Announcement to the Market

28 February 2013

HALF YEARLY RESULT 31 DECEMBER 2012

IMPROVING UNDERLYING EARNINGS FROM CORE BUSINESSES

Overview of Results

Centrepoint Alliance Limited (ASX: 'CAF') is pleased to announce that further improvements have been achieved in the underlying performance of its businesses. The underlying pre-tax profit is $2.3 million and the reported pre-tax result is a loss of $1.7 million, with the difference attributable to a one-off change to the provision for claims.

Having exited its offshore activities, Centrepoint is now focused on its two principal Australian business units, being:

1. Funding – Premium Funding
2. Wealth Services – Advice and Financial Products.

The Funding business unit reported an improved pre-tax and amortisation result of $1.9 million (up from $1.3m in the PCP). This business unit is performing strongly with further growth expected. The Company's finance provider for this business remains very supportive and the Board is confident that the investment in systems made through the period will further improve efficiency and competitiveness.

The Wealth Services business (advice services and financial products) reported pre-tax and amortisation profit of $3.8 million (up from $2.3m in the PCP). The result understates the profit potential of the business as current performance continues to reflect the ongoing cost of restructuring the Wealth business with estimated non-recurring costs and further potential savings from the existing cost base of over $1.5 million on an annualised basis.

We are confident that the investment in restructuring these business units has improved their ability to service their clients and compete in their respective markets, and has enhanced the outlook for both businesses.

The trading results were offset by significant other costs, which included a one-off increase in the provision for legacy claims for advice given prior to 30 June 2010, of approximately $4 million. Half of this ($2m) relates to a change in the discount rate adopted in the actuarial analysis.

The Company has continued to work with its actuary to ensure there is an improved ability to estimate the incurred-but-not-reported claims and that the business has continued to build its ability to effectively process and manage outcomes for claims when they are received.

Adviser numbers in the Wealth business reflect a stable position in PIS with recruitment of new advisers improving. AAP continues to grow the number of advisers it services.

The start of the second half has seen a continuation of the improving trend in the Wealth business with growth in net inflows in the advice and financial products areas.

Cash Flow

The Group generated a positive cash flow from operating activities of $1.9 million which is after $6.8 million of claims payments. This further highlights the underlying strength of the current activities of trading businesses.

Outlook

The improving market and improving competitive position of the business units provides a sound foundation for further improvement in underlying results. We believe the Wealth business will benefit from renewed consumer confidence in the sector and from a more stable environment as the financial services industry adapts to the FOFA reforms.

The Centrepoint Wealth business will also benefit from the considerable investment currently being made in systems, people and strategies to support their long term capabilities and growth potential. In the short-term however, the business will be impacted by this investment in technology and systems needed to support the introduction of regulatory changes and to improve its long term competitiveness.

For further information please contact:

Tony Robinson
Managing Director
Centrepoint Alliance Limited
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CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 057 507 507

Appendix 4D

Half year ended 31 December 2012

RESULTS FOR ANNOUNCEMENT TO THE MARKET

Net revenues from ordinary activities	**Down**	**13%**	**to**	**$26,818,000**
Net loss for the period attributable to members	**Up**	**7%**	**to**	**$1,406,000**

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Interim dividend	**0.0 cents**	**0.0 cents**
Previous corresponding period	**0.0 cents**	**0.0 cents**
Record date for determining entitlements to dividend	**Not applicable**	
Payment date of dividend	**Not applicable**	
	31 Dec 2012	***30 Jun 2012***
Net tangible assets per share	**11.73 cents**	**11.64 cents**

- Results are extracted from the attached Half Year Financial Report for the six months ended 31 December 2012 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 2012

Directors' Report
For the half year ended 31 December 2012

The directors of Centrepoint Alliance Limited (ASX code and herein 'CAF') submit their report for the half year ended 31 December 2012.

Directors

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

- Rick Nelson (Chairman)
- Tony Robinson (Managing Director)
- Noel Griffin (Non-Executive Director)
- Stephen Maitland (Non-Executive Director)
- Matthew Kidman (Non-Executive Director)
- Christopher Castles (Non-Executive Director) – resigned 30 January 2013

Review of Financial Performance & Position

Financial Performance

The Consolidated Statement of Comprehensive Income shows a loss before tax from continuing operations for the half year to 31 December 2012 of $1,701,000 (the previous corresponding result was a profit of $977,000). Excluding the adjustment of $4,333,000 to the client claims provision, which is the estimated liability for known and possible future claims for advice provided prior to 30 June 2010, the Group as a whole and each of the core operating businesses traded profitably.

Net advice and product revenue fell by 17% due to market conditions and the annualised impact of the reduction in adviser numbers in the current and prior period.

Total expenses decreased by 5% compared to the previous corresponding period. The major variations being a significant reduction in professional consulting fees of $3,489,000, following the conclusion of the ASIC Enforceable Undertaking in April 2012, and an increase in client claims expense of $3,006,000. The increased claims expense is the result of an adjustment to the provision for legacy claims, of which approximately one half relates to a change in the discount rate and the balance to a revision in actuarial estimates of the net future liability for claims.

Cash Flows

The Consolidated Statement of Cash Flows for the six months shows a positive cash flow from operating activities of $1,975,000 (2011: a net cash outflow of $1,917,000) and overall a net decrease in cash and cash equivalents of $996,000 (2011: $2,560,000). Cash provided by operations was $9,078,000 (2011: $5,765,000) before tax payments and payments totalling $6,838,000 (2011: $7,697,000) made in relation to cash settlements and associated professional fees for adviser client claims.

Financial Position

The Group has net assets at 31 December 2012 of $25,943,000 (30 June 2012: $27,162,000) and net tangible assets of $11,765,000 (30 June 2012: $11,854,000) representing net tangible assets per share of 11.73 cents (30 June 2012: 11.64 cents).

The Group held a total of $13,644,000 in cash and cash equivalents at 31 December 2012 (30 June 2012: $14,621,000).

Review of Operations

1) Centrepoint Wealth (CPW) Division

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

a) Advice Services

- The major businesses in the CPW division are Professional Investment Services Pty Ltd ('PIS') and Associated Advisory Practices ('AAP').
- AAP offers Australian Financial Services licensees wholesale support services and an opportunity to participate in a network of licensees.
- AAP has continued to trade profitably during the period to 31 December 2012.
- PIS manages and is licensee for what is believed to be the largest non-institutionally owned network of financial planners and accountants in Australia.
- PIS has traded profitably before the cost of legacy adviser client claims.
- During the period PIS has invested heavily in people, training, systems and processes to continue its rebuilding of a quality operation focusing on high quality advice and professional standards and also in preparation for the advent of the Future of Financial Advice (FOFA) regulations on 1 July 2013.
- As a consequence there has been a marked and continuing improvement in all areas of operation.
- Conversely revenue has fallen, principally as a consequence of market conditions and the annualised impact of a decline in funds under advice (FUA) following a reduction in adviser numbers in the current and prior reporting periods. This is being addressed through the launching of an energetic recruitment drive in 2013.
- Cost savings in several areas, notably in professional fees following completion of the Enforceable Undertaking work in April 2012, has resulted in the business trading profitably before provisioning for client claims.
- The Enforceable Undertaking was concluded in April 2012 with the presentation to ASIC of the final Independent Expert's report and PIS' responses. An initial reply was received from the regulator in December 2012 and discussions have commenced in February 2013 to demonstrate the continued improvement in PIS' compliance processes and to agree the details of any conditions which may be imposed on the financial services licence in terms of further temporary monitoring.
- As an adjunct to the current adviser services businesses the Group also operates a finance broking business Australian Loan Company Pty Ltd ('ALCo'), which traded profitably during the period and manages a significant loan book with trailing commissions.

b) Advice Services (Client Claims)

- Client claims, which are essentially a legacy of advice and services in PIS prior to 2010, have continued to have an adverse impact on the Group in terms of expense, resourcing and cash outflows during the period.
- A provision for claims made by clients of financial advisers (both current or former authorised representatives of the Group) due to losses suffered as a result of advice given, is recognised when notified or if the Group expects to incur liabilities in the future as a result of past advice. Claims provisions are determined using internal modelling of historical trends and patterns and are supported by an independent actuarial assessment. Claims provisions are measured at the present value of all future costs that the Group expects to incur to settle the claims.
- In excess of 85% of all claims received, as at 31 December 2012, originated from advice provided between 2003 and 2008 and costs associated with legacy client claims, for advice provided prior to 30 June 2010, are now recorded separately and included in the Other reporting segment to enable better management and monitoring of the current PIS Advice Services business.
- During the six months to 31 December 2012 only 14 claims by were lodged in relation to advice provided since 30 June 2010 of which 12 have been settled for a total cost of $25,000.
- Claims are expected to be settled over a period of between zero and five years with settlement depending on the circumstances of each claim and the level of complexity involved in resolution.
- During the reporting period cash payments of $6,838,000 (2011: 7,697,000) were made in claims settlements and associated professional fees.

- A claims expense of $4,887,000 (2011: $1,881,000) was incurred during the period following adjustment to the provision for claims, partially as a consequence of a large cluster of claims lodged during the period from clients of a ceased adviser, and partially due to a lower interest rate being applied to discount the future claims liability.
- At the reporting date the provision for claims totalled $20,966,000 (30 June 2012: $22,083,000).
- Considerable effort and resources are being applied to claims resolution.
- It is reasonable to assume that the cost of claims will reduce significantly in the future as a consequence of the improvement in global investment markets, the improvements in PIS systems and processes and the time elapsed since the 2003-2008 period.

b) Investment Products & Services (Australia)

- The CPW Group provides a number of investment products and services including funds management and investment platforms.
- The business segment continues to trade profitably contributing net revenue of $3,079,000 (2011: $3,695,000) and profit before tax of $1,179,000 (2011: $1,587,000).
- The outsourcing of certain activities and a restructure of personnel resulted in the fall in revenue and costs and an improved profit performance.
- Two new investment platform products were also successfully launched during the period.

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c) International Advice Services (DISCONTINUED OPERATION)

- At balance date the Group held investments in smaller adviser services businesses in Singapore, Malaysia and New Zealand.
- The contribution to the Group's result was a profit before tax of $1,000 (2011: a loss of $153,000).
- Net assets held in the International businesses were $1,658,000 (30 June 2012: $1,796,000).
- Subsequent to the reporting date the sale of the Singaporean business was completed and a contract for the sale of the Malaysian business was executed. The directors also anticipate that the New Zealand business will be exited during the next 6 to 12 months.

2) Centrepoint Alliance Insurance Premium Funding Division (CAPF)

The insurance premium funding operations of the Group are contained within Centrepoint Alliance Premium Funding Pty Ltd ('CAPF'). The business provides short term finance to both commercial and domestic clients to fund their annual insurance premiums, has recorded a profit before tax of $1,910,000 (2011: $1,331,000) and strong growth in business volumes during the period.

Further improvements have been made in systems and processes and strong control of credit has led to savings in operating costs, including credit insurance.

3) Centrepoint Alliance Limited Corporate (CAF)

Centrepoint Alliance Limited is the listed parent corporate entity and bears the costs of the directors, senior executives, ASX listing, share registry and other corporate expenses.

At a Group corporate level major initiatives during the period included:

- Completion of the sale of the Singapore business in return for the buy-back and cancellation of 7,731,684 shares in the company held by the Aviva Group.
- The buy-back, at nil cost, and cancellation of 428,572 partly paid shares in the Company.
- A continuation of the rationalisation and simplification of the legal entities comprising the CPW Group.
- Ongoing investigation and evaluation of business acquisition opportunities.

Subsequent Events

On 21 January 2013 the sale of the Group's shareholding in Professional Advisory Holdings Ltd (which holds the Group's Singaporean business operations) was finalised. In accordance with the sale agreement, as consideration for this shareholding, 7,731,884 CAF shares held by the Aviva Group, were returned to CAF through a buy-back agreement and then cancelled.

On 27 February 2013 the Group executed a conditional share sale agreement for the sale of its Malaysian adviser services business, which is conditional upon regulatory approval in Malaysia. The sale consideration and impact of the sale is not expected to be material to the Group.

The financial effect of these transactions will be reflected in the period from 1 January 2013 to 30 June 2013.

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

Rounding

The amounts contained in 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 2012. 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

27 February 2013

Auditors Independence Declaration
For the half year ended 31 December 2012

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

In relation to our review of the financial report of Centrepoint Alliance Limited for the half-year ended 31 December 2012, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst + Young

Ernst & Young

P McIver
Partner
Perth
28 February 2013

PM:MM:CENTREPOINT:103

Consolidated Statement of Comprehensive Income
For the half year ended 31 December 2012

	Notes	Half Year to 31 Dec 2012 $'000	Half Year to 31 Dec 2011 $'000
Continuing Operations			
Revenue			
Advice and financial product revenue (gross)		63,633	77,430
Advice and financial product fees		(47,666)	(58,215)
Advice and financial product revenue (net)		15,967	19,215
Interest income	5	7,666	7,959
Other revenue/income	6	3,185	3,726
		26,818	**30,900**
Expenses			
Borrowing expenses		(2,678)	(3,197)
Employee benefits expense	7(a)	(11,363)	(11,047)
Professional consulting fees		(1,103)	(4,592)
Client claims		(4,887)	(1,881)
Insurances		(1,081)	(1,476)
Property costs		(1,716)	(1,632)
Impairment of assets	7(b)	(620)	(775)
Other general and administration expenses	7(c)	(5,071)	(5,323)
(Loss)/profit before tax from continuing operations		**(1,701)**	**977**
Income tax benefit/(expense)		304	(1,652)
Net loss for the period from continuing operations		**(1,397)**	**(675)**
Discontinued Operations			
Loss after tax for the period from discontinued operations	13	(29)	(153)
Net loss for the period		**(1,426)**	**(828)**
Other comprehensive income			
Items that may be classified subsequently to profit and loss:			
Foreign currency translation		12	105
Total comprehensive loss for the period		**(1,414)**	**(723)**
Net loss attributable to:			
Owners of the parent		(1,406)	(1,308)
Non-controlling interests		(20)	480
Net loss for the period		**(1,426)**	**(828)**
Total comprehensive loss attributable to:			
Owners of the parent		(1,392)	(1,239)
Non-controlling interests		(22)	516
Total comprehensive loss for the period		**(1,414)**	**(723)**
Earnings/(loss) per share for profit/(loss) attributable to the ordinary equity holders of the parent		Cents	Cents
Basic and diluted loss per share	9	(1.40)	(1.32)
Earnings/(loss) per share from continuing operations attributable to the ordinary equity holders of the parent			
Basic and diluted loss per share	9	(1.37)	(1.16)

The Consolidated Statement of Comprehensive Income is to be read in conjunction with the attached notes included in pages 10 to 23.

Consolidated Statement of Financial Position
As at 31 December 2012

	Notes	31 Dec 2012 $'000	30 Jun 2012 $'000
Assets			
Current			
Cash and cash equivalents	10	12,545	14,621
Trade and other receivables		14,682	23,895
Interest bearing receivables	11	122,885	95,299
Current tax asset		603	-
Other assets	12	4,113	4,155
		154,828	**137,970**
Assets classified as held for sale	13	7,282	-
Total current assets		**162,110**	**137,970**
Non-current			
Trade and other receivables		246	562
Interest bearing receivables	11	920	1,044
Other assets	12	1,338	1,784
Investments	14	151	166
Property, plant and equipment		1,566	1,814
Intangible assets and goodwill	15	6,982	8,011
Deferred tax assets		7,196	7,297
Total non-current assets		**18,399**	**20,678**
Total assets		**180,509**	**158,648**
Liabilities			
Current			
Trade and other payables		35,667	40,866
Interest bearing liabilities	16	89,713	64,990
Provisions	17	6,740	7,422
Current tax liability		-	247
		132,120	113,525
Liabilities directly associated with assets classified as held for sale	13	5,624	-
Total current liabilities		**137,744**	**113,525**
Non-current			
Trade and other payables		-	328
Interest bearing liabilities	16	165	253
Provisions	17	16,657	17,380
Total non-current liabilities		**16,822**	**17,961**
Total liabilities		**154,566**	**131,486**
Net assets		**25,943**	**27,162**
Equity			
Contributed equity	18	28,675	28,675
Reserves	19	97	(1,405)
Reserves of disposal group classified as held for sale	19	(1,442)	-
Accumulated losses		(1,434)	-
Equity attributable to shareholders		**25,896**	**27,270**
Non-controlling interests		47	(108)
Total equity		**25,943**	**27,162**

The Consolidated Statement of Financial Position is to be read in conjunction with the attached notes included in pages 10 to 23.

Consolidated Statement of Cash Flows
For the half year ended 31 December 2012

	Notes	Half Year to 31 Dec 2012 $'000	Half Year to 31 Dec 2011 $'000
Cash flows from operating activities			
Cash receipts from customers		91,823	106,376
Cash paid to suppliers and employees		(82,745)	(100,611)
Cash provided by operations		9,078	5,765
Claims and litigation settlements & associated professional fees		(6,838)	(7,697)
Income tax refunded/(paid)		(265)	15
Net cash flows (used in)/provided by operating activities		**1,975**	**(1,917)**
Cash flows from investing activities			
Interest received		335	665
Proceeds from sale of investments		-	1,381
Cash acquired on acquisitions		-	3,566
Acquisition of investments		-	(1,553)
Acquisition of property, plant and equipment		(176)	(391)
Net cash flows provided by investing activities		**159**	**3,668**
Cash flows from financing activities			
Interest and borrowing expenses paid		(69)	(135)
Net increase/(decrease) in borrowings		24,637	13,034
Net (increase)/decrease in loan funds advanced		(27,698)	(17,210)
Net cash flows used in financing activities		**(3,130)**	**(4,311)**
Net (decrease)/increase in cash and cash equivalents		**(996)**	**(2,560)**
Cash and cash equivalents at the beginning of the period	10	14,621	20,420
Effect of exchange rate fluctuations on cash held		19	135
Cash and cash equivalents at the end of the period	10	**13,644**	**17,995**

The Consolidated Statement of Cash Flows is to be read in conjunction with the attached notes included in pages 10 to 23.

Consolidated Statement of Changes in Equity
For the half year ended 31 December 2012

	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 2011		68,140	(1,434)	-	(24,989)	41,717	395	42,112
(Loss)/profit for the period		-		-	(1,308)	(1,308)	480	(828)
Other comprehensive income								
Foreign currency translation differences		-	69	-	-	69	36	105
Total comprehensive (loss)/income for the period		**-**	**69**	**-**	**(1,308)**	**(1,239)**	**516**	**(723)**
Issue of share capital*	18	3,783		-	-	3,783	-	3,783
Share-based payment		-	13	-	-	13	-	13
Acquisition of additional non-controlling interest in controlled entities		-	-	-	(388)	(388)	(270)	(658)
Dilution gains/(losses)		-	-	-	83	83	(83)	-
Balance at 31 December 2011		**71,923**	**(1,352)**	**-**	**(26,602)**	**43,969**	**558**	**44,527**
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)**
Issue of share capital*	18	-	-	-	-	-	-	-
Share-based payment		-	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**

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

Notes to the Consolidated Financial Statements
For the half year ended 31 December 2012

1. Corporate information

The financial report of Centrepoint Alliance Limited (the Company) and its controlled entities for the half-year ended 31 December 2012 was authorised for issue in accordance with a resolution of the directors on 27 February 2013.

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 2012 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 2012 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

At balance date the Group had net assets of $25,943,000, net tangible assets of $11,765,000 and its market capitalisation exceeded its net assets. The Group also held $13,644,000 in cash and cash equivalents at 31 December 2012.

On 20 December 2010 the largest operating entity of the Group, Professional Investment Services Pty Ltd (PIS), executed an Enforceable Undertaking (EU) with the Australian Securities & Investments Commission (ASIC). The EU, which addressed concerns raised by ASIC with regard to matters of compliance, documentation and systems within PIS, was finalised with the lodgement of the final independent expert's report in April 2012. ASIC provided a preliminary response in December 2012 and in subsequent discussions PIS has emphasised the continued improvement in its compliance systems and processes since the EU and has proposed an ongoing monitoring program for the next twelve months to provide evidence of this. On this basis the directors believe that they will be in a position to resolve this issue during the course of the next twelve months.

As a consequence of enhanced compliance systems and procedures within PIS, the elimination of causal factors and the improvement in the financial markets, the incidence and cost of adviser client claims is expected to reduce significantly in future periods.

Based on future cash flow forecasts and consideration of the factors above, the directors have prepared the financial report 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.

Basis of consolidation

The half-year consolidated financial statements comprise the financial statements of Centrepoint Alliance Limited and its subsidiaries as at 31 December 2012 ('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 2012, except for the adoption of amending standards mandatory for annual periods beginning on or after 1 July 2012, as described below:

- AASB 2011-9 - Amendments to Australian Accounting Standards - Presentation of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]: This standard requires entities to group items presented in other comprehensive income on the basis of whether they might be reclassified subsequently to profit or loss and those that will not.

Changes in accounting policy
The Group has adopted all accounting standards and interpretations applicable from 1 July 2012. 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 2012.

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

- Business combinations (Note 3).
- Goodwill and intangible assets recoverable amounts (Note 15).
- Impairment of loan receivables – adviser loans (Note 11).
- Provision for client claims (Note 17).
- Recognition of deferred tax assets.
- Contingencies (Note 20).

3. Business combinations

Partial acquisition of Ventura Investment Management Ltd (August 2011)

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

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

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

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

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

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

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

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

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

3. Business combinations (continued)

The Consolidated Statement of Financial Position at 30 June 2012 included the following significant assets and liabilities as a result of the acquisition of VIML:

Cash and cash equivalents

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

Acquisition of Australian Loan Company Ltd (November 2011)

During the previous corresponding period the Group also acquired the remaining shares not already owned in Australian Loan Company Ltd (‘ALCo’) to strengthen its position in the finance broking sector.

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

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

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

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

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

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

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

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

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

3. Business combinations (continued)

Assets acquired and liabilities assumed	$'000.	$'000	$'000
Cash and cash equivalents	282	282	564
Trade and other receivables	564	564	1,128
Other assets	7	7	14
Plant and equipment	1	1	2
Intangible assets	190	190	380
Deferred tax asset	2	2	4
	1,046	1,046	2,092
Trade and other payables	827	827	1,654
Current tax liability	3	3	6
	830	830	1,660
Total identifiable net assets at fair value	**216**	**216**	**432**
Goodwill arising on acquisition	109	755	864
Goodwill impairment	(26)	279	253
Purchase consideration	**299**	**1,250**	**1,549**

The Consolidated Statement of Financial Position at 30 June 2012 included the following significant assets and liabilities as a result of the acquisition of ALCo:

Intangible Assets and Goodwill

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

4. Segment information

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

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

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

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

- Financial Advice Services – Australia (ADVICE SERVICES)
- Financial Products and Services - Australia (FINANCIAL PRODUCTS)
- Financial Advice Services – International (INTERNATIONAL (DISCONTINUED))
- Insurance Premium Funding (PREMIUM FUNDING)
- Other Businesses (which includes the Group's corporate operations) (OTHER)

4. Segment information (continued)

The following tables present financial information for reportable segments for the half-years ended 31 December 2012 and 31 December 2011.

	Advice Services $'000	Financial Products $'000	International (Discontinued) $'000	Premium Funding $'000	Other $'000	TOTAL $'000
Financial performance						
Half Year to 31 December 2012						
Advice and product margin revenue (net)	13,968	1,327	2,173	-	672	18,140
Interest income	22	11	-	7,286	347	7,666
Other revenue	992	1,741	79	532	(80)	3,264
Total net revenue	**14,982**	**3,079**	**2,252**	**7,818**	**939**	**29,070**
Borrowing expenses	(61)	-	(4)	(2,594)	(23)	(2,682)
Client claims*	(550)	-	(4)	-	(4,333)	(4,887)
Depreciation and amortisation	(617)	(213)	(59)	(30)	(84)	(1,003)
Impairment expense	(419)	-	-	(269)	68	(620)
Other expenses	(11,517)	(1,687)	(2,184)	(3,015)	(3,175)	(21,578)
Profit/(loss) before tax	**1,818**	**1,179**	**1**	**1,910**	**(6,608)**	**(1,700)**
Income tax (expense)/credit	(701)	(356)	(30)	(585)	1,946	274
Net profit/(loss) after tax	**1,117**	**823**	**(29)**	**1,325**	**(4,662)**	**(1,426)**
Financial position						
At 31 December 2012						
Current assets	16,796	7,451	7,282	124,112	6,469	162,110
Non-current assets:						
Investment in associates	-	-	-	-	151	151
Property, plant and equipment	1,060	3	-	485	18	1,566
Intangible assets and goodwill	3,340	1,061	-	-	2,581	6,982
Other	7,640	(285)	-	(149)	2,494	9,700
Total assets	**28,836**	**8,230**	**7,282**	**124,448**	**11,713**	**180,509**
Total liabilities	**(25,610)**	**(690)**	**(5,624)**	**(109,567)**	**(13,075)**	**(154,566)**
Net assets	**3,226**	**7,540**	**1,658**	**14,881**	**(1,362)**	**25,943**

*To reflect current management reporting, costs associated with legacy client claims, for advice provided prior to 30 June 2010, are recorded separately and included in the Other segment to enable better management and monitoring of the current Advice Services businesses.

4. Segment information (continued)

	Advice Services $'000	Financial Products $'000	Discontinued Operations International $'000	Premium Funding $'000	Other $'000	TOTAL $'000
Financial performance						
Half Year to 31 December 2011						
Advice and product margin revenue (net)	17,062	926	2,259	-	1,226	21,473
Interest income	133	308	-	6,500	1,018	7,959
Other revenue	976	2,461	110	468	(179)	3,836
Total net revenue	**18,171**	**3,695**	**2,369**	**6,968**	**2,065**	**33,268**
Borrowing expenses	(85)	(32)	(4)	(2,723)	(357)	(3,201)
Client claims	(1,881)	-	(8)	-	-	(1,889)
Depreciation and amortisation	(533)	(26)	(114)	(17)	(34)	(724)
Impairment expense	(107)	113	-	(286)	(495)	(775)
Other expenses	(15,165)	(2,163)	(2,396)	(2,611)	(3,520)	(25,855)
Profit/(loss) before tax	**400**	**1,587**	**(153)**	**1,331**	**(2,341)**	**824**
Income tax (expense)/credit	(116)	(465)	-	(399)	(672)	(1,652)
Net profit/(loss) after tax	**284**	**1,122**	**(153)**	**932**	**(3,013)**	**(828)**
Financial position						
At 30 June 2012						
Current assets	17,899	7,348	7,591	96,756	8,376	137,970
Non-current assets:						
Investment in associates	-	-	-	-	166	166
Property, plant and equipment	1,193	3	213	381	24	1,814
Intangible assets and goodwill	4,077	815	-	-	3,119	8,011
Other	9,529	40	(4)	-	1,122	10,687
Total assets	**32,698**	**8,206**	**7,800**	**97,137**	**12,807**	**158,648**
Total liabilities	**(29,575)**	**(892)**	**(6,004)**	**(83,579)**	**(11,436)**	**(131,486)**
Net assets	**3,123**	**7,314**	**1,796**	**13,558**	**1,371**	**27,162**

5. Interest income

	Half Year to 31 Dec 2012 $'000	Half Year to 31 Dec 2011 $'000
Interest income - Insurance premium funding*	7,286	6,507
Interest Income - Other	380	1,452
	7,666	**7,959**

*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 $4,153,000 (2011: $3,574,000) on financing activities has been netted off against (i.e. deducted from) interest and fee income.

6. Other revenue/income

	Half Year to 31 Dec 2012 $'000	Half Year to 31 Dec 2011 $'000
Retail and wholesale asset client and service fees	1,946	2,280
Recoveries	656	840
Gain on sale of investments	62	260
Other	521	346
	3,185	**3,726**

7. Expenses

	Half Year to 31 Dec 2012 $'000	Half Year to 31 Dec 2011 $'000
(a) Employee benefit expenses		
Wages and salaries	9,426	9,346
Other associated personnel expenses	1,575	1,515
Share based compensation expense	194	8
Increase in liability for employee leave	168	178
	11,363	**11,047**
(b) Impairment of assets		
Impairment of receivables	318	529
Impairment of intangibles	302	246
	620	**775**
(c) Other general and administration expenses		
Audit fees	204	248
Communication expenses	303	353
Computer expenses	594	582
Conference expenses	360	366
Depreciation and amortisation	944	610
Directors fees and expenses	187	167
Entertainment	166	139
Foreign exchange (gain)/ loss	(3)	117
Licensing, subscriptions and registrations	278	236
Marketing and promotion	379	543
Management fees	303	240
Merger related acquisition costs	-	84
Other expenses	725	740
Printing, stationery and postage	170	275
Travel and accommodation	461	623
	5,071	**5,323**

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 2012 $'000	Half Year to 31 Dec 2011 $'000
Earnings/(losses) used in calculating loss per share:		
Net loss attributable to ordinary equity holders of the parent	**(1,406)**	**(1,308)**
Earnings/(losses) used in calculating loss per share – continuing operations:		
Net loss attributable to ordinary equity holders of the parent	**(1,377)**	**(1,308)**

Weighted average number of shares:	**Number**	**Number**
Weighted average number of ordinary shares (excluding reserved shares)	100,340,901	99,285,229
Effect of dilution:		
Partly paid shares	-	-
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	**100,340,901**	**99,285,229**

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 2012 $'000	30 Jun 2012 $'000	31 Dec 2011 $'000
Cash at bank	12,545	14,621	17,995
	12,545	**14,621**	**17,995**
For the purposes of the statement of cash flows, cash and cash equivalents comprise the following at 31 December:			
Cash at bank	12,545	14,621	17,995
Cash at banks attributable to discontinued operations	1,099	-	-
	13,644	**14,621**	**17,995**

11. Interest bearing receivables

	31 Dec 2012 $'000	30 Jun 2012 $'000
Current		
Loan receivables – insurance premium funding	121,993	94,446
Loan receivables – investment advisers	892	853
	122,885	**95,299**
Non-current		
Loan receivables – investment advisers	920	1,044
	920	**1,044**

12. Other assets

	31 Dec 2012 $'000	30 Jun 2012 $'000
Current		
Security deposits	721	1,070
Prepayments	3,392	3,085
	4,113	**4,155**
Non-current		
Security deposits	1,338	1,784
	1,338	**1,784**

13. Discontinued operations

Subsequent to the balance date, the sale of the Singapore business was completed and a conditional sale agreement was entered into for the sale of the Malaysian business. The Group is also in the process of exiting from the New Zealand business. As a result the international operations have been reclassified as a discontinued operation held for sale.

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

	Half Year to 31 Dec 2012 $'000	Half Year to 31 Dec 2011 $'000
Advice and financial product revenue - net	2,173	2,259
Other revenue	79	110
	2,252	**2,369**
Borrowing expense	(4)	(4)
Client claims	(4)	(8)
Depreciation and amortisation	(59)	(114)
Other expenses	(2,184)	(2,396)
Profit/(loss) before tax	**1**	**(153)**
Income tax	(30)	-
Profit/(loss) after tax	**(29)**	**(153)**

(b) The major classes of assets and liabilities classified as held for sale as at 31 December are as follows:

Assets	31 Dec 2012 $'000	30 Jun 2012 $'000
Cash and cash equivalents	1,099	-
Trade and other receivables	5,444	-
Property, plant and equipment	182	-
Other assets	557	-
Assets classified as held for sale	**7,282**	**-**
Liabilities		
Trade and other payables	5,624	-
Provisions	31	-
Current tax liability	(31)	-
	5,624	**-**
Net assets directly associated with assets classified as held for sale	**1,658**	**-**

(c) Included in comprehensive income/(loss):

Foreign currency translation reserve	14	69
Reserves of disposal group classified as held for sale	**14**	**69**

14. Investments

	31 Dec 2012 $'000	30 Jun 2012 $'000
Investments in associates	151	166
	151	**166**

15. Intangible assets and goodwill

	Goodwill $'000	Software $'000	Network & client lists $'000	Total $'000
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**

	Goodwill $'000	Software $'000	Network & client lists $'000	Total $'000
At 31 December 2012				
Cost	6,783	2,043	9,866	18,692
Accumulated amortisation and impairment	(4,651)	(1,936)	(5,123)	(11,710)
Net carrying value	**2,132**	**107**	**4,743**	**6,982**
Period ending 31 December 2011				
At 1 July 2011 net of accumulated amortisation and impairment:-	2,114	72	4,146	6,332
Additions	-	176	1,815	1,991
Business combination	1,209	-	543	1,752
Disposal	(908)	-	(119)	(1,027)
Impairment	(253)	-	(242)	(495)
Amortisation	-	(55)	(48)	(103)
Effective movements in foreign exchange	(47)	(2)	-	(49)
At 31 December 2011 net of accumulated amortisation and impairment	**2,115**	**191**	**6,095**	**8,401**
At 30 June 2012				
Cost	4,613	2,052	9,866	16,531
Accumulated amortisation and impairment	(2,481)	(1,919)	(4,120)	(8,520)
Net carrying value	**2,132**	**133**	**5,746**	**8,011**

16. Interest bearing liabilities

	31 Dec 2012 $'000	30 Jun 2012 $'000
Current		
Bank debt – receivables financing facility (Insurance premium funding)	89,452	64,647
Equipment hire and software finance liabilities	261	343
	89,713	**64,990**
Non-current		
Equipment hire and software finance liabilities	165	253
	165	**253**

17. Provisions

	31 Dec 2012 $'000	30 Jun 2012 $'000
Current		
Provision for adviser client claims	5,311	5,771
Provision for employee entitlements	1,429	1,651
	6,740	**7,422**
Non-current		
Provision for adviser client claims	15,655	16,312
Provision for employee entitlements	1,002	1,068
	16,657	**17,380**

A provision for claims made by clients of financial advisers (both current or former authorised representatives of the Group) due to losses suffered as a result of the advice given, is recognised when notified or the Group expects to incur liabilities in the future as a result of past advice. Claims provisions are determined using internal modelling of historical trends and patterns and are supported by an independent actuarial assessment. Claims provisions are measured at the present value of all future costs that the Group expects to incur to settle the claims. In excess of 85% of all claims received, as at 31 December 2012, originated from advice provided between 2003 and 2008.

Claims are expected to be settled over a period of between zero and five years with settlement depending on the circumstances of each claim and the level of complexity involved in resolution.

18. Contributed equity

	31 Dec 2012 $'000	30 Jun 2012 $'000
Ordinary shares	29,848	29,749
Reserved shares	(1,173)	(1,173)
Partly paid ordinary shares	-	99
	28,675	**28,675**

18. Contributed equity (continued)

(a) Ordinary shares (issued and fully paid)

	31 December 2012		30 June 2012	
	Number of shares	$'000	Number of shares	$'000
Balance at start of period	101,197,330	29,749	96,739,747	69,214
Movements during the period:-				
- Business combination share issue	-	-	4,457,583	3,783
- Transfer from cancelled partly paid shares	-	99	-	-
- Offset of accumulated losses	-	-	-	(43,248)
On issue at end of period	**101,197,330**	**29,848**	**101,197,330**	**29,749**

(b) Reserved shares

	31 December 2012		30 June 2012	
	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 2012		30 June 2012	
	Number of shares	$'000	Number of shares	$'000
Balance at start of period	428,572	99	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	**-**	**-**	**428,572**	**99**
Total contributed equity	**100,340,899**	**28,675**	**100,769,471**	**28,675**

19. Reserves

	31 Dec 2012 $'000	30 Jun 2012 $'000
Employee equity benefits reserve (refer note below)	97	51
Discontinued operations foreign currency translation reserve	(1,442)	(1,456)
	(1,345)	**(1,405)**

19. Reserves (continued)

Employee equity benefits reserve

During the current period, the following share options were granted to the Managing Director and another senior executive of the Group and revisions were made to some existing share allocations under the Centrepoint Alliance Employee Share Plan, which are accounted for as share options. These share based remuneration awards were valued using the Black Scholes model as follows:

a) Share options	**No. of options**	**Vesting period**	**Exercise price**	**Fair value at grant date**
Managing Director	1,500,000	1-3 years	$0.400	$0.280
Key Executive	2,250,000	1-3 years	$0.300 - $0.400	$0.099 - $0.124

b) CAESP allocations	**No. of options**	**Vesting period**	**Exercise price**	**Fair value at grant date**
Key Executives	285,001	Fully vested	$0.400	$0.067

The CAESP allocations vested in full during the current period. Prior to expiry, the terms were modified with respect to the expiry date and exercise price. A further 571,430 CAESP allocation options expired unexercised during the period.

20. Contingent assets and liabilities

There are no other contingent liabilities at balance date.

21. Events subsequent to reporting date

On 21 January 2013 the sale of the Group's shareholding in Professional Advisory Holdings Ltd (which holds the Group's Singaporean business operations) was finalised. In accordance with the sale agreement, as consideration for this shareholding, 7,731,884 CAF shares held by the Aviva Group, were returned to CAF through a buy-back agreement and then cancelled.

On 27 February 2013 the Group executed a conditional share sale agreement for the sale of its Malaysian adviser services business, which is conditional upon regulatory approval in Malaysia. The sale consideration and impact of the sale is not expected to be material to the Group.

The financial effect of these transactions will be recognised in the period from 1 January 2013 to 30 June 2013.

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

22. 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

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

Directors' Declaration
For the half year ended 31 December 2012

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 2012 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
27 February 2013

Independent auditor's report

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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 2012, 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 2012 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.

PM:MM:CENTREPOINT:102

ERNST & YOUNG

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 2012 and of its performance for the half-year ended on that date; and

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

Ernst & Young

Ernst & Young

Peter McIver

P McIver
Partner
Perth
28 February 2013

PM:MM:CENTREPOINT:102

Centrepoint Alliance

6 Months to December 31 2012

Tony Robinson

31 December 2012

Centrepoint Alliance

Snapshot

- All businesses traded well and profitably
- Solid operating cash flows
- Reported loss due to increased claims provision
- Singapore and Malaysia sold
- Wealth business now benefiting from improved investment markets
- Funding business (Premium Funding) continues to grow with bright outlook and solid support from funder

31 December 2012

Centrepoint Alliance

Snapshot

- Immediate challenges:
  - regulatory demands
  - extra claims provision

31 December 2012

Centrepoint Alliance

31 December 2012 ($m)						PCP
	Advice	Invest	CPF	Other (Int. and Corp.)	Group	Group
Revenue	15.0	3.1	7.8	3.2	**29.1**	**33.3**
Pre-tax	1.8	1.2	1.9	(6.6)	**(1.7)**	**0.6**
Tax	(0.7)	(0.4)	(0.6)	2.0	**0.3**	**(1.4)**
Minorities	-	-	-	-	**-**	**(0.5)**
NPAT	1.1	0.8	1.3	(4.6)	**(1.4)**	**(1.3)**

					Underlying Group	
Pre-tax					**(1.7)**	
Adj – claims					**4.0**	
Adj – Other					**1.2**	
Pre-tax - Adj					**3.5**	

31 December 2012

Centrepoint Alliance

Balance Sheet Overview

	$m 31 Dec 2012	$m 30 Jun 2012
Cash	12.5	14.6
Trade and Other receivables	14.9	24.5
Interest bearing receivables	123.8	96.3
Intangibles	7.0	8.0
Deferred Tax Asset	7.2	7.3
Other	15.1	8.0
	180.5	**158.7**
Trade Payables	35.7	41.2
Interest Bearing Loans	89.9	65.2
Provisions	23.4	24.8
Other	5.6	0.3
	154.6	**131.5**
Net Assets	**25.9**	**27.2**

31 December 2012

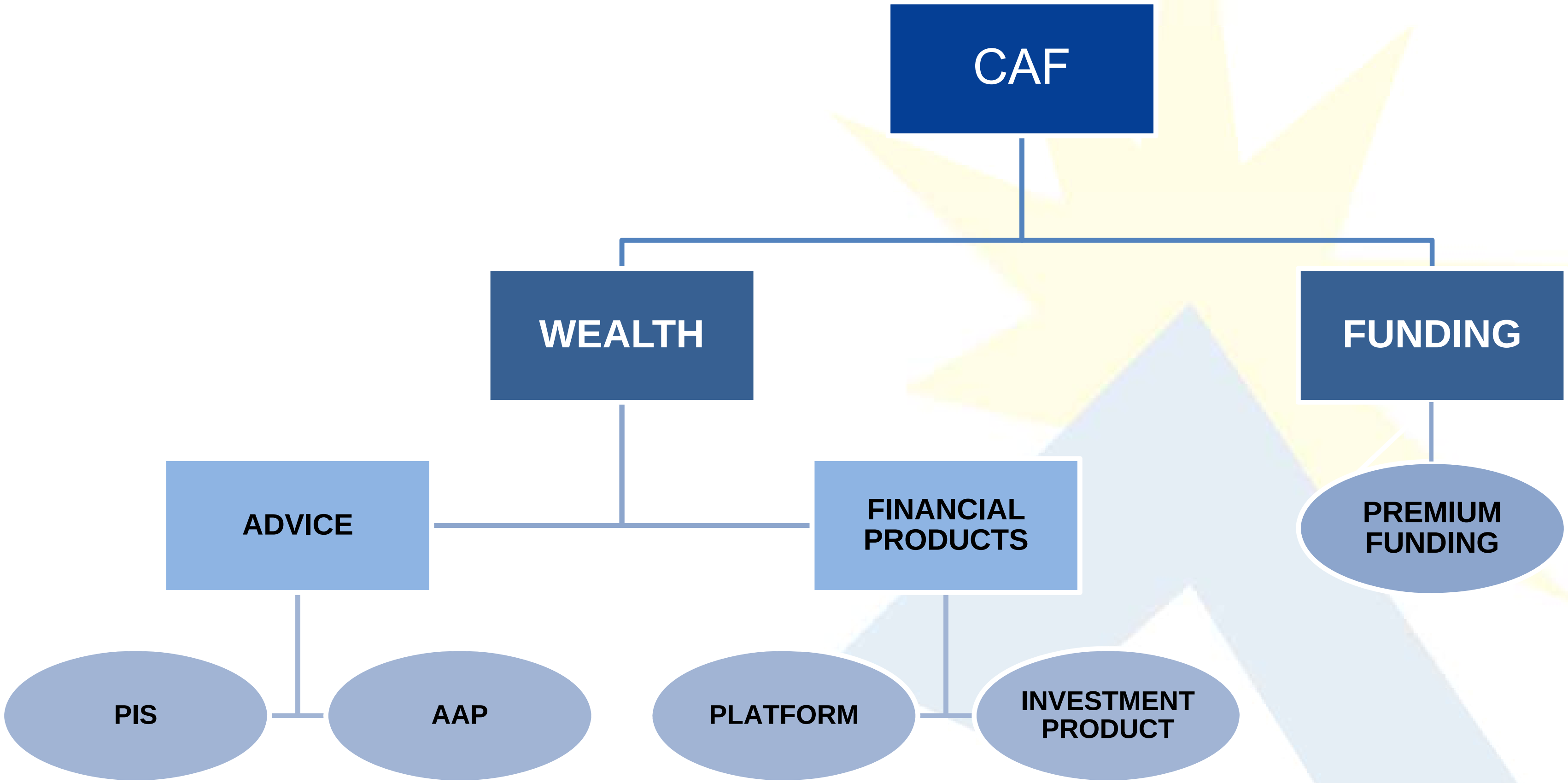
Centrepoint Alliance

Cash Flow Overview (6 months)

	$m 31 Dec 2012	$m 30 Dec 2011
Cash from operations	9.1	5.8
Claims	(6.8)	(7.7)
Other	(0.3)	-
Net cash from operations	**2.0**	**(1.9)**
Purchase of businesses	-	(1.6)
Sale of businesses and acquired / disposed cash	-	4.9
Change in Borrowing	24.6	13.0
Change in Loan Receivables	(27.7)	(17.2)
Other	0.1	0.2
Net Cash Movement	**(1.0)**	**(2.6)**

Centrepoint Alliance

Group Activities



31 December 2012

Centrepoint Alliance

Centrepoint Wealth

- **Professional Investment Services (PIS)**
  - Continuing change program
  - Impact of market now positive
  - Recruiting of new advisors now a core focus
  - Investing in business over next 12 months to adjust to FoFA and likely ongoing monitoring as tail of Enforceable Undertaking

Key Numbers		
	31 Dec 2012	**31 Dec 2011**
Authorised Representatives (number)	601	764
FUA – Platforms ($b)	5.0	5.4
Life Premiums in-force ($b)	0.2	0.2
ALCo – In-force Mortgages ($b)	4.5	4.6

31 December 2012

Centrepoint Alliance

Centrepoint Wealth

- **Associated Advisory Practices Ltd (AAP)**
  - Solid growth prospects
  - Increasing level of service demand and so increasing value as underlying clients adjust to post FoFA environment

Key Numbers		
	31 Dec 2012	**31 Dec 2011**
Number of Practices	173	165
FUA ($b)	3.0	2.6

Centrepoint Wealth

- **Funds Management**
  - Starting to see positive funds growth from net flows
  - Looking at additional product opportunities
- **Platforms (IDL)**
  - Established reseller arrangements exist with key players (BT, MLC, Onepath)

Key Numbers		
$b	**31 Dec 2012**	**31 Dec 2011**
AllStar Ventura – FUM	0.6	0.7
Platform - FUA	1.5	1.2

31 December 2012

Centrepoint Alliance

Premium Funding

- Solid relationship with NAB as key partner
- Re-growing market share – industry merger expected to assist
- Strong focus on improving net interest margins
- Key is controlling credit quality (credit assessment plus receivables insurance)

Key Numbers			
$m	31 Dec 2012	31 Dec 2011	30 June 2012
Receivables	122.0	105.4	94.4
Total Loans (written in 6 months)	205.9	178.7	138.3
Bad Debts (expense)	0.3	0.3	0.1

31 December 2012

Centrepoint Alliance

Centrepoint – Key non trading issues

- **Enforceable Undertaking**
  - Completed in April 2012 but expecting ongoing monitoring in conjunction with Independent Expert given early stage of change when EU report submitted (April 2012)
- **FoFA**
  - Reforms still unclear
  - Investing in capabilities needed post FoFA
- **Claims**
  - Claims provisions and claims payments still disappointing
  - Increasing in-house ability to manage claims

31 December 2012

Centrepoint Alliance

Outlook

- Still in rebuilding phase with PIS but moving to regrowth phase
- All other Wealth business units in growth
- Premium Funding business experiencing strong growth
- Tail of past with claims from advice pre 30 June 2010 still a drain on the business
- Wealth business retains good strategic industry position
- Confident of business environment post FoFA and with returning investment confidence

THANK YOU