003)
Impairment of assets	(269)	(419)	-	-	68	-	(620)
Other expenses	(3,015)	(10,535)	(982)	(1,687)	(3,175)	(2,184)	(21,578)
Net profit/(loss) before tax	**1,910**	**(4,154)**	**1,639**	**1,179**	**(2,275)**	**1**	**(1,700)**

	Premium Funding	Professional Investment Services	Associated Advisory Practices	Investment Products	Corporate & Other	Dis-continued	TOTAL
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**

5. Interest income

	Half Year to 31 Dec 2013 $'000	Half Year to 31 Dec 2012 $'000
Interest income - Insurance premium funding*	8,050	7,286
Interest income - Other	324	380
	8,374	**7,666**

*NOTE: In accordance with Accounting Standard AASB 139 *Financial Instruments: Recognition and Measurement*, the Company is required to adopt the effective interest rate method, which means that commission expenses of $5,162,000 (2012: $4,153,000) on financing activities has been netted off against (i.e. deducted from) interest and fee income.

6. Other revenue

	Half Year to 31 Dec 2013 $'000	Half Year to 31 Dec 2012 $'000
Retail and wholesale asset and service fees	343	204
Recoveries	221	656
Gain on sale of investments	243	62
Other	716	521
	1,523	**1,443**

7. Expenses

	Half Year to 31 Dec 2013 $'000	Half Year to 31 Dec 2012 $'000
(a) Employee benefit expenses		
Wages and salaries	11,284	9,426
Other associated personnel expenses	1,727	1,575
Share based compensation expense	237	194
(Decrease)/increase in liability for employee leave	(649)	168
	12,599	**11,363**
(b) Impairment of assets		
Impairment of receivables	266	318
Impairment of intangibles	69	302
	335	**620**
(c) Other general and administration expenses		
Audit fees	256	204
Communication expenses	293	303
Computer expenses	379	594
Conference expenses	561	360
Depreciation and amortisation	919	944
Directors fees and expenses	171	187
Entertainment	121	166
Foreign exchange (gain)/ loss	(1)	(3)
Licensing, subscriptions and registrations	572	278
Marketing and promotion	389	379
Management fees	332	303
Other expenses	683	725
Printing, stationery and postage	137	170
Travel and accommodation	488	461
	5,300	**5,071**

8. Dividends

Dividends payable are recognised when declared by the company.
No dividends were provided for or paid during the half year or for the previous corresponding period.

9. Earnings/(loss) per share

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

	Half Year to 31 Dec 2013 $'000	Half Year to 31 Dec 2012 $'000
Earnings/(losses) used in calculating loss per share:		
Net profit/(loss) attributable to ordinary equity holders of the parent	**1,320**	**(1,406)**
Earnings/(losses) used in calculating loss per share – continuing operations:		
Net loss attributable to ordinary equity holders of the parent	**1,320**	**(1,377)**

Weighted average number of shares:	**Number**	
Weighted average number of ordinary shares (excluding reserved shares)	94,994,225	100,340,901
Effect of dilution:		
Performance rights /Partly paid shares	4,100,000	-
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	**99,094,225**	**100,340,901**

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

10. Cash and cash equivalents

	31 Dec 2013 $'000	30 Jun 2013 $'000	31 Dec 2012 $'000
Cash at bank	7,518	9,352	12,545
	7,518	**9,352**	**12,545**
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:			
Cash at bank	7,518	9,352	12,545
Cash at banks attributable to discontinued operations	-	-	1,099
	7,518	**9,352**	**13,644**

11. Interest bearing receivables

	31 Dec 2013 $'000	30 Jun 2013 $'000
Current		
Loan receivables – insurance premium funding	151,992	107,170
Loan receivables – investment advisers	375	452
	152,367	**107,622**
Non-current		
Loan receivables – investment advisers	486	557
	486	**557**

12. Other assets

	31 Dec 2013 $'000	30 Jun 2013 $'000
Current		
Security deposits	202	53
Prepayments	4,793	2,707
	4,995	**2,760**
Non-current		
Security deposits	1,034	1,029
Investment in associates	-	90
	1,034	**1,119**

13. Discontinued operations

In the year ending 30 June 2013 the sale of the Singapore business was completed and a conditional sale agreement was entered into for the sale of the Malaysian business, which has since completed. The Group has a number of dormant entities in New Zealand and is in the process of exiting from the New Zealand business. As a result the international operations were reclassified as a discontinued operation held for sale at 30 June 2013.

(a) The results of the International operations for the period are presented below:

	Half Year to 31 Dec 2013 $'000	Half Year to 31 Dec 2012 $'000
Advice and financial product revenue - net	-	2,173
Other revenue	-	79
	-	**2,252**
Borrowing expense	-	(4)
Client claims	-	(4)
Depreciation and amortisation	-	(59)
Other expenses	-	(2,184)
Profit/(loss) before tax	**-**	**1**
Income tax	-	(30)
Profit/(loss) after tax	**-**	**(29)**

(b) There were no major classes of assets and liabilities as at 31 December 2013 or 30 June 2013

14. Intangible assets and goodwill

	Goodwill $'000	Software $'000	Network & client lists $'000	Total $'000
Period ending 31 December 2013				
At 1 July 2013 net of accumulated amortisation and impairment:-	2,132	403	3,986	6,521
Additions	-	-	69	69
Impairment	-	-	(69)	(69)
Amortisation	-	(65)	(658)	(723)
Effective movements in foreign exchange	-	-	-	-
At 31 December 2013 net of accumulated amortisation and impairment	**2,132**	**338**	**3,328**	**5,798**

14. Intangible assets and goodwill (continued)

	Goodwill $'000	Software $'000	Network & client lists $'000	Total $'000
At 31 December 2013				
Cost	4,613	2,479	9,653	16,745
Accumulated amortisation and impairment	(2,481)	(2,141)	(6,325)	(10,947)
Net carrying value	**2,132**	**338**	**3,328**	**5,798**
Period ending 31 December 2012				
At 1 July 2012 net of accumulated amortisation and impairment:-	2,132	133	5,746	8,011
Additions	-	6	-	6
Impairment	-	-	(302)	(302)
Amortisation	-	(29)	(701)	(730)
Effective movements in foreign exchange	-	(3)	-	(3)
At 31 December 2012 net of accumulated amortisation and impairment	**2,132**	**107**	**4,743**	**6,982**
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**

Impairment tests for goodwill and intangibles

Insurance Premium Funding – CGU
The goodwill relating to the premium funding business arose in year ending 30 June 2011 and is not considered impaired.

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% (2013: 0%)
- Growth rate for client lists 0% (2013: 0%)
- Pre-tax risk-adjusted discount rate for cash flows 17.64% (2013: 17.64%)
- Pre-tax risk-adjusted discount rate for terminal values 17.64% (2013: 17.64%)
- Cost of equity 12.35% (2013: 12.35%)

The testing resulted in impairment losses of $69,000 (31 December 2012: $302,000).

A sensitivity analysis indicated that a decrease in the assumed growth rates of 1% would have resulted in a further impairment expense of $Nil (31 December 2012: $Nil).

15. Interest bearing liabilities

	31 Dec 2013 $'000	30 Jun 2013 $'000
Current		
Bank debt – receivables financing facility (Insurance premium funding)	107,952	71,456
Equipment hire and software finance liabilities	324	200
	108,276	**71,656**
Non-current		
Equipment hire and software finance liabilities	364	90
	364	**90**

16. Provisions

	31 Dec 2013 $'000	30 Jun 2013 $'000
Current		
Provision for adviser client claims	7,505	8,515
Provision for employee entitlements	1,303	1,735
	8,808	**10,250**
Non-current		
Provision for adviser client claims	10,226	12,253
Provision for employee entitlements	854	1,071
	11,080	**13,324**

The provision for adviser client claims is the estimated cost of resolving claims from clients arising from financial advice provided prior to 1 July 2010 by Authorised Representatives of the Group. The provision is the estimated cost of addressing, resolving and settling reported and incurred but not reported ('IBNR') claims as determined using an independent actuarial valuation assessment in August 2013 which used internal historical data on claims up to 30 June 2013. It is measured based on the present value of future costs that the Group expects to incur to settle such claims. These claims are expected to be settled over a period between zero and five years. Settlement is dependent on the circumstances of each claim and the level of complexity involved in resolution. As claims are settled and paid the cost is offset against the provision.

Activity for the period was in line with the activity projected by the independent actuary in August 2013; accordingly the independent actuarial assessment has not been updated during the period. A further independent actuarial assessment will be undertaken for the full year financial statements.

17. Contributed equity

	31 Dec 2013 $'000	30 Jun 2013 $'000
Ordinary shares	27,558	25,982
Reserved shares	(1,173)	(1,173)
	26,385	**24,809**

17. Contributed equity (continued)

(a) Ordinary shares (issued and fully paid)

	31 December 2013		30 June 2013	
	Number of shares	$'000	Number of shares	$'000
Balance at start of period	93,465,646	25,982	101,197,330	29,749
Movements during the period:-				
- Transfer from cancelled partly paid shares	-	-	-	99
- Shares issued on acquisition of non-controlling interest	5,626,172	1,576	-	-
- Buyback and cancellation of shares from sale of Singapore business	-	-	(7,731,684)	(3,866)
On issue at end of period	**99,091,818**	**27,558**	**93,465,646**	**25,982**

(b) Reserved shares

	31 December 2013		30 June 2013	
	Number of shares	$'000	Number of shares	$'000
Balance at start of period	(856,431)	(1,173)	(856,431)	(1,173)
Movements during the period	-	-	-	-
On issue at end of period	**(856,431)**	**(1,173)**	**(856,431)**	**(1,173)**

(c) Partly paid shares

	31 December 2013		30 June 2013	
	Number of shares	$'000	Number of shares	$'000
Balance at start of period	-	-	428,572	99
Movements during the period:-				
- Buy-back and cancellation of shares	-	-	(428,572)	-
- Transfer to ordinary share capital	-	-	-	(99)
On issue at end of period	**-**	**-**	**-**	**-**
Total contributed equity	**98,235,387**	**26,385**	**92,609,215**	**24,809**

18. Reserves

	31 Dec 2013 $'000	30 Jun 2013 $'000
Employee equity benefits reserve (refer note below)	306	69
	306	**69**

a) Employee Equity Benefits Reserve

	31 Dec 2013 $'000	30 Jun 2013 $'000
Balance at start of year	69	51
Value of share based payments/performance rights provided or which vested during the year	237	72
Value of share based payments expired during the year	-	(54)
Balance at end of year	**306**	**69**

18. Reserves (continued)

Employee equity benefits reserve

During the current period, the following performance rights were granted to the Managing Director and other senior executives of the Group which are accounted for as share options. These share based remuneration awards were valued using the Black Scholes model as follows:

Performance Rights	No. of options	Vesting period	Exercise price	Fair value at grant date
Managing Director	1,500,000	3 years	$0.00	$0.36
Key Executives	2,600,000	3 years	$0.00	$0.34

19. Contingent assets and liabilities

The nature of the advice business is such that from time to time advice given by the Group or its authorised representatives results in claims by clients for compensation. The Group has provided for such claims arising from advice provided prior to 1 July 2010. At the date of this report the directors are not aware of any material contingent claims in relation to advice provided after 1 July 2010.

There are no other contingent assets or liabilities at balance date.

20. Events subsequent to reporting date

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.

21. Seasonality of operations

Provision of financial advice and investment products

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

Insurance premium funding

The insurance premium funding business follows the seasonal peak of insurance policy renewals. The majority of the receivables have historically peaked, along with income in the second quarter of the financial year and fall to the lowest levels in the final quarter.

Directors' Declaration
For the half year ended 31 December 2013

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

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 financial position as at 31 December 2013 and the performance for the half year ended on that date of the Consolidated entity; and

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

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

Signed in accordance with a resolution of the directors.

Rick Nelson
Chairman
28 February 2014

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To the members of Centrepoint Alliance Limited

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Centrepoint Alliance Limited, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 ***Review of a Financial Report Performed by the Independent Auditor of the Entity***, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the ***Corporations Act 2001*** including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 ***Interim Financial Reporting*** and the ***Corporations Regulations 2001***. As the auditor of Centrepoint Alliance Limited and the entities it controlled during the half-year, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and

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

Ernst & Young

Ernst & Young

P McLuskie

Paula McLuskie
Partner
Brisbane
28 February 2014

Half Year Results

December 2013

1H14 summary

Centrepoint Alliance

- Reported pre-tax profit of $2.2m up 229%
- Continued strong performance from the Premium Funding business
- Wealth Management business stabilised
- Strong management team now in place
- Strong momentum and client engagement across all business lines
- All business lines well positioned for long term sustainable growth

Results highlights

Centrepoint Alliance

Financial

- $2.2m Profit before Tax (PBT), up $3.9m from $1.7m loss in pcp
- $3.6m annualised cost savings in Wealth Management achieved
- Gross platform and funds management inflows of $726m
- Premium Funding loan volume up 23% to $254m
- Strong underlying operating cash flows of $9.3m

Operating

- Single Centrepoint Wealth Management team created
- New adviser desk top CRM system implemented
- Claims management revamped with claims outcomes improving

Strategic

- Excellent progress in the development of the Centrepoint brand
- Acquired remaining 45% of Associated Advisory Practices
- New strategy for customer and distributor centric business models

Regulation

- Professional standards upgrade and cultural change program implemented
- Ongoing monitoring program progressing well
- Regulatory changes (FOFA) implemented without significant impact on revenues to date

Financial summary

Centrepoint Alliance

	1H14	1H13	Change
Underlying PBT	$4.0m	$4.9m	(18%)
Statutory NPAT	$1.3m	($1.4m)	194%
Total Revenue[1]	$27.4m	$26.8m	2%
Total Expenses (ex claims)[1]	$24.9m	$23.6m	6%
Cost to Income Ratio	91%	88%	3%
Underlying PBT EPS (cents)	4.00	4.90	(18%)
Statutory EPS (cents) (Continuing Operations, Diluted)	1.33	(1.37)	192%

Financial Highlights

- Premium Funding underlying PBT up 32% to $2.5m
- Wealth Management underlying PBT down 44% to $3.0m
- Corporate net cost down 30% to $1.5m
- $3.6m (annualised) cost management initiatives completed in Wealth Management 1H14 at a cost of $0.7m.
- $1.2m (annualised) property savings begin in 2H14

1 From Continuing Operations

Group overview

Centrepoint is the leading non-institutionally owned premium funder and financial advice service provider in Australia

Premium Funding delivers consistent, reliable and innovative solutions to Australian general insurance brokers. It is growing at circa 3 times the market and funding annualised premiums of $450m in a $5bn[1] market

Wealth Management provides ‘best of breed’ integrated solutions to financial advisers and their customers. It provides services to 1400 financial advisers - over 50% of non-institutionally aligned financial advisers in Australia

Centrepoint’s management team has a track record of transforming businesses and their markets

Centrepoint operates in market segments that continue to grow faster than GDP, have attractive margins and that are undergoing significant customer and regulatory driven change

1 Source: IPFA Notice to Members 28/01/2014. Represents premiums funded in the 2012/13 financial year.

Group structure

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

Vision and strategy

To be the leading and most highly respected financial services business in Australia

By:

- Delivering consistent, reliable and valued outcomes for clients and customers
- Having experienced aligned people who want to deliver the best and who have the resources to deliver
- Having a strong brand and balance sheet
- Looking to innovate and find better, simpler ways of doing things

Profit summary

$m	1H14	1H13	Change
Premium Funding	2.5	1.9	32%
Wealth Management	3.0	5.3	(44%)
Corporate	(1.5)	(2.3)	34%
Group Underlying PBT	**4.0**	**4.9**	**(18%)**
Legacy claims expense	(0.3)	(4.9)	
Other adjustments	(1.5)	(1.7)	
Statutory PBT	**2.2**	**(1.7)**	**229%**

Summary

- Premium Funding continues to grow strongly with well managed lending and expenses
- Wealth Management cost reductions implemented to adjust for lower revenue
- Group has significant tax losses and franking credits

Premium Funding highlights

Centrepoint Alliance

Financial

- PBT up 32% to $2.5m
- Premiums funded up 23% to $254m
- Volumes growing at circa 3 times market rate

Operating

- Productivity gains extracted from prior year IT investment
- Further capacity available to increase scale benefits
- Customer experience further improved
- Strong credit risk and expense management maintained

Strategy and people

- Successfully growing east coast business, up 38% pcp
- Reducing average loan size: good for profitability and risk profile
- Building east coast sales team
- Started externally facilitated staff development program focussing on growth
- Stable team with long tenure

Results - Premium Funding

Centrepoint Alliance

$m	1H14	1H13	Change
Net Revenue	8.8	7.8	12%
Interest Expense	(2.6)	(2.6)	0%
Expenses	(3.6)	(3.3)	10%
Profit Before Tax	2.5	1.9	32%

Key metrics	1H14	1H13	Change
Loan Volume $m	254	206	23%
Active Brokers	303	242	25%
Loans	13,453	10,049	34%
Average Size $	18,866	20,485	(8%)

Summary

- Active brokers up 25%. Underpins future growth
- 1H14 premiums funded up 23%
- Rebalancing business to higher margin east coast clients
- Lower cost funding supporting higher net interest margin
- Cost to income ratio down 4% to 59%

Wealth Management highlights

Financial	• Cost reduction program executed delivering $3.6m in annualised savings • Disposed non-core assets i.e. Malaysian advice business, GPS
Operating	• Successful re-engagement with advisers • Claims management process transformed • New financial adviser desk top CRM system implemented • Significant strengthening of proposition and service
Strategy and people	• Strengthened team • Customer centric capability and culture change program underway • A new staff incentive scheme introduced • Strengthening and promoting Centrepoint brand – 95% of media positive since Sept 2013 • Acquired remaining 45% of Associated Advisory Practices • Wealth strategy designed. Implementation underway
Regulation	• Completed transformation of professional standards team and processes • Strong relationship with ASIC • Ongoing monitoring program progressing well • Regulatory changes (FOFA) implemented without any significant impact on revenues to date

Results – Wealth Management

Centrepoint Alliance

$m	1H14	1H13	Change
Revenue	17.2	18.1	(5%)
Expenses	(14.2)	(12.8)	11%
Underlying NPBT	**3.0**	**5.3**	**(44%)**
Legacy claims expense	(0.3)	(4.9)	
Restructuring & other	(1.2)	(1.7)	
Statutory NPBT	**1.5**	**(1.3)**	**209%**

Key Metrics $m	1H14	1H13	Change
Funds Under Distribution Agreement	7,948	8,042	(1%)
Funds Under Administration	1,734	1,484	17%
Funds Under Management	667	634	5%
Life Policies in Force	141	161	(12%)

Summary

- Revenue impacted by loss of advisers during prior periods, partially offset by favourable markets
- FOFA impact on revenue immaterial in 1H14
- Expense reductions of $3.6m (annualised) delivered offset by restructuring costs of $0.7m
- 1H14 investment in the team including new incentive scheme $1.0m ($2.0m annualised) plus IT systems $0.2m ($0.4m annualised) to improve service offering
- Fund flows were impacted positively by market movements and customer activity however offset by loss of advisers in prior periods transferring funds to new service providers

Wealth Management Plan and Priorities

Stability

- Prepare for FOFA (1H14)
- Re-engage advisers (1H14)
- Enhance service to advisers (1H14)
- Minimise legacy claims costs (1H14)
- Reduce costs and strengthen financial performance (FY14)
- Ensure consistent quality advice (ongoing) and complete Ongoing Monitoring Program (2H14)
- Exit non-core activities (FY14)
- Integrate and simplify Wealth Management businesses (FY14)
- Align staff remuneration (1H14)

Capability

- Build experienced transformational management team (FY14)
- Build ideal practice solution (staged delivery until 1H16)
- Deliver modern investment solution (2H14)
- Standardise business systems, processes and collateral (2H14)
- Develop financial analysis and profitability systems (2H14)

Growth

- Position business for double market rates of growth (FY14)
- Grow adviser adoption of the ideal practice (FY15)
- Consider inorganic and collaboration opportunities (2H14 onwards)

Outlook

Centrepoint Alliance

- Continued strong performance and market share growth in Premium Funding
- Start to leverage strength of Wealth Management's proposition and adviser engagement, and grow revenues
- Deliver next stage of 'ideal practice' – deliver quality advice whilst making advisers' practices simpler and more profitable
- Respond to wealth market changes as industry responds to post FOFA environment
- Continue to strengthen the Group's financial position
- Consider inorganic growth opportunities

APPENDICES

Group balance sheet

	1H14	2H13	Change
Cash and Cash Equivalents	$7.5m	$9.4m	(20%)
Interest Bearing Receivables	$152.4m	$107.6m	42%
Other Current Assets	$19.7m	$16.7m	18%
Intangible Assets and Goodwill	$5.8m	$6.5m	(11%)
Other Non-current Assets	$9.3m	$10.0m	(7%)
Total Assets	**$194.7**	**$150.2m**	**30%**
Interest Bearing Liabilities	$108.3m	$71.7m	51%
Other Current Liabilities	$56.2m	$47.9m	17%
Non-current Liabilities	$11.4m	$13.4m	(15%)
Total Liabilities	**$175.9m**	**$133.0m**	**32%**
Net Assets	**$18.8m**	**$17.2m**	**9%**

Highlights

- Increase in balance sheet due to growth and seasonal nature of Premium Funding
- Insurance and software prepayments in July resulting in an increase in Other Current Assets
- Intangibles continue to amortise
- Current liabilities increased in line with Premium Funding growth
- Non-current liabilities reducing as client claims settled

Cash flows

Source and use	$m
Cash flows from operations	8.3
Add Underlying PBT cash adjustments	1.0
Underlying cash from operations	**9.3**
Investment in Premium Funding receivables growth	(7.7)
Payment of legacy claims	(3.0)
Other net cash movements	(0.4)
Net cash movement	**(1.8)**

Summary

- Strong underlying cash flows of $9.3m in 1H14
- Strong premium funding growth resulted in $7.7m funds being reinvested into the business. This is partially seasonal and will reduce in 2H14
- Claims payments $3.0m, well down on 1H13 of $4.5m

Legacy claims management

Centrepoint Alliance

Key metrics	Projection
Number of new claims received	110%
Total average cost per claim	90%

Balance Sheet Provision	$m
Legacy claims provision 30 June 2013	20.7
Discount unwind/ CPI changes	0.3
Claims expenses paid	(3.0)
Claims expenses payable	(0.3)
Legacy claims provision 31 December 2013	17.7

Summary

- Claims outcomes have been in-line with the external actuarial projection undertaken for FY13. A further external review will be undertaken for FY14
- Higher volume of new claims received is being driven by ‘no win no fee’ lawyer advertising
- Claims management costs are being reduced by using Centrepoint staff and by resolving complaints quickly and empathetically directly with customers where possible
- Stop loss insurance offer capping pre July 2010 claims has been received. Terms are being considered by management and the Board

Centrepoint Alliance

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