

**ASX Announcement**  
**22 February 2019**

---

**Centrepont's focus on delivering Strategic Refresh positions the Company well to capitalise on the changing market place**

Centrepont Alliance Limited (ASX:CAF) ('Centrepont', the 'Company' or the 'Group') is pleased to announce its financial results for the half year ended 31 December 2018 (1H19).

1H19 results summary:

- **Centrepont's net profit before tax for 1H19 is \$1.7m (1H18 \$1.9m loss)**
- **EBITDA for 1H19 is \$2.2m (1H18 \$1.4m loss)**
- **Despite difficult trading conditions gross profit remained flat on prior periods**
- **Net increase in licenced and self-licenced advisers over the half**
- **Strategic Refresh program being implemented as planned, focused on creating the future of advice and business services for the Adviser Community**
- **Debt free with \$7.4m in cash and \$7.9m in interest bearing receivables**

Centrepont continues to implement its Strategic Refresh program announced at the 2018 full year results and outlined further at the 2018 AGM.

With a renewed executive team and investment in strong operational capability, the business maintained stable revenue, attracted new advisers, and is successfully absorbing the costs of executing the Strategic Refresh program through re-deploying resources and adding new digital and data capabilities funded through productivity gains. This has been delivered despite challenging market conditions and the intense public scrutiny the financial advice sector has received as a result of the Royal Commission into misconduct in the Banking, Superannuation & Financial Services Industry.

Angus Benbow, Chief Executive Officer, said, "There remains an unequivocal demand for quality financial advice, and with the structural disruption of the industry that is occurring Centrepont is uniquely placed to capitalise on these unfolding changes. We have a strong community of quality licenced advisers, as well as providing services to over 200 self-licenced firms. We have made solid progress on our Strategic Refresh over the last six months, working to transform Centrepont to become a quality scale operator to the adviser market, with a new digitally enabled service offering. It is pleasing to be able to deliver a solid result against this backdrop of transition for the business and industry."

During the period no further changes to the provision were required for legacy claims (claims that originated from advice given prior to 1 July 2010). The current legacy claims provision is \$1.8m.

Alan Fisher, Chairman, said, "Centrepont has undergone significant change since the arrival of Angus. With a new look executive team in place, we have made solid progress over the last six months in delivering our Strategic Refresh, which is consistent with the recent recommendations from the

Royal Commission. We are well placed to capitalise on the disruption taking place across the industry, and the opportunities this presents to a renewed and refocused Centrepoint.”

**Investor Briefing**

Angus Benbow, Chief Executive Officer and Peter Loosmore, Chief Financial Officer, will hold an investor briefing at 11:00am (AEDT) on Friday, 22 February 2019.

If you wish to participate in the briefing, please register at the Events section of the Centrepoint website - [www.centrepoinalliance.com.au/events/](http://www.centrepoinalliance.com.au/events/).

Centrepoint’s Appendix 4D and Half Year Report are appended.

**For further information please contact:**

**Angus Benbow**

**Centrepoint Alliance Limited**

Ph: 02 8987 3000

E: [angus.benbow@cpal.com.au](mailto:angus.benbow@cpal.com.au)

**CENTREPOINT ALLIANCE LIMITED**  
**AND ITS CONTROLLED ENTITIES**

ABN 72 052 507 507

Appendix 4D

Half year ended 31 December 2018

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**

In thousands of Australian dollars	1H18		1H19		Variance
Revenues from ordinary activities	\$61,626	to	\$59,643	Down	3%
Profit before tax and non-controlling interests	(\$1,853)	to	\$1,739		nm
Profit after tax attributable to members	(\$1,303)	to	\$ 133		nm

<b>Dividends (distributions)</b>	Amount per security	Franked amount per security
Interim dividend	0.0 cents	0.0 cents
Previous corresponding period	1.2 cents	1.2 cents
Record date for determining entitlements to dividend	N/A	
Payment date of interim dividend	N/A	
<b>Dividend Reinvestment Plan</b>		
Plan active	No	
Discount	N/A	
Pricing period	N/A	
Last DRP election date	N/A	
<b>Net tangible assets per share</b>	31 Dec 2018 9.27 cents	30 June 2018 7.96 cents

Results are extracted from the attached Half Year Financial Report for the six months ended 31 December 2018 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.

nm refers to 'not-meaningful'

# CENTREPOINT ALLIANCE

**CENTREPOINT ALLIANCE LIMITED  
AND ITS CONTROLLED ENTITIES**

ABN 72 052 507 507

**HALF YEAR FINANCIAL REPORT  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2018**

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Half Year Financial Report  
31 December 2018

## Contents

Directors' Report	1
Auditor's Independence Declaration	5
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	6
Condensed Consolidated Statement of Financial Position	7
Condensed Consolidated Statement of Cash Flows	8
Condensed Consolidated Statement of Changes in Equity	9
Notes to the Condensed Consolidated Financial Statements	10
Directors' Declaration	23
Independent Auditor's Review Report	24

# CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report  
31 December 2018

Your Directors present their report for the half year ended 31 December 2018.

## Directors

The Directors of Centrepoint Alliance Limited (the 'Company') at any time during or since the end of the financial period are:

Alan Fisher (Chairman)

Andrea Slattery (Non-Executive Director), appointed 6 November 2018 and resigned 31 January 2019

Martin Pretty (Non-Executive Director)

Hugh Robertson (Non-Executive Director), resigned 29 October 2018

Georg Chmiel (Non-Executive Director)

## Company Secretary

Debra Anderson

Martyn Carne

## Operating and Financial Review

### Group Business Operations

Centrepoint Alliance Limited (the 'Parent Entity') and its controlled entities (the 'Group') operates in the financial services industry within Australia and provides a range of financial advice and licensee support services (including licensing, systems, compliance, training and technical advice) and investment solutions to financial advisers, accountants and their clients across Australia and lending mortgage aggregation services to mortgage brokers.

### Financial Performance

Group net profit after tax for the 1H19 was \$0.1m (1H18: Loss \$1.3m – restated as noted on page 4).

The improvement from the prior comparative period reflects a 0.3% increase in revenue to \$16.1m. Operating expenses fell by 20% to \$14.4m as the Group experienced substantially lower legacy client claims.

Group cash balances reduced from \$9.5m to \$7.4m following the settlement of several outstanding claims in the period.

Centrepoint is focused on growth and relationships with around 469 financial planning firms. The business is well progressed on its strategy of putting in place a new offer which will position it as a leader in advice and business services operating in the post Royal Commission environment.

The 'Strategic Refresh' program continues to be executed, including recent restructuring of the business around services to advisers and building scale in the core offerings advisers need in today's market. The restructure has allowed the program to be implemented, redirecting resources and adding new capability, while keeping operating expenses flat.

The business is driven by two core segments, Licensee and Advice Services and Funds Management and Administration, with Corporate making up the final segment.

# CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

## Directors' Report

31 December 2018

Financial performance is further analysed below by segment:

	<b>Licensee and Advice Services</b>	<b>Funds Management and Administration</b>
Description	Provider of a range of financial advice and licensee support services (including licensing, technology, business support, training, compliance and professional standards) to financial advisers, accountants and their clients across Australia.	Provider of funds management and platform solutions to financial advisers, accountants and their clients across Australia.
Business Model	<p>Services are provided to authorised representatives under its Australian Financial Services Licences ('AFSL') through Professional Investment Services Pty Ltd ('PIS') and Alliance Wealth Pty Ltd ('AW'). Services are also provided to authorised representatives of other AFSL holders through Associated Advisory Practices Pty Ltd ('AAP') and salaried advisers through xseedwealth Pty Ltd ('xseedwealth').</p> <p>Centrepoint Alliance Lending Pty Ltd ('CALP') is an aggregator of mortgage and asset finance solutions. It is a boutique player in a large market, designed to primarily service the needs of advice businesses and offers lending services to financial planning clients.</p>	The business sources best of breed fund managers and platforms, constructs portfolio solutions and managed funds through Investment Diversity Pty Ltd and Ventura Investment Management Ltd.
Key Drivers	The number of advice firms, fee income, operating costs, funds under distribution agreements, lending volumes and lending margins.	Funds under administration, funds under management, margins and operating costs.
Overview	<p>Licensee and Advice Services operates with non-institutionally owned financial advisers and operates in a market alongside large institutions. The market is attractive with over \$2.8 trillion in superannuation assets<sup>1</sup> expected to continue to grow over the next twenty years and the need for quality advice continuing to grow.</p> <p>The Group continues to focus on being a client-centric business, which involves improving the quality of advice and wealth solutions provided to Australians and is capturing the benefits from industry disruption and the move to 'fee for service' advice.</p>	<p>Funds Management and Administration provides advisers and their clients with world class investment solutions across the risk/return spectrum, which are managed by world class investment managers and provide a choice of investment styles to deliver on overall client and business objectives.</p> <p>The Group is an early promoter of managed accounts, which has continued to grow during the financial period.</p>

<sup>1</sup> APRA Quarterly Superannuation Performance – September 2018

# CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

## Directors' Report

31 December 2018

	<b>Licensee and Advice Services</b>	<b>Funds Management and Administration</b>
Financial Performance	<p>Gross profit was \$11.3m (1H18: \$11.5m) and normalised profit before tax was \$1.6m (1H18: \$1.6m). The result reflects an ongoing transition in terms of the recruitment of quality advisers and away from rebate related revenue.</p> <p>The normalised result excludes the impact of \$51k legacy claims expenses. The Group incurs claims from advice provided prior to 1 July 2010 and is monitoring these claims to specifically provide a best estimate amount for each claim on a case by case basis.</p>	<p>Gross revenue was \$6.6m (1H18: \$6.5m) and profit before tax increased 33% to \$2.8m (1H18: \$2.1m). The result reflects an adoption by advisers of the Centrepoint solutions.</p>

### Corporate

The costs of the Company Board of Directors, company secretarial functions and the administration of the listed public entity are reflected in Corporate.

The Long Term Incentive (LTI) awards CAESP17 and CAESP18 were terminated in the prior year. The 8,050,000 ordinary shares (associated with these plans) legally held by Centrepoint Alliance Services Pty Ltd ATF the Centrepoint Alliance Employee Share Plan Trust (CAESPT) were cancelled in the current period, following approval by shareholders at the 2018 Annual General Meeting.

### Minority Investments

As part of its business strategy to facilitate growth the Group has made several investments in start-up businesses.

R Financial Educators Pty Ltd ('RFE') establishes joint ventures with accountants to leverage their client base and provide financial advice. The Company has a 15% interest in the business and had provided a convertible loan which if converted would increase our interest by 12% to 27%.

Neos Life ('Neos') is a registered business name of Australian Life Development Pty Ltd ('ALD'), who released their products in June 2018. It is an Australian based insurance distribution business offering non-complex, customer-focused life insurance products through the financial adviser channel. The Group had \$6.3m invested in ALD. As part of the strategy review, the Group declined to take up an additional option in the current period. The convertible loan of \$5m was replaced with a new loan agreement with interest capitalising at the rate of 2.5% above the 6 month Bank Bill Swap Rate as published by the Australian Financial Markets Association (the BBSR) or 12.35% if any Repayment Amount (or part thereof) is not repaid by the date required under the Loan Agreement. During the period, the Group also sold a 5% equity stake in ALD for \$1.75m (book value) to Astle Capital Ltd ('Astle'). This was settled with a cash payment of \$0.75m received from Astle and an interest-bearing loan of \$1.0m to Astle (related company of ALD) which will become due on or by 31 December 2021.

Ginger Group Financial Services Limited ('Ginger Group') is a New Zealand based business with the sole asset of 37.5% interest in Kepa Financial Services Limited ('Kepa'). Kepa provides support services to its New Zealand network of financial advisers. The Group has a 50% interest in Ginger Group.



# CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report  
31 December 2018

## Dividends

No dividends were paid during the period.

## Events Subsequent to Balance Date

The following matter has occurred subsequent to the end of the half year ended 31 December 2018:

On 22 February 2019, the Directors of Centrepoint Alliance Limited resolved not to pay an interim dividend in respect of the half year ended 31 December 2018.

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 Company is a company of the kind referred to in *ASIC Corporation's (Rounding in Financial/Directors' Reports) Instrument 2016/191*, dated 24 March 2016 and in accordance with that Instrument, amounts in the financial report are presented in Australian dollars and have been rounded to the nearest thousand dollars, unless otherwise stated.

## Restatement to prior year comparative

During the period, the Company completed the cancellation of shares for the closure of the Centrepoint Alliance Employee Share Plan ('Plan'). Upon full review by the Group, it was identified that a receivable under the Plan in the 31 December 2017 and 30 June 2018 financial reports was incorrectly recognised. As a result, the receivable and related income and tax impacts have been adjusted in the comparative figures disclosed in these financial statements. Refer to note 14 for details.

## Lead Auditor's Independence Declaration

The lead auditor's independence declaration is set out on page 5 and forms part of the Directors' Report for the half year ended 31 December 2018.

Signed in accordance with a resolution of the Directors.



A. D. Fisher  
**Chairman**

22 February 2019

The Board of Directors  
Centrepoint Alliance Limited  
Level 9, 10 Bridge Street  
Sydney, NSW, 2000

22 February 2019

Dear Board Members

### **Centrepoint Alliance Limited**

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Centrepoint Alliance Limited.


As lead audit partner for the review of the financial statements of Centrepoint Alliance Limited for the financial half-year ended 31 December 2018, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



David Rodgers  
Partner  
Chartered Accountants

**CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES**  
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the half year ended 31 December 2018

		<b>31 Dec 2018</b>	<b>31 Dec 2017</b>
	<b>Note</b>	<b>\$'000</b>	<b>restated* \$'000</b>
<b>Revenue</b>			
Advice and financial product revenue (gross)		59,643	61,626
Advice and financial product fees		(44,079)	(46,093)
Advice and financial product revenue (net)		15,564	15,533
Interest income		278	283
Other revenue		248	233
		<b>16,090</b>	<b>16,049</b>
<b>Expenses</b>			
Borrowing expenses		(15)	(18)
Employee related		(9,318)	(9,264)
Professional services		(933)	(822)
Client claims		(118)	(3,787)
IT and communication expenses		(385)	(399)
Licensing and subscriptions		(807)	(732)
Marketing and promotion		(200)	(498)
Property costs		(591)	(579)
Impairment of assets		(74)	35
Depreciation and amortisation		(404)	(430)
Other general and administrative expenses	4	(1,506)	(1,408)
		<b>(14,351)</b>	<b>(17,902)</b>
<b>Profit/(loss) before tax</b>		<b>1,739</b>	<b>(1,853)</b>
Income tax (expense)/benefit		(1,606)	550
<b>Net profit/(loss) after tax</b>		<b>133</b>	<b>(1,303)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Net fair value loss on equity investment designated at FVTOCI <sup>^</sup>		(600)	-
<b>Total comprehensive (loss) for the year</b>		<b>(467)</b>	<b>(1,303)</b>
<b>Net profit/(loss) attributable to:</b>			
Owners of the parent		133	(1,303)
<b>Net profit/(loss) for the period</b>		<b>133</b>	<b>(1,303)</b>
<b>Total comprehensive (loss) attributable to:</b>			
Owners of the parent		(467)	(1,303)
<b>Total comprehensive (loss) for the period</b>		<b>(467)</b>	<b>(1,303)</b>
<b>Earnings per share for profit attributable to the ordinary equity holders of the parent</b>			
		<b>Cents</b>	<b>Cents</b>
Basic earnings/(loss) per share	6	0.09	(0.88)
Diluted earnings/(loss) per share	6	0.08	(0.88)

\* Refer note 14 on restatement to prior year comparative for details.

<sup>^</sup> Fair value through other comprehensive income

The Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Condensed Consolidated Statement of Financial Position  
As at 31 December 2018

	Note	31 Dec 2018 \$'000	30 June 2018 restated* \$'000
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents		7,381	9,469
Trade and other receivables		10,569	9,754
Interest bearing receivables	7	1,595	345
Other assets		1,355	788
Current tax asset		295	286
<b>Total current assets</b>		<b>21,195</b>	<b>20,642</b>
<b>Non-current</b>			
Interest bearing receivables	7	6,330	6,572
Property, plant & equipment		829	951
Intangible assets & goodwill	8	1,699	1,651
Deferred tax assets	13	3,262	4,868
Investments		118	2,482
Other assets		686	890
<b>Total non-current assets</b>		<b>12,924</b>	<b>17,414</b>
<b>TOTAL ASSETS</b>		<b>34,119</b>	<b>38,056</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Trade and other payables		10,631	9,715
Other liabilities		31	82
Provisions		4,274	8,781
<b>Total current liabilities</b>		<b>14,936</b>	<b>18,578</b>
<b>Non-current</b>			
Other liabilities		3	19
Provisions		415	455
<b>Total non-current liabilities</b>		<b>418</b>	<b>474</b>
<b>TOTAL LIABILITIES</b>		<b>15,354</b>	<b>19,052</b>
<b>NET ASSETS</b>		<b>18,765</b>	<b>19,004</b>
<b>EQUITY</b>			
Contributed equity	9	34,673	34,673
Reserves	10	12,402	12,174
Accumulated losses		(28,428)	(27,961)
<b>Equity attributable to shareholders</b>		<b>18,647</b>	<b>18,886</b>
Non-controlling interests		118	118
<b>TOTAL EQUITY</b>		<b>18,765</b>	<b>19,004</b>

\* Refer note 14 on restatement to prior year comparative for details.

The Condensed Consolidated Statement of Financial Position is to be read in conjunction with the accompanying notes.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Condensed Consolidated Statement of Cash Flows  
For the half year ended 31 December 2018

	Note	Half year to 31 Dec 2018 \$'000	Half year to 31 Dec 2017 \$'000
<b>Cash Flows from operating activities</b>			
Cash receipts from customers		65,254	68,649
Cash paid to suppliers and employees		(64,257)	(67,205)
Cash provided by operations		997	1,444
CEO replacement/CAESP wind up		-	(1,272)
Claims and litigation settlements		(3,787)	(1,890)
<b>Net cash flows used in by operating activities</b>		<b>(2,790)</b>	<b>(1,718)</b>
<b>Cash Flows from investing activities</b>			
Interest received		278	277
Dividends received from investments		-	99
Payments to acquire financial assets		-	(6,500)
Acquisition of property, plant & equipment		(326)	(114)
Proceeds from investments		750	-
<b>Net cash flows provided/(used in) by investing activities</b>		<b>702</b>	<b>(6,238)</b>
<b>Cash Flows from financing activities</b>			
Dividends paid	5	-	(13,137)
<b>Net cash flows used in by financing activities</b>		<b>-</b>	<b>(13,137)</b>
<b>Net change in cash and cash equivalents</b>		<b>(2,088)</b>	<b>(21,093)</b>
Cash and cash equivalents at the beginning of the period		9,469	31,242
<b>Cash and cash equivalents at the end of the period</b>		<b>7,381</b>	<b>10,149</b>

The Condensed Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying notes.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Condensed Consolidated Statement of Changes in Equity  
For the half year ended 31 December 2018

	Ordinary shares	Dividend reserve	Other reserves	Accumulated losses	Total	Non- controlling interests	Total equity
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2018</b>	<b>34,673</b>	<b>11,659</b>	<b>515</b>	<b>(27,410)</b>	<b>19,437</b>	<b>118</b>	<b>19,555</b>
Restatement on windup of CAESP shares	-	-	-	(551)	(551)	-	(551)
<b>Balance at 1 July 2018 restated*</b>	<b>34,673</b>	<b>11,659</b>	<b>515</b>	<b>(27,961)</b>	<b>18,886</b>	<b>118</b>	<b>19,004</b>
Loss for the period	-	-	-	(467)	(467)	-	(467)
<b>Total comprehensive loss for the year</b>	-	-	-	(467)	(467)	-	(467)
Share-based payment	-	-	228	-	228	-	228
<b>Balance at 31 Dec 2018</b>	<b>34,673</b>	<b>11,659</b>	<b>743</b>	<b>(28,428)</b>	<b>18,647</b>	<b>118</b>	<b>18,765</b>
<b>Balance at 1 July 2017</b>	<b>34,673</b>	<b>14,465</b>	<b>1,224</b>	<b>(8,863)</b>	<b>41,499</b>	<b>118</b>	<b>41,617</b>
Loss for the period	-	-	-	(752)	(752)	-	(752)
<b>Total comprehensive loss for the year</b>	-	-	-	(752)	(752)	-	(752)
Transfer to dividend reserve	-	12,214	-	(12,214)	-	-	-
Share-based payment	-	-	(890)	-	(890)	-	(890)
Dividends paid	-	(13,137)	-	-	(13,137)	-	(13,137)
<b>Balance at 31 Dec 2017</b>	<b>34,673</b>	<b>13,542</b>	<b>334</b>	<b>(21,829)</b>	<b>26,720</b>	<b>118</b>	<b>26,838</b>
Restatement on windup of CAESP shares	-	-	-	(551)	(551)	-	(551)
<b>Balance at 31 Dec 2017 restated</b>	<b>34,673</b>	<b>13,542</b>	<b>334</b>	<b>(22,380)</b>	<b>26,169</b>	<b>118</b>	<b>26,287</b>

\* Refer note 14 on restatement to prior year comparative for details.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

**1. Corporate information**

The interim condensed consolidated financial statements of Centrepoint Alliance Limited and its controlled entities (the 'Group') for the half year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Directors on 22 February 2019.

Centrepoint Alliance Limited is a company limited by shares incorporated in Australia whose shares 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 interim condensed consolidated financial statements for the half year ended 31 December 2018 have been prepared in accordance with AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 30 June 2018.

It is recommended that the half year financial report be considered together with any public announcements made by the Group during the half year ended 31 December 2018 and up to the date of this report in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The half year financial report has been prepared on a historical cost basis, except for certain financial assets that have been measured at fair value.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

**New and revised Standards**

<b>AASB 15</b> <b>Revenue from contracts with customers</b>	<p>AASB 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers.</p> <p>The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p> <p>A detailed review of each contract has been undertaken in order to identify the performance criteria of each contract. The results of which has ensured the Group's current revenue recognition continues to comply with requirements of the standard.</p>						
	Type of service	Nature of performance obligations	Significant judgements used to identify performance obligations	Recognition (at a point in time or over time)	Revenue recognition policy under AASB 118	Revenue recognition policy under AASB 15	Nature of change in accounting policy
	Licensee and Advice Services	Ongoing use of AFSL by authorised representatives (ARs)	Performance obligation identified as per the terms of the individual contracts with similar revenue stream	over time	Ongoing revenue is recorded monthly for the ongoing services provided to clients	Performance obligations satisfied over time throughout the contact period	No impact
	Licensee and Advice Services	Use of approved product list by the ARs with own AFSLs	Performance obligation identified as per the terms of the individual contracts with similar revenue stream	over time	Ongoing revenue is recorded monthly or quarterly for the ongoing services provided to clients	Performance obligations satisfied over time throughout the contact period	No impact
	Licensee and Advice Services	Educational and administration services	Performance obligation identified as per the terms of the individual contracts with similar revenue stream	over time	Ongoing revenue is recorded monthly or quarterly for the ongoing services provided to clients	Performance obligations satisfied over time throughout the contact period	No impact
Funds Management and Administration	Investor directed portfolio services and investment management services	Performance obligation identified as per the terms of the individual contracts with similar revenue stream	over time	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 client and the right to receive the revenue is established	Performance obligations satisfied over time throughout the contact period	No impact	



CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

<p><b>AASB 9 Financial Instruments (December 2014), AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</b></p>	<p>The final version of AASB 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace AASB 139 Financial Instruments: Recognition and Measurement. This version adds a new expected loss impairment model and limited amendments to classification and measurement for financial assets.</p> <p>This version supersedes AASB 9 (December 2009) and AASB 9 (December 2010).</p> <p>The table below illustrates the classification and measurement of financial assets and financial liabilities under AASB 9 and AASB 139 at the date of initial application of 1 July 2018.:</p> <table border="1" data-bbox="327 600 1420 1059"> <thead> <tr> <th>Financial Asset</th> <th>Original Classification under AASB 139</th> <th>New Classification under AASB 9</th> <th>Original Carrying Amount under AASB 139 \$'000</th> <th>New Carrying Amount under AASB 9 \$'000</th> </tr> </thead> <tbody> <tr> <td>Cash and cash equivalents</td> <td>Loans and receivables</td> <td>amortised cost</td> <td>9,469</td> <td>9,469</td> </tr> <tr> <td>Trade and other receivables</td> <td>Loans and receivables</td> <td>amortised cost</td> <td>9,754 (restated)</td> <td>9,754 (restated)</td> </tr> <tr> <td>Interest bearing receivables</td> <td>Loans and receivables</td> <td>amortised cost</td> <td>5,717</td> <td>5,717</td> </tr> <tr> <td>Convertible loans</td> <td>Loans and receivables</td> <td>FVTPL</td> <td>1,200</td> <td>1,200</td> </tr> <tr> <td>Investment - RFE</td> <td>Held to maturity</td> <td>FVTOCI</td> <td>600</td> <td>600</td> </tr> <tr> <td>Trade and other payables</td> <td>amortised cost</td> <td>amortised cost</td> <td>9,715</td> <td>9,715</td> </tr> </tbody> </table> <p>Unlisted equity instruments were historically held at cost under AASB 139. The Group has made an irrevocable election at initial recognition to present subsequent changes in fair value through other comprehensive income (FVTOCI). Dividends from such investments are recognised as income in profit or loss.</p>	Financial Asset	Original Classification under AASB 139	New Classification under AASB 9	Original Carrying Amount under AASB 139 \$'000	New Carrying Amount under AASB 9 \$'000	Cash and cash equivalents	Loans and receivables	amortised cost	9,469	9,469	Trade and other receivables	Loans and receivables	amortised cost	9,754 (restated)	9,754 (restated)	Interest bearing receivables	Loans and receivables	amortised cost	5,717	5,717	Convertible loans	Loans and receivables	FVTPL	1,200	1,200	Investment - RFE	Held to maturity	FVTOCI	600	600	Trade and other payables	amortised cost	amortised cost	9,715	9,715
Financial Asset	Original Classification under AASB 139	New Classification under AASB 9	Original Carrying Amount under AASB 139 \$'000	New Carrying Amount under AASB 9 \$'000																																
Cash and cash equivalents	Loans and receivables	amortised cost	9,469	9,469																																
Trade and other receivables	Loans and receivables	amortised cost	9,754 (restated)	9,754 (restated)																																
Interest bearing receivables	Loans and receivables	amortised cost	5,717	5,717																																
Convertible loans	Loans and receivables	FVTPL	1,200	1,200																																
Investment - RFE	Held to maturity	FVTOCI	600	600																																
Trade and other payables	amortised cost	amortised cost	9,715	9,715																																
<p><b>AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions</b></p>	<p>Adopted in the current period.</p>																																			

The adoption of the above standards does not have any material impact on the disclosures or amounts recognised in the Group's condensed consolidated financial statements.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

**Standard issued but not yet effective**

The accounting policies adopted in the preparation of the half year condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the financial year ended 30 June 2018, except for the new standard which is not yet effective noted below:

<b>AASB 16 Leases</b>	The Standard was issued during 2016 and will replace existing accounting requirements for leases. Under current requirements, leases are classified based on their nature as either finance leases, which are recognised on the Statement of Financial Position, or operating leases, which are not recognised on the Statement of Financial Position. The application of AASB 16 will result in the recognition of all leases on the Statement of Financial Position in the form of a right-of-use asset and a corresponding lease liability, except for leases of low value assets and leases with a term of 12 months or less. As a result, the new standard is expected to impact leases which are currently classified by the Group as operating leases which is primarily the leases over premises. A detailed review and assessment is currently being undertaken.
-----------------------	---

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

**3. Segment information**

The Group has organised its businesses reportable segments based on the nature of the products and services provided and the markets in which it operates and Corporate. Internal reports are regularly reviewed by the management on this basis.

The Group's reportable segments are:

Reportable segments	Operations
Licensee and Advice Services	Provides Australian Financial Services Licence related services to financial advisers and their clients and mortgage broking services.
Funds Management and Administration	Provides investor directed portfolio services and investment management services to financial advisers and their clients.

Board, corporate finance, company secretarial and other administration functions of the Company not allocated to the above reportable segments are identified as Corporate and unallocated.

The Group operated only in Australia during the reporting period. A detailed review of these segments is included in the Directors' Report.

The accounting policies of the reportable segments are the same as the Group's accounting policies. The Group does not currently manage its assets and liabilities on an individual segment basis.

The segment results are presented on a continuing operations basis.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

**3. Segment information (cont.)**

	Licensee & Advice Services	Funds Management & Administration	Wealth Total	Corporate & Unallocated	Consolidated
Half year to 31 Dec 2018	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>					
Gross Revenue	52,999	6,642	59,641	2	59,643
Commissions paid	(41,941)	(2,138)	(44,079)	-	(44,079)
Net revenue	11,058	4,504	15,562	2	15,564
Other revenue	240	-	240	8	248
External customers	11,298	4,504	15,802	10	15,812
Interest income	21	137	158	120	278
<b>Segment revenue</b>	<b>11,319</b>	<b>4,641</b>	<b>15,960</b>	<b>130</b>	<b>16,090</b>
<b>Total revenue</b>					<b>16,090</b>
<b>Segment results</b>					
Borrowing expenses	(11)	-	(11)	(4)	(15)
Client claims	(118)	-	(118)	-	(118)
Depreciation & amortisation	(373)	(16)	(389)	(15)	(404)
Impairment of assets	(74)	-	(74)	-	(74)
Inter-segment expenses	(8,678)	(1,549)	(10,228)	10,228	-
<b>Segment profit/(loss) before tax</b>	<b>1,509</b>	<b>2,773</b>	<b>4,282</b>	<b>(2,543)</b>	<b>1,739</b>
Income tax (expense)/benefit	(1,393)	(2,559)	(3,952)	2,346	(1,606)
<b>Segment profit/(loss) after tax</b>					<b>133</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Net fair value loss on equity investment designated at FVTOCI	-	-	-	(600)	(600)
<b>Total comprehensive income/(loss) for the year</b>					<b>(467)</b>
Addback: Legacy claims expense	51	-	51	-	51
<b>Segment profit/(loss) before tax (excluding legacy claims)</b>	<b>1,560</b>	<b>2,773</b>	<b>4,333</b>	<b>(3,143)</b>	<b>1,190</b>
<b>Balance Sheet at 31 Dec 2018</b>					
<b>Current assets</b>					
Interest bearing receivables	345	-	345	1,250	1,595
Other current assets	8,932	5,058	13,990	5,610	19,600
<b>Total current assets</b>	<b>9,277</b>	<b>5,058</b>	<b>14,335</b>	<b>6,860</b>	<b>21,195</b>
<b>Non-current assets</b>					
Interest bearing receivables	67	-	67	6,263	6,330
Other non-current assets	5,899	106	6,005	589	6,594
<b>Total non-current assets</b>	<b>5,966</b>	<b>106</b>	<b>6,072</b>	<b>6,852</b>	<b>12,924</b>
<b>Total Assets</b>	<b>15,243</b>	<b>5,164</b>	<b>20,407</b>	<b>13,712</b>	<b>34,119</b>
<b>Current liabilities</b>					
Other current liabilities	9,981	493	10,474	4,462	14,936
<b>Total current liabilities</b>	<b>9,981</b>	<b>493</b>	<b>10,474</b>	<b>4,462</b>	<b>14,936</b>
<b>Non-current liabilities</b>					
Other non-current liabilities	98	-	98	320	418
<b>Total non-current liabilities</b>	<b>98</b>	<b>-</b>	<b>98</b>	<b>320</b>	<b>418</b>
<b>Total Liabilities</b>	<b>10,079</b>	<b>493</b>	<b>10,572</b>	<b>4,782</b>	<b>15,354</b>
<b>Net Assets</b>	<b>5,164</b>	<b>4,671</b>	<b>9,835</b>	<b>8,930</b>	<b>18,765</b>

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

**3. Segment information (cont.)**

	Licensee & Advice Services	Funds Management & Administration	Wealth Total	Corporate & Unallocated	Consolidated
Half year to 31 Dec 2017 restated	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>					
Gross Revenue	55,182	6,441	61,623	3	61,626
Commissions paid	(43,773)	(2,320)	(46,093)	-	(46,093)
Net revenue	11,409	4,121	15,530	3	15,533
Other revenue	131	-	131	102	233
External customers	11,540	4,121	15,661	105	15,766
Inter-segment revenue	661	(1,000)	(339)	339	-
Interest income	199	84	283	-	283
<b>Segment revenue</b>	<b>12,400</b>	<b>3,205</b>	<b>15,605</b>	<b>444</b>	<b>16,049</b>
Inter-segment elimination					-
<b>Total revenue</b>					<b>16,049</b>
<b>Segment results</b>					
Borrowing expenses	(13)	-	(13)	(5)	(18)
Client claims	(3,787)	-	(3,787)	-	(3,787)
Depreciation & amortisation	(367)	(48)	(415)	(15)	(430)
Impairment of assets	35	-	35	-	35
Inter-segment expenses	(8,986)	(1,660)	(10,646)	10,646	-
<b>Segment profit before tax</b>	<b>(2,036)</b>	<b>2,060</b>	<b>24</b>	<b>(1,877)</b>	<b>(1,853)</b>
<b>Profit before tax</b>					<b>(1,853)</b>
Income tax benefit/(expense)	410	(319)	91	459	550
Addback: Legacy claims expense	3,684	-	3,684	-	3,684
<b>Segment (loss)/profit before tax (excluding legacy claims)</b>	<b>1,648</b>	<b>2,060</b>	<b>3,708</b>	<b>(1,877)</b>	<b>1,831</b>
<b>Balance Sheet at 30 June 2018 restated</b>					
<b>Current assets</b>					
Interest bearing receivables	345	-	345	-	345
Other current assets	10,703	3,566	14,269	6,028	20,297
<b>Total current assets</b>	<b>11,048</b>	<b>3,566</b>	<b>14,614</b>	<b>6,028</b>	<b>20,642</b>
<b>Non-current assets</b>					
Interest bearing receivables	133	-	133	6,439	6,572
Other non-current assets	5,459	-	5,459	5,383	10,842
<b>Total non-current assets</b>	<b>5,592</b>	<b>-</b>	<b>5,592</b>	<b>11,822</b>	<b>17,414</b>
<b>Total Assets</b>	<b>16,640</b>	<b>3,566</b>	<b>20,206</b>	<b>17,850</b>	<b>38,056</b>
<b>Current liabilities</b>					
Other current liabilities	12,791	609	13,400	5,178	18,578
<b>Total current liabilities</b>	<b>12,791</b>	<b>609</b>	<b>13,400</b>	<b>5,178</b>	<b>18,578</b>
<b>Non-current liabilities</b>					
Other non-current liabilities	96	-	96	378	474
<b>Total non-current liabilities</b>	<b>96</b>	<b>-</b>	<b>96</b>	<b>378</b>	<b>474</b>
<b>Total Liabilities</b>	<b>12,887</b>	<b>609</b>	<b>13,496</b>	<b>5,556</b>	<b>19,052</b>
<b>Net Assets</b>	<b>3,753</b>	<b>2,957</b>	<b>6,710</b>	<b>12,294</b>	<b>19,004</b>

The inter-segment sales and costs are carried out on an arm's length basis and are eliminated on consolidation.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

#### 4. Other expenses

	Half year to 31 Dec 2018 \$'000	Half year to 31 Dec 2017 \$'000
Audit fees	240	285
Directors fees and expenses	231	235
Insurance	437	328
Travel and entertainment	361	342
Printing and stationery	45	68
Other expenses	192	150
<b>Total other general and administrative expenses</b>	<b>1,506</b>	<b>1,408</b>

#### 5. Dividends

	Half year to 31 Dec 2018 \$'000	Half year to 31 Dec 2017 \$'000
<b>Dividends paid or payable</b>		
The following fully franked dividends were provided for or paid during the half year:		
Dividends paid on ordinary shares	-	2,152
Special Dividends paid on ordinary shares	-	10,985
<b>Total dividends</b>	<b>-</b>	<b>13,137</b>

Dividends payable are recognised when declared by the Company.

#### 6. Earnings per share ('EPS')

The following reflects the income used in the basic and diluted EPS computations:

	Half year to 31 Dec 2018 \$'000	Half year to 31 Dec 2017 restated \$'000
<b>a) Profit used in calculating profit per share</b>		
Net profit/(loss) attributable to ordinary equity holders of the Company	133	(1,303)
<b>b) Weighted average number of shares</b>	<b>No. of shares</b>	<b>No. of shares</b>
Weighted average number of ordinary shares (excluding reserved shares)	148,882,969	148,882,969
<i>Effect of dilution:</i>		
Performance rights and CAESP shares	10,487,500	12,144,324
<b>Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution</b>	<b>159,370,469</b>	<b>161,027,293</b>
Basic earnings/(loss) per share	0.09	(0.88)
Diluted earnings/(loss) per share	0.08	(0.88)

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

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.

**7. Interest bearing receivables**

	<b>31 Dec 2018</b>	<b>30 June 2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Loan receivables - ALD	1,250	-
Loan receivables - Investment advisers	435	435
Provision for impairment - specific	(90)	(90)
<b>Total current interest bearing receivables</b>	<b>1,595</b>	<b>345</b>
<b>Non-current</b>		
Loan receivables - Investment advisers	537	603
Loans receivables - ALD and Astle	5,063	5,239
Convertible loan	1,200	1,200
Provision for impairment - specific	(470)	(470)
<b>Total non-current interest bearing receivables</b>	<b>6,330</b>	<b>6,572</b>

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

**8. Intangible assets and goodwill**

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

	<b>Goodwill</b>	<b>Software</b>	<b>Network &amp; Client Lists</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Half year ended 31 December 2018</b>				
At 1 July 2018 net of accumulated amortisation and impairment	956	75	620	<b>1,651</b>
Additions	-	319	-	<b>319</b>
Amortisation	-	(7)	(264)	<b>(271)</b>
<b>At 31 December 2018 net of accumulated amortisation and impairment</b>	<b>956</b>	<b>387</b>	<b>356</b>	<b>1,699</b>
<b>At 31 December 2018</b>				
Cost	1,209	470	7,652	<b>9,331</b>
Accumulated amortisation and impairment	(253)	(83)	(7,296)	<b>(7,632)</b>
<b>Net carrying value</b>	<b>956</b>	<b>387</b>	<b>356</b>	<b>1,699</b>
<b>Half year ended 31 December 2017</b>				
At 1 July 2017 net of accumulated amortisation and impairment	956	123	1,152	<b>2,231</b>
Additions	-	-	15	<b>15</b>
Amortisation	-	(31)	(251)	<b>(282)</b>
<b>At 31 December 2017 net of accumulated amortisation and impairment</b>	<b>956</b>	<b>92</b>	<b>916</b>	<b>1,964</b>
<b>At 30 June 2018</b>				
Cost	1,209	3,773	10,387	<b>15,369</b>
Accumulated amortisation and impairment	(253)	(3,698)	(9,767)	<b>(13,718)</b>
<b>Net carrying value</b>	<b>956</b>	<b>75</b>	<b>620</b>	<b>1,651</b>

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

## 9. Contributed equity

	Number of shares	31 Dec 2018 \$'000	Number of shares	30 June 2018 \$'000
<b>i) Ordinary shares (issued &amp; fully paid)</b>				
Balance at start of year	156,932,969	39,108	156,932,969	39,108
Movements during the year:-				
- cancellation of shares	(8,050,000)	(4,435)	-	-
<b>On issue at end of year</b>	<b>148,882,969</b>	<b>34,673</b>	<b>156,932,969</b>	<b>39,108</b>
<b>ii) Reserved shares</b>				
Balance at start of year	(8,050,000)	(4,435)	(8,050,000)	(4,435)
Movements during the year:-				
- cancellation of shares	8,050,000	4,435	-	-
<b>On issue at end of year</b>	<b>-</b>	<b>-</b>	<b>(8,050,000)</b>	<b>(4,435)</b>
<b>Total contributed equity</b>	<b>148,882,969</b>	<b>34,673</b>	<b>148,882,969</b>	<b>34,673</b>

The Long Term Incentive (LTI) awards CAESP17 and CAESP18 were terminated in the prior year. The 8,050,000 ordinary shares (associated with these plans) legally held by Centrepoint Alliance Services Pty Ltd ATF the Centrepoint Alliance Employee Share Plan Trust (CAESPT) were cancelled in the current period, following approval by shareholders at the 2018 Annual General Meeting.

## 10. Reserves

	31 Dec 2018 \$'000	30 June 2018 \$'000
Employee equity benefits reserve	743	515
Dividend reserve	11,659	11,659
<b>Total</b>	<b>12,402</b>	<b>12,174</b>
<b>a) Employee equity benefits reserve</b>		
	<b>31 Dec 2018 \$'000</b>	<b>30 June 2018 \$'000</b>
Balance at start of year	515	1,224
Value of share based payments provided or which vested during the year	228	354
Value of share based payments expired during the year	-	(1,063)
<b>Balance at end of year</b>	<b>743</b>	<b>515</b>

The employee equity benefits reserve is used to record the value of share-based payments provided to employees, including Key Management Personnel ('KMP'), as part of their remuneration.



CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

## 10. Reserves (cont.)

<b>b) Dividend reserve</b>	<b>31 Dec 2018</b>	<b>30 June 2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at start of year	11,659	14,465
Dividends paid	-	(15,020)
Transfer from current year parent entity profit	-	12,214
<b>Balance at end of year</b>	<b>11,659</b>	<b>11,659</b>

The dividend reserve represents profits transferred for payment of potential future dividends.

## 11. Share based payment plans

2,450,000 performance rights issued in previous financial years have not yet vested. The fair value of the performance rights issued are calculated as at the date of grant using the Monte Carlo Model. This Model takes into account the terms and conditions upon which they were granted and market based inputs as at the grant date.

## 12. Contingent liabilities

### *Client Claims*

The nature of the financial 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. As at 31 December 2018 a specific provision was based on the best estimate of all open claims including an allowance for claims not reported.

### *Adviser Service Fees*

Under the service arrangements customers generally pay an adviser service fee to receive an annual review, together with other services. The Group is assessing whether customers who have paid for these services have been provided with the agreed services.

An assessment of financial advisers employed by the Group (xseedwealth salaried advisers) has been completed and where customer compensation is probable and can be reliably estimated a provision has been taken at 30 June 2018.

The assessment process has commenced identifying customers associated with authorised representatives licenced by the Group's wholly owned subsidiaries, Professional Investment Services and Alliance Wealth. The assessment is at an early stage and given the time period and availability of records it is not practicable to provide an estimate of any potential remediation costs. Accordingly, no provision has been recognised in relation to this matter at 31 December 2018.

### *Royal Commission*

The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry handed down its report on 1 February 2019. The Group is actively reviewing the report and the Government's response to the report released on 4 February 2019. The proposed ban on grandfathered commissions and other forms of conflicted remuneration is expected to impact the way the Group receives income for some of its products and services. The Strategic Refresh program announced in August 2018, which includes the design of new arrangements with advisers and product providers, is consistent with the recent recommendations from the Royal Commission.

At the date of this report the Directors are not aware of any other material contingent claims. There were no other contingent liabilities at reporting date.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

**13. Deferred tax assets**

The Group has deferred tax assets of \$3.3m as at 31 December 2018 (FY18: \$4.9m – restated as detailed in note 14).

There has been a significant reduction in the deferred tax assets of the Group in the current period which has resulted in a tax expense in the current period of \$1.6m. The primary driver of the reduction in deferred tax assets is the reduction in the provision for claims. The Group has significant unrecognised tax losses available to utilise against taxable profits generated by the Group.

The recoverability of the deferred tax assets is dependent upon delivering sufficient future taxable profits. Following the sale of the premium funding business, management has re-forecast and assumed an increase in growth in the core business driven by the contemporary fee model, profits generated from the implementation of the direct to consumer strategy in xseedwealth and growth through adviser and practice numbers. These judgements will be re-assessed at each reporting date.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Notes to the Condensed Consolidated Financial Statements  
31 December 2018

#### 14. Restatement to prior year comparative

AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors" requires corrections to comparative information be disclosed in the financial statements.

During the period, the Company completed the cancellation of shares which represented the final step in the closure of the Centrepoint Alliance Employee Share Plan. Upon full review by the Group, it was identified that a receivable under the Plan in the 31 December 2017 and the 30 June 2018 financial reports was incorrectly recognised. As a result, the receivable and related income and tax impacts have been adjusted in the comparative figures disclosed in these financial statements. The relevant financial statement line items impacted are as follows:

	Half year to 31 Dec 2017 previously reported \$'000	Adjustment \$'000	Half year to 31 Dec 2017 restated \$'000
<b>Condensed consolidated statement of profit or loss and other comprehensive income</b>			
Interest income	1,070	(787)	283
Total revenue	16,836	(787)	16,049
Total expenses	(17,902)	-	(17,902)
Net loss before tax	(1,066)	(787)	(1,853)
Income tax benefit	314	236	550
<b>Net loss after tax</b>	<b>(752)</b>	<b>(551)</b>	<b>(1,303)</b>
<b>Earnings per share</b>			
Net profit/(loss) attributable to ordinary equity holders of the Company	(752)	(551)	(1,303)
Basic earnings/(loss) per share	(0.51)	(0.37)	(0.88)
Diluted earnings/(loss) per share	(0.51)	(0.37)	(0.88)
	<b>30 June 2018 previously reported \$'000</b>	<b>Adjustment \$'000</b>	<b>30 June 2018 restated \$'000</b>
<b>Condensed consolidated statement of financial position</b>			
Trade and other receivables	10,541	(787)	9,754
Deferred tax assets	4,632	236	4,868
Total assets	38,607	(551)	38,056
Total liabilities	19,052	-	19,052
<b>Net assets</b>	<b>19,555</b>	<b>(551)</b>	<b>19,004</b>
<b>Equity</b>			
Accumulated losses	(27,410)	(551)	(27,961)
Equity attributable to shareholders	19,437	(551)	18,886
Non-controlling interests	118	-	118
<b>Total equity</b>	<b>19,555</b>	<b>(551)</b>	<b>19,004</b>

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES  
Directors' Declaration  
31 December 2018

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

1. In the opinion of the Directors:

- (a) The interim condensed consolidated financial statements and notes of Centrepoint Alliance Limited for the half year ended 31 December 2018 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 31 December 2018 and of its performance for the half year ended on that date; and
  - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors:



A. D. Fisher  
**Chairman**

22 February 2019

# Independent Auditor's Review Report to the members of Centrepont Alliance Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Centrepont Alliance Limited, which comprises the condensed statement of financial position as at 31 December 2018, and the condensed consolidated statement of profit or loss and comprehensive income, the condensed consolidated statement of cash flows and the condensed consolidated statement of changes in equity 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 Centrepont Alliance Limited and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 6 to 23.

### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Centrepont Alliance Limited 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 control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 half-year 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 2018 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 Centrepont Alliance Limited, 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.

## *Auditor's Independence Declaration*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Centrepoint Alliance Limited, would be in the same terms if given to the directors as at the time of this auditor's review 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 2018 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*.



DELOITTE TOUCHE TOHMATSU



David Rodgers  
Partner  
Chartered Accountants  
Brisbane, 22 February 2019