

ASX Announcement 21 August 2015

Appendix 4E and Annual Report for Year Ended 30 June 2015

- **FY15 statutory NPAT of \$5.9m, up 78% on the prior year**
- **FY15 underlying profit before tax of \$7.0m, down 15% on FY14**
- **Fully franked final FY15 dividend of 1.2 cents per share**

Centrepoint Alliance Limited (ASX:CAF) ('Centrepoint') is pleased to announce another solid performance with a net profit after tax of \$5.9m up 78% on the prior year. Underlying profit before tax decreased 15% to \$7.0m.

Centrepoint also announced a final dividend of 1.2 cps fully franked to be paid on 16 October 2015. Total dividends for FY15 of 2.2 cps in line with prior year (FY14 2.2 cps).

The Wealth business performed well with underlying pre-tax profit up 10% to \$7.1m. The focus on supporting independent advisers with quality solutions and advocating for their interests in a market dominated by institutions is paying dividends with growing demand for the Group's platforms and solutions. Funds invested in Centrepoint solutions increased 14% to \$2.8bn.

The Funding underlying pre-tax profit was down 52% to \$2.5m due to the soft general insurance market, however the business delivered a strong operational result with growth in new broker relationships and loans funded.

The Group's net profit also included a \$4.3m benefit from the recognition of deferred tax and an increase in legacy costs of \$1.7m.

The Chairman, Rick Nelson commented 'We are pleased with the Group's progress in executing on its strategy. It is exciting to see the transformation of the Wealth business gaining momentum and the Funding business growing its broker relationships following the partnership with Steadfast and the launch of our NZ office.'

The financial year saw the launch of the salaried advice channel and the innovative separately managed account service ('vMAPs'). Together these investments provide sustainable growth platforms in the post FOFA world. vMAPs uses latest technology and internationally leading service providers to deliver professionally managed investments at a lower cost with significant advantages over traditional investment solutions.

In addition, Centrepoint established a premium funding business in New Zealand, and formed a new partnership agreement with Steadfast, Australia's largest and fastest growing broker group.

The investment in people, technology and client solutions in both Centrepoint Wealth and Centrepoint Funding has continued. The Group's strategy is to achieve sustainable, long term growth by delivering innovative solutions to independent advisers and brokers to support their customer's needs and support them in operating profitable and sustainable businesses.

Centrepoint holds strong market positions in its core markets and is well placed to take advantage of the long term growth in non-bank funding and wealth markets.

Centrepoint Alliance

The Group had cash and cash equivalents of \$12.5m at 30 June 2015. The Group has a strong financial position from which to deliver organic and inorganic growth. The Group has acquired a number of small client books and is active in assisting larger practices to grow or develop succession strategies.

The Group is well positioned for sustainable, above market growth, by leveraging its strong client relationships and leading solutions.

Investor Briefing

John de Zwart, Managing Director, and John Cowan, Chief Financial Officer, will hold an investor briefing at 10am (AEST) on Monday, 24 August 2015.

If you wish to participate in the briefing please register by visiting our ASX Announcements section of the Investor Centre on the Centrepoint website - <http://www.centrepointalliance.com.au>.

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

For further information please contact:

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CENTREPOINT ALLIANCE LIMITED
AND ITS CONTROLLED ENTITIES
 ABN 72 052 507 507

Appendix 4E
 Year ended 30 June 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET

			30 June 2015	30 June 2014
Revenues from ordinary activities	Down	5%	\$48,864,000	\$51,651,000
Profit before tax and non-controlling interests	Down	40%	\$2,553,000	\$4,254,000
Profit after tax attributable to members	Up	78%	\$5,888,000	\$3,299,000

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	1.2 cents	1.2 cents
Previous corresponding period	2.2 cents	2.2 cents
Record date for determining entitlements to dividend	25 September 2015	
Payment date of dividend	16 October 2015	
Dividend Reinvestment Plan		
Plan active	Yes	
Discount	2%	
Pricing period	29 September 2015 to 12 October 2015	
Last DRP election date	28 September 2015	
Net tangible assets per share	30 June 2015 14.85 cents	30 June 2014 15.50 cents

Centrepont Alliance Limited reported a net profit after tax of \$5.9m, up 78% on the prior year. Wealth division revenues benefited from strong growth in Funds under Administration and Funds under Management. This was more than offset by a decrease in Funding division revenues impacted by the soft general insurance market impacting the amount of premiums funded.

The Group continued to invest in people, technology and client solutions to build on existing capabilities across Funding and Wealth businesses with some of this funded through expense management initiatives.

After successive years of profit and forecast taxable income, the Group recognised \$4.3m of deferred tax assets in relation to prior year's revenue losses.

Centrepoint Alliance

CENTREPOINT ALLIANCE LIMITED

AND ITS CONTROLLED ENTITIES

ABN 72 052 507 507

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2015

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Annual Financial Report
30 June 2015

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CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Chairman's Report

30 June 2015

Centrepont Alliance Limited ('Centrepont') has made significant progress during the financial year ended 30 June 2015 ('FY15') in executing its strategy to become the most respected, independent financial services provider in Australia.

We are pleased to announce in the FY15, a net profit after tax of \$5.9 million and an underlying profit before tax of \$7.0m. While the underlying profit is down on the previous year, this is largely attributable to a softer general insurance market that has flowed through to a decrease in the amount of premiums written in our Funding business. There continues to be a significant investment in new businesses and capabilities in line with our strategy to build an independent modern client-centric business which is widely respected among the wealth and general insurance industry.

Wealth benefited from strong net flows for both funds under administration ('FUAdm') and funds under management ('FUM') with 16% and 10% respective increases.

The Board is pleased to announce a final dividend of 1.2 cents per share, fully franked, to be paid on 16 October 2015.

The last financial year has seen the establishment of our salaried advice brand, Alliance Wealth & Protection, and together with our innovative separately managed account service ('vMAPs') they provide growth platforms for our future earnings. vMAPs uses latest technology and internationally leading service providers to deliver professional managed investments at a lower cost and this has significant advantages over traditional investment solutions. In addition, we have established our premium funding business in New Zealand, and formed a new partnership agreement with Steadfast, Australia's largest and fastest growing broker group.

There has also been significant investment in people, technology and client solutions in both Centrepont Wealth and Centrepont Funding. This is an integral part of the Group's strategy to achieve sustainable, long term growth by delivering innovative solutions to meet customer's needs while assisting financial advisers and brokers to operate efficient and profitable businesses.

The Group is well placed to take advantage of the growth in both non-bank funding and wealth markets. We hold strong and respected market positions and are moving swiftly towards a simpler, easier client experience using technology to automate and simplify processes. This has enabled both our wealth advisers and insurance brokers to concentrate on building quality, independent advice businesses, growing their market share and, in the process, delivering solid returns to shareholders.

I would like to thank Noel Griffin and Stephen Maitland for their significant contribution to the strategy, governance and direction of Centrepont during a period of significant change. In May this year we welcomed John O'Shaughnessy who brings to the Board a wealth of experience in financial services.

Thank you to our employees, advisers, clients and business partners, and you, our shareholders, for your continued support as we strive to become the leading and most highly respected non-institutional financial services business in Australia.

On behalf of my fellow directors I am pleased to present the Centrepont Alliance Limited ('Centrepont') annual report for the year ended FY15 and to report a very successful year in our strategy to become Australia's most respected financial services business.

Yours sincerely



Rick Nelson
Chairman

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

Your directors present their report for the year ended 30 June 2015.

Directors

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

Richard (Rick) Nelson

FAICD

Chairman & Non-executive Director

Over a 43 year career in banking and finance, Rick has been involved in areas of asset management, corporate development, bank and financing negotiations and sales team development. Rick began his career in 1972 at Australian Guarantee Corporation Ltd, followed by Demac group of companies as General Manger of Finance. In 1982, Rick founded the Centrepoint Finance Group which began Insurance Premium Funding in 1984 and merged with listed entity Alliance Finance in 2005 where Rick assumed the role of Managing Director of the merged group. In 2007 Rick stepped down to take on the position of Deputy Chairman and Non-Executive Director and was later appointed Chairman of the Company in June 2009. Rick is also a director of a number of private companies and is an active supporter of children's charities.

John de Zwart

B.Econ., CA

Managing Director and Chief Executive Officer

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

Prior to TAL/TOWER, John worked at AMP, Credit Suisse and Price Waterhouse.

Stephen Maitland (Resigned effective 31 August 2015)

OAM, RFD, B.Ec, M.Bus, LL.M, FCPA, FAICD, FCIS, FAIM, SF Fin

Non-executive Director, Chairman of the Group Audit, Risk & Compliance Committee

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

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

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

Listed Company

Buderim Ginger Limited

Period of directorship

From 2002 to October 2012

Matthew Kidman

BEc, LLb, Graduate Diploma of Applied Finance

Non-executive Director, Chairman of the Nomination, Remuneration & Governance Committee (appointed 30 January 2015)

Matthew has over 19 years of experience in the finance industry and currently specialises in corporate strategy, investor relations and capital markets.

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Directors' Report

30 June 2015

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

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

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

<i>Listed Company</i>	<i>Period of directorship</i>
WAM Capital Limited	From 1999 and continuing
WAM Research Limited	From 2002 and continuing
WAM Active Limited	From 2007 and continuing
Sandon Capital Investments Limited	From 2013 and continuing
Watermark Market Neutral Fund Limited	From 2013 and continuing

Martin Pretty

BA, CFA, Graduate Diploma of Applied Finance

Non-executive Director

Martin is currently an Investment Manager with the Thorney Investment Group, a substantial shareholder, and brings to the Board over 15 years' experience in the finance sector. The majority of this experience was gained within ASX-listed financial services businesses, including Hub24, Bell Financial Group and IWL Limited. Martin has also previously worked as a finance journalist with The Australian Financial Review.

John O'Shaughnessy (Appointed 28 May 2015)

MBA, MAICD, Graduate Certificate in Management

Non-executive Director

John has many years' experience in financial services in Asia/Pacific and in the UK/Europe having held CEO, senior executive and Board roles covering funds management, insurance, banking and securities. John has been a Director of A. T. Kearney, University of Adelaide's International Centre for Financial Services, Forticode, Elevate Australasia and Australian Services Roundtable. John was also Deputy CEO of the Financial Services Council of Australia.

Noel Griffin (Resigned 30 January 2015)

MBA (Harvard)

Non-executive Director and Chairman of the Nomination, Remuneration & Governance Committee

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

Directors' Interests in Shares

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

Director	Number of ordinary shares	Number of ordinary shares	Number of Options over ordinary shares	Number of performance rights
	Fully Paid	Partly Paid		
R. J. Nelson	4,223,378	-	-	-
S. J. Maitland	67,982	-	-	-
M. Kidman	1,254,821	-	-	-
J. M. de Zwart*	4,819,492	-	-	1,500,000
M. P. Pretty	-	-	-	-
J. A. O'Shaughnessy	-	-	-	-

*Beneficiary of Centrepoint Alliance Services Pty Ltd ('CAESP') holding 2,800,000 shares on behalf of John de Zwart under the terms of the Group's long term incentive plan.

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

Company Secretaries

Debra Anderson

B. Law (LLB) Hons, Post Graduate Diploma in Legal Practice, Diploma of Financial Planning

Debra is a lawyer who began her career in private practice in Australia and worked in New Zealand and Hong Kong, before joining the Company in 2003. She has gained extensive experience in financial services over the past 11 years and was appointed Company Secretary in November 2013.

Glenn Toohey (Resigned 2 February 2015)

B. Economics, FCA

Committee membership

As at the date of this report, the Company had a Nomination, Remuneration and Governance committee ('NRGC'), and Group Audit, Risk and Compliance committee ('GARCC').

Directors acting on the committees of the board during the year were:

NRGC	GARCC
M. Kidman (Chairman - appointed 30 January 2015)	S. J. Maitland (Chairman)
R. J. Nelson	M. Kidman (Resigned 30 January 2015)
J. A. O'Shaughnessy (Appointed 28 May 2015)	M. P. Pretty
N. J. Griffin (Resigned 30 January 2015)	J. A. O'Shaughnessy (Appointed 28 May 2015)

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Directors' Report

30 June 2015

Meetings of Directors

The following table sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member).

Members	Board of directors		NRGC		GARCC	
	Held	Attended	Held	Attended	Held	Attended
R. J. Nelson	13	13	12	12	-	-
S. J. Maitland	13	12	-	-	6	6
M. Kidman	13	13	3	3	5	5
J. M. de Zwart	13	13	-	-	-	-
M. P. Pretty	13	13	-	-	6	6
J. A. O'Shaughnessy*	2	2	1	1	1	1
N. J. Griffin**	7	7	9	9	-	-

* Appointed 28 May 2015

** Resigned 30 January 2015

Corporate Information

History

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

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

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

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

Principal activities

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

- The funding of insurance premiums for both corporate and retail clients; and
- The provision of services and solutions to financial advisers and their clients.

Corporate structure

Centrepont Alliance Limited is a company limited by shares that is incorporated and domiciled in Australia and listed on the Australian Stock Exchange. Information on the group structure is provided in Note 26 to the Consolidated Financial Statements.

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Operating & Financial Review

Group Business Operations

Centrepoint Alliance Limited and its controlled entities (the 'Group') operates predominantly in the financial services industry within Australia and has two core business segments:

- Centrepoint Funding ('Funding'), which provides insurance premium funding and mortgage aggregation services to mortgage brokers; and,
- Centrepoint Wealth ('Wealth'), which provides a range of financial advice and support services (including licensing, systems, compliance, training and technical advice) and wealth solutions to financial advisers, accountants and their clients across Australia.

Financial Performance

Profit before tax from continuing operations for the year to 30 June 2015 was \$2.553m (2014: \$4.254m) which is a reflection of a challenging market environment for Premium Funding, the implementation of a quality sustainable wealth advice business model and an adjustment to the claims provision.

a) Funding

Description: Provides a cash flow solution primarily to Small and Medium Sized Enterprises ('SME') and corporate clients to enable funding of their general insurance premiums and also provides aggregation and licencing services to mortgage brokers.

Business Model: Insurance premium funding is distributed to customers through a national network of third party general insurance brokers. A large volume of relatively small short term loans are funded using a receivables finance facility provided by two of Australia's major banks. Centrepoint Lending Solutions ('CLS') 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 financial planning clients.

Key Drivers: The number of supporting brokers, dollar volume and number of loans written, general insurance premium price cycle, property purchases, funding terms and lending margins, credit management and operating expenses.

Overview: The insurance premium funding market is estimated to have declined by 10-20% in 2015 due to commercial insurance premium reductions and the market is estimated to be around \$4.7bn per annum and is dominated by two institutions. Centrepoint Alliance Premium Funding is the largest independent funder with an estimated 9% market share.

Financial Performance: Profit before tax decreased 59% to \$2.086m (2014: \$5.143m). Total Revenue from the Funding businesses decreased 10% to \$16.655m primarily as a result of reduction in premiums being funded during a soft global insurance market. The number of active general insurance broker relationships have grown 19%, with a continued above system expansion of the east coast presence. Existing brokers include the joint venture with IBNA and new relationships established this year focused on the inclusion with Steadfast Group of being formally appointed as a panel funder, Australia's largest broker network. Substantial investment took place across Funding during the period in people and technology enhancements to ensure that we can continue to grow and retain a leading position. This will ensure consistent, quality and reliable service over the longer term to all of our business partner relationships. Net margins have remained steady although the second half year has seen competitive pricing activity to combat the soft insurance premiums. Funding lines have capacity to support additional growth. Credit quality remains strong. The

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Directors' Report

30 June 2015

mortgage broking business was restructured during the year and is now being repositioned to take greater advantage of the Group's relationships with financial advisers and brokers.

b) Wealth

Description: Provider of a range of financial advice and support services (including licensing, systems, compliance, training and technical advice) and wealth solutions (platforms and managed portfolios and funds) to financial advisers, accountants and their clients across Australia.

Business Model: Wealth provides services to authorised representatives under its Australian Financial Services Licences ('AFSL'). The licenced entities are Professional Investment Services Pty Ltd ('PIS') and Alliance Wealth Pty Ltd. Services are also provided to authorised representatives of other AFSL holders through Associated Advisory Practices Pty Ltd. Wealth sources best of breed investment platforms, portfolio solutions and managed funds through Investment Diversity Ltd and Ventura Investment Management Ltd. The business is transitioning from typically commission, percentage splits, and rebates on products to a fee for service model to be aligned with customers interests. During the year a new Advice Fee structure was implemented changing the revenue generated from retention of a portion of advice revenue earned by Wealth's authorised representatives to a dollar based fee. In addition revenue is generated from product providers through product margins on packaged investment platforms, managed funds and other fees for services.

Key Drivers: The number of Practices or Licenses, fee income, funds under administration ('FUAdm'), funds under management ('FUM'), margin and operating costs.

Overview: Wealth operates in a market dominated by large institutions. Wealth is the largest non-institutional full advice business in Australia.¹ The wealth market is attractive with superannuation assets expected to continue to grow by 7% p.a.² over the next twenty years and the need for quality advice continuing to grow. The market has experienced significant regulatory change with the commencement Future of Financial Advice legislation and changes to Life Insurance advice fees.

The Group continues to execute its strategy to improve the quality of advice and wealth solutions provided to Australians. This has involved a significant change program and an evolution of the organisational structure to better suit its strategy to develop a customer centric wealth business.

During the year Wealth invested in developing a Salaried Adviser channel and has continued to develop the suite of solutions and services together with systems and methodologies to deliver high quality advice and outcomes to financial advisers and their clients.

The processing of client claims continues to be fully managed by an internal claims team. The second half of FY15 has seen a marginal increase in additional provisioning after actuarial review (\$7.225m as at 31 December 2014 to \$7.300m at 30 June 2015). During the year there has been increased media attention and this may lead to an increase in new claims, however given the time that has elapsed it is reasonable to expect a decrease in complaints and claims.

Financial Performance: Profit before tax was \$3.079m compared to \$2.962m for 2014. Revenue decreased by 3% which was attributable to adjusting to new business model as a result of the future of financial advice regulations. The implementation of the new adviser fee model in the last quarter

¹ Money Management Top 100 Financial Planning Survey 2015

² DEXX&R Market Projections Report 27/4/15

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of FY15 is expected to enhance the growth opportunities of the business and result in increased alignment. Expenses, excluding client claims, depreciation, amortisation and impairment expenses, were \$12.200m compared to \$12.300m in 2014. The current strategy is focussed on supporting advisers to develop their businesses and support them with a suite of best of breed in-house services.

c) Corporate

Description: The costs of the Centrepoint board of directors, company secretarial functions and the administration of the listed public entity are reflected in Corporate.

Overview: Consistent with the prior simplification of the corporate structure some expenses that were previously recorded at the Corporate level are now allocated to the operating segments resulting in a reduction in reported expenses.

Financial Performance: Profit before tax was \$13.600m which included \$17.000m of dividends received from its subsidiaries. Total expenses of \$2.400m were down 43% on the prior year and are a reflection of lower external consultant costs and reduced internal allocations.

Cash Flows

The Group held \$12.539m in cash and cash equivalents as at 30 June 2015 (2014: \$21.373m). The prior year cash balance included \$5.000m of cash invested in term deposits.

Cash provided by operations was \$6.479m (2014: \$7.541m) during the period. The decrease in cash was primarily due to payments of \$9.081m (2014: \$8.879m) in relation to adviser client claims for advice given prior to the acquisition of Professional Investment Holdings by the Centrepoint Alliance group in 2010.

Financial Position

The Group has net assets at 30 June 2015 of \$36.658m (30 June 2014: \$34.521m) and net tangible assets of \$22.019m (30 June 2014: \$22.130m) representing net tangible assets per share of 14.85 cents (30 June 2014: 15.50 cents).

Total assets decreased to \$168.634m (30 June 2014: \$184.816m) primarily as a result of the decrease in insurance premium funding receivables discussed above, and a decrease in cash and term deposits. Total liabilities decreased to \$131.976m (30 June 2014: \$150.295m) primarily as a result of the decrease in insurance premium funding receivables and a reduction in the provision for client advice claims.

Risks & Risk Management

The material business risks faced by the Group that could affect its financial prospects include:

- Legacy advice claims – The Consolidated Statement of Financial Position includes a provision for incurred but not reported client advice claims in relation to advice provided prior to 1 July 2010. The provision is based on an external actuarial model that projects future claims based on historical data. Actual claims may exceed the provision and it is impracticable to quantify the amount of any such additional liability.

The actuarial model does not project claims from potential class actions. Class action lawyers have been active within the financial advice industry in relation to failed investment products and there is an unquantifiable risk that such action may be taken against a Group subsidiary in the future.

- Loss of financial advisers – Wealth depends on revenue generated from financial advisers. Financial advisers are able to leave the Group if they are dissatisfied with the services provided. Considerable effort and progress is being made to develop the leading advice business in Australia and a new advice fee model was recently implemented which will aid retention of key existing financial advisers and attract external advisers to the Group.

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- Regulatory change – Whilst the Future of Financial Advice ('FOFA') legislation has been finalised, the Financial System Inquiry ('FSI') and new Life Insurance regulations will continue to evolve the direction for the future of Australia's financial system. Depending on the outcome of these changes it could impact the Group including change costs, slowing down adviser recruitment, and increasing the ongoing costs and risks associated with regulatory compliance.
- Loss of key personnel – A comprehensive staff review and feedback process is actively employed. Regular reviews of remuneration to ensure market competitiveness are undertaken, and the Board has approved a structured short-term incentive program and long-term incentive program for staff.
- Competitor behaviour – The financial services industry and the insurance premium funding industry have several participants which have relatively large market shares (relative to the Group) and are subsidiaries or operating divisions of large financial services businesses. The size of these competitors and their greater access to funding provide them with a strong position on which to compete with the Group. There is a risk that earnings of the Group could be adversely impacted by the activities of competitors. The Group is focussed on building and maintaining the leading service propositions in the industry and its position as a non-aligned service provider helps to mitigate this risk.

Strategies & Prospects

The Group is focused on becoming the most respected financial services business in Australia.

Industry consolidation is providing opportunities for organic growth stemming from the Group's position as the largest non-aligned premium funder with a strong track record of service and delivery. It may also create opportunities for in-organic growth as small sub-scale businesses look to exit the industry. Funding will continue its strategy of growing the insurance funding business on the east coast. The mortgage broking business was restructured during the year and is now being repositioned to take greater advantage of the Group's relationships with financial advisers and brokers.

The Wealth business is implementing its strategy to become a leading customer centric wealth business focused on customer outcomes and building sustainable financial advice practices. It is well positioned in an industry that remains very attractive for the long-term growth driven by growing national savings and investment pool increases and the greater need for advice as the complexity of the regulatory environment, tax system and market increases. The Group will continue to invest in its capabilities to grow revenue and profitability over the medium term.

Dividends

On 21 August 2015, the directors of Centrepoint Alliance Limited declared a final dividend on ordinary shares in respect of the 2015 financial year. The dividend is to be paid out of the dividend reserve. The total amount of the dividend is \$1,779,610 which represents 1.2 cents per share and is fully franked at the corporate income tax rate of 30%. The record date is 25 September 2015 and payment date is 16 October 2015.

Shares and Performance rights

Unissued shares

As at the date of this report, there were 400,000 fully vested options exercisable at \$0.40 each on or before 31 December 2016. The Option holder does not have any right, by virtue of the options, to participate in any share issue of the Company or any related body corporate.

In August 2013 the Company granted 4,100,000 performance rights, which is a right that can be converted to an ordinary fully paid share in the Company for no monetary consideration subject to specific performance

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Directors' Report

30 June 2015

criteria being achieved. 1,500,000 of these rights were granted to Managing Director and Chief Executive Officer, John de Zwart, (approved by shareholders during the 2013 Annual General Meeting) and the remaining 2,600,000 were offered to five senior executives in December 2013. 533,334 of the 2,600,000 rights have now been forfeited due to the departure of two executives. All or some of the rights will vest in September 2016 if certain profit targets are met. Earlier vesting can occur under certain circumstances, such as a takeover of the Company.

At the date of this report there are no other unissued ordinary shares subject to options.

Shares issued as a result of the exercise of options

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

Risk Management

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

Risk management is monitored and assessed by the Group Audit, Risk and Compliance Committee of the Board, which comprises two non-executive directors, the Managing Director and Chief Executive Officer and an independent external member. The Chairman of the Board may not chair this committee. As detailed in the Corporate Governance Statement the Committee is governed by a charter and is responsible on behalf of the Board for overseeing:

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

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

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

Significant Changes in the State of Affairs

There are no matters or events constituting a significant change in the state of affairs of the Company.

Significant Events Subsequent to Balance Date

There are no 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.

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Likely Developments

Likely developments in the operations of the Company and the expected results of those operations in future financial years have been addressed in the Operating and Financial Review and in the subsequent events disclosure. The directors are not aware of any other significant material likely developments.

Environmental Regulation

The Consolidated Entity's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Corporate Governance Policies and Practices

For further information on corporate governance policies and charters adopted by Centrepoint Alliance Limited, please refer to our website: <http://www.centrepointalliance.com.au/corporate-governance/>

Indemnification and Insurance of Directors and Officers

During the financial year, the Company paid a premium for a policy insuring all directors of the Company, the company secretaries and all executive officers against any liability incurred by such director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*.

The policy does not allocate an identifiable part of the premium to specific directors or officers. Accordingly, the premium paid has not been apportioned to directors' remuneration.

The Company has not otherwise during or since the end of the financial year, indemnified or agreed to indemnify any officer of the Company against a liability incurred as such officers.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Deloitte Touche Tohmatsu, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Deloitte Touche Tohmatsu during or since the end of the financial year.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

Remuneration Report

This Remuneration Report for the year ended 30 June 2015 outlines the remuneration arrangements of the directors and executives of the Group in accordance with the requirements of the *Corporations Act 2001* (the 'Act') and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report is presented under the following sections:

- Key management personnel
- Remuneration philosophy
- Group performance
- Nomination, Remuneration & Governance (NRGC) Committee
- Employment contracts
- Remuneration of Key Management Personnel
- Short-term incentives
- Long-term incentives

For the purposes of this Report, key management personnel ('KMP') of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Key management personnel

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

R. J. Nelson	Chairman & Director (non executive)
S. J. Maitland	Director (non-executive)
M. Kidman	Director (non-executive)
M. P. Pretty	Director (non-executive)
J. A. O'Shaughnessy	Director (non-executive) - appointed 28 May 2015
N. J. Griffin	Director (non-executive) - resigned 30 January 2015
J. M. de Zwart	Managing Director & Chief Executive Officer
J. S. Cowan	Chief Financial Officer and HR Manager - appointed 12 January 2015
R. M. Dodd	Chief Executive Officer – Centrepont Alliance Premium Funding Pty Ltd
G. P. Toohey	Chief Financial Officer & Company Secretary – resigned 2 February 2015

There were no changes of KMP after the reporting date and before the signing of this Report.

Remuneration philosophy

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

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

Short-term incentives in the form of potential cash bonuses are made available to KMP's. Any award is based on the achievement of pre-determined objectives.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

Long-term incentives are made available to certain KMP in the form of performance rights, shares or options. The Directors consider these to be the best means of aligning incentives of KMP with the interests of shareholders.

The remuneration of non-executive directors of the Company consists only of directors' fees and committee fees.

Group performance

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

	2015	2014	2013	2012	2011
	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP					
Net profit/(loss) after tax	5,880	3,223	(7,288)	(17,299)	(13,125)
EPS (basic) - (cents per share)	4.14	3.20	(8.04)	(17.90)	(16.21)
EPS (diluted) - (cents per share)	3.96	3.13	(8.04)	(17.90)	(16.21)
Share price (\$)	0.50	0.37	0.27	0.18	0.90

Nomination, Remuneration & Governance Committee ('NRGC')

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

Non-executive directors are not employed under specific employment contracts but are subject to provisions of the Corporations Law in terms of appointment and termination. The Company applies the ASX listing rules that specify that aggregate remuneration shall be determined from time to time by shareholders in a general meeting. The maximum aggregate remuneration for the financial year ended 30 June 2015, which was approved by a resolution of shareholders at the Annual General Meeting on 29 November 2012, is \$425,000.

The remuneration of the non-executive directors does not currently incorporate a component based on performance. Within the limits approved by shareholders, individual remuneration levels are set by reference to market levels. No independent remuneration advisers were engaged by the NRGC during 2015.

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

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

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

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

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

Employment contracts

Details of the terms of employment of the Managing Director & Chief Executive Officer and the named executives are set out below:

John de Zwart – Managing Director & Chief Executive Officer

Contract commencement date: 15 April 2013

Term: No term specified

Incentives:

Short term incentive –

A short term incentive of \$125,000 was paid after the end of the 2014 financial year and on achievement of key performance targets set by the Board. The key performance targets are measures of underlying profit, improvement of customer retention and engagement, strengthening the organisational capability and business sustainability through talent acquisition, retention and development, improvement in compliance levels and risk management.

Short term incentive performance criteria was approved on 30 October 2014 for the 2015 financial year. The key performance targets are measures of underlying profit, improvement of customer retention and engagement, strengthening the organisational capability and business sustainability through talent acquisition, retention and development, improvement in compliance levels and risk management.

Long term incentive –

CAESP16

Issue of up to 1,500,000 fully paid ordinary Centrepoint Alliance Limited ('CAF') shares at nil cost based on achievement of growth targets in the consolidated underlying profit of the Group (as determined by the Directors) over three financial years, as follows:

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

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

CAESP17

2,800,000 fully paid ordinary Centrepoint Alliance Limited ('CAF') shares at 52.2 cents per share, that are legally held by CAESPT until satisfaction of the vesting conditions determined on 15 December 2017 ('2017 tranche') and 15 December 2018 ('2018 tranche') based on the following:

2017 tranche

If the cumulative fully diluted underlying earnings per share ('EPS') adjusted for any dilutionary impact of dividend reinvestment plan ('DRP') for the financial years ended 30 June 2015, 2016 and 2017 divided by 3 is:

- Less than 133% of 2014 EPS, nil vest;
- Between 133% and 145% of 2014 EPS, shares will vest on a pro-rata basis;
- 145% and above of 2014 EPS, 100% of shares will vest.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

2018 tranche

If the cumulative fully diluted underlying earnings per share ('EPS') adjusted for any dilutionary impact of dividend reinvestment plan ('DRP') for the financial years ended 30 June 2015, 2016, 2017 and 2018 divided by 4 is:

- Less than 143% of 2014 EPS, nil vest;
- Between 143% and 160% of 2014 EPS, shares will vest on a pro-rata basis;
- 160% and above of 2014 EPS, 100% of shares will vest.

Required notice (Executive): 3 months.

Required notice (Company): 6 months.

Termination Entitlement: Statutory entitlements and so much of the total fixed remuneration as is due and owing on the date of termination.

John Cowan - Chief Financial Officer

Contract commencement date: 12 January 2015

Term: No term specified

Incentives:

Short term incentive –

Eligible from the date of appointment to participate in the Company's short term incentive plan as amended or varied from time to time by the Company in its absolute discretion and without any limitation on its capacity to do so.

Long term incentive –

A grant of 1,000,000 rights based on performance to be allocated 60/40 over a 2 year period, date to be agreed.

Required notice (Executive): 6 months.

Required notice (Company): 3 months.

Termination Entitlements: Statutory entitlements.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

Bob Dodd - Chief Executive Officer (Insurance Premium Funding)

Contract commencement date: 1 December 2006

Term: 5 years with 5 year option (evergreen)

Incentives:

Short term incentive –

For the 2015 – 2019 financial years, a payment of \$120,000 each year upon successful achievement of the Centrepont Alliance Premium Funding budget for that year.

Long term incentive –

A retention incentive was approved by the Board in June 2014 with the first payment of \$300,000 made in June 2014 and the second payment of \$200,000 made on 20 April 2015. The incentive is subject to employment criteria.

CAESP16

Issue of up to 600,000 fully paid ordinary shares in the Company at nil cost subject to the achievement of the profit hurdles outlined below.

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

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

CAESP17

Issue of up to 500,000 fully paid ordinary Centrepont Alliance Limited ('CAF') shares at 52.2 cents per share, that are legally held by CAESPT until satisfaction of the vesting conditions determined on 15 December 2017 ('2017 tranche') based on the following:

2017 tranche

If the cumulative fully diluted underlying earnings per share ('EPS') adjusted for any dilutionary impact of dividend reinvestment plan ('DRP') for the financial years ended 30 June 2015, 2016 and 2017 divided by 3 is:

- Less than 133% of 2014 EPS, nil vest;
- Between 133% and 145% of 2014 EPS, shares will vest on a pro-rata basis;
- 145% and above of 2014 EPS, 100% of shares will vest.

Commencing 1 July 2015, 10% of the total value added profit over the performance period (1 July 2015 to 30 June 2019). Value added profit in Centrepont Alliance Premium Funding Pty Ltd's statutory profit before tax ('CAPF PBT') less the total minimum return on equity for that year. Growth in CAPF PBT must be at least 10% each year and an average of at least 15% over the performance period.

Required notice (Executive): 3 months.

Required notice (Company): 3 months.

Termination entitlements: Statutory entitlements and 9 months' notice or equivalent salary in lieu of notice.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

Remuneration of Key Management Personnel

	Year	No. of days remuneration	Short-term benefits		Post Employment	Long-term benefits		Share-based payments		Termination payments	Total	Performance related	Share Related
			Salary & Fees	Cash Bonus	Superannuation	Cash Incentives	Long service leave	Performance rights	Shares				
			\$	\$	\$	\$	\$	\$	\$	\$	\$	%	%
R. J. Nelson	2015	365	114,679	-	10,895	-	-	-	-	-	125,574	-	-
	2014	365	114,678	-	10,608	-	-	-	-	-	125,286	-	-
J. M. de Zwart	2015	365	372,230	125,000	24,342	-	-	60,000	66,640	-	648,212	19.28%	19.54%
	2014	365	366,972	75,000	33,945	-	-	180,000	-	-	655,917	11.43%	27.44%
S. J. Maitland	2015	365	60,550	-	5,752	-	-	-	-	-	66,302	-	-
	2014	365	60,550	-	5,601	-	-	-	-	-	66,151	-	-
M. Kidman	2015	365	60,550	-	5,752	-	-	-	-	-	66,302	-	-
	2014	365	60,550	-	5,601	-	-	-	-	-	66,151	-	-
M. P. Pretty	2015	365	45,461	-	5,700	-	-	-	-	-	51,161	-	-
	2014	3	498	-	47	-	-	-	-	-	545	-	-
J.A. O'Shaughnessy ²	2015	34	5,512	-	524	-	-	-	-	-	6,036	-	-
N. J. Griffin ¹	2015	213	35,321	-	3,356	-	-	-	-	-	38,677	-	-
	2014	365	60,550	-	5,601	-	-	-	-	-	66,151	-	-
J.S.Cowan ²	2015	123	147,229	-	9,392	-	-	-	-	-	156,621	-	-
G.P.Toohey ¹	2015	223	146,875	36,530	16,790	-	-	-	-	52,372	252,567	14.46%	-
	2014	242	177,788	-	14,478	-	-	-	-	-	192,266	-	-
I.R.Magee ³	2014	124	201,194	18,348	9,650	-	5,586	-	-	300,355	535,133	5.23%	-
R. M. Dodd	2015	365	375,000	188,562	35,000	200,000	23,867	22,667	13,329	-	858,425	45.26%	4.19%
	2014	365	300,000	170,700	27,750	300,000	2,998	68,000	-	-	869,448	54.14%	7.82%
Total	2015		1,363,407	350,092	117,503	200,000	23,867	82,667	79,969	52,372	2,269,877		
Total	2014		1,342,780	264,048	113,281	300,000	8,584	248,000	-	300,355	2,577,048		

¹ Resigned during the year ² Appointed during the year ³ Resigned during the previous financial year

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

Performance rights, shares and options awarded, vested, lapsed and forfeited

Name	Year	Rights, options or shares granted in year		Fair value at grant date		Exercise price		Vested in year	Lapsed in year	Forfeited in year
		No.	Grant date	\$	Vesting Date	\$	Expiry date	No.	No.	No.
Performance rights										
J. M. de Zwart	2014	1,500,000	29 Nov 2013	0.36	1 Sep 2016	-	1 Sep 2016	-	-	-
R. M. Dodd	2014	600,000	18 Dec 2013	0.34	1 Sep 2016	-	1 Sep 2016	-	-	-
Shares under CAESP										
J. M. de Zwart	2015	1,400,000	16 Dec 2014	0.160	15 Dec 2017	-	22 Dec 2014	-	-	-
	2015	1,400,000	16 Dec 2014	0.167	15 Dec 2018	-	22 Dec 2014	-	-	-
R. M. Dodd	2015	500,000	16 Dec 2014	0.160	15 Dec 2017	-	22 Dec 2014	-	-	-

Reconciliation of the number and fair value of options, shares and performance rights held by KMP

Name	Year	Balance at the start of the period		Granted as compensation during the period		Exercised during the period		Lapsed during the period		Forfeited during the period		Balance at the end of the period	Vested and exercisable	Unvested
		No.	Value (\$)	No.	Value (\$)	No.	Value (\$)	No.	Value (\$)	No.	Value (\$)	No.	No.	No.
Performance rights														
J. M. de Zwart	2014	1,500,000	-	-	-	-	-	-	-	-	-	1,500,000	-	1,500,000
R. M. Dodd	2014	600,000	-	-	-	-	-	-	-	-	-	600,000	-	600,000
Shares under CAESP														
J. M. de Zwart	2015	-	2,800,000	457,800	-	-	-	-	-	-	-	2,800,000	-	2,800,000
R. M. Dodd	2015	-	500,000	80,000	-	-	-	-	-	-	-	500,000	-	500,000
	2014	107,143	-	-	107,143	58,393	-	-	-	-	-	-	-	-

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

Shareholdings of Key Management Personnel ('KMP')*

Shares held in Centrepoint Alliance Limited (Number)

	Balance 1 July 2014 Ord	Granted as remuneration Ord	On exercise of options Ord	Net change other # Ord	Balance 30 June 2015 Ord
R. J. Nelson	4,141,732	-	-	81,646	4,223,378
J. M. de Zwart	1,980,452	-	-	39,040	2,019,492
S. J. Maitland	66,667	-	-	1,315	67,982
M. Kidman	1,230,563	-	-	24,258	1,254,821
M. P. Pretty	-	-	-	-	-
J. A. O'Shaughnessy ²	-	-	-	-	-
J. S. Cowan ²	-	-	-	-	-
R. M. Dodd	7,368	-	-	4	7,372
Former KMP's					
N. J. Griffin ¹	2,501,841	-	-	-	2,501,841
G. P. Toohey ¹	-	-	-	-	-

¹ Resigned during the year

² Appointed during the year

* Includes shares held directly, indirectly and beneficially by KMP

All equity transactions with KMP other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Company would have adopted if dealing at arm's length.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

Short term incentives

Objective

The objective of short term incentives ('STI') is to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential STI available is set at a level so as to provide sufficient incentive to the executive to achieve the operational targets and the cost to the Group is reasonable. The purpose of STI is to focus the Group's efforts on those performance measures and outcomes that are priorities for the Group for the relevant financial year, and to motivate the executive to strive to achieve stretch performance objectives.

Structure

In July 2013 the directors approved a Group-wide structured STI scheme applicable to all employees, excluding the Group CEO and the CEO – Centrepont Alliance Premium Funding Pty Ltd. Under the STI scheme, employees may be able to achieve a cash bonus based on a percentage of their annual base salary. Bonuses will be weighted by a three tiered approach with weightings assigned to each level, being CAF Group results, Business Unit results and Individual Performance (KPIs). For eligible Group Key Management Personnel the respective weightings are 40%, 40% and 20%. The maximum bonus payable is 50% of the KMP annual salary. On an annual basis, after consideration of performance against KPIs, the NRGC, in line with their responsibilities, determine the total amount, if any, of the short term incentive the amounts to be paid to each employee. This process usually occurs within three months of the reporting date.

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

Long term incentives

Objective

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

Structure

LTI awards to executives are made under the executive LTI plan and are delivered in the form of shares. Shares vest in tranches over a specified time period and may also have other performance hurdle requirements, typically related to shareholder return, as determined by the NRGC.

Performance rights are rights that can be converted to fully paid ordinary shares in the Company for no monetary consideration subject to specific performance criteria being achieved. The performance rights will only vest if certain profit targets are met.

Awards

CAESP16

In August 2013 the Board approved the grant of up to 1,500,000 performance rights to the Managing Director (approved by shareholders at the 2013 AGM) and up to 2,600,000 performance rights to nominated senior executives of the Group, which are subject to achievement of the profit hurdles outlined below:

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

- Less than 133% of 2013 underlying profit, none will be issued;
- 133% to 138% of 2013 underlying profit one-third of the total will be issued;

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

- 139% to 145% of 2013 underlying profit two-thirds of the total will be issued;
- 146% or greater of 2013 underlying profit 100% will be issued.

On the departure of two senior executives (non KMP's), 533,334 of the 2,600,000 performance rights issued have been forfeited.

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

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

CAESP17

On 30 October 2014 the Board approved 5,300,000 shares to the Managing Director and Chief Executive Officer and other senior executives of the Group under the CAESP. The vesting conditions are subject to the following:

2017 tranche (3,900,000 shares)

If the cumulative fully diluted underlying earnings per share ('EPS') adjusted for any dilutionary impact of dividend reinvestment plan ('DRP') for the financial years ended 30 June 2015, 2016 and 2017 divided by 3 is:

- Less than 133% of 2014 EPS, nil vest;
- Between 133% and 145% of 2014 EPS, shares will vest on a pro-rata basis;
- 145% and above of 2014 EPS, 100% of shares will vest.

2018 tranche

If the cumulative fully diluted underlying earnings per share ('EPS') adjusted for any dilutionary impact of dividend reinvestment plan ('DRP') for the financial years ended 30 June 2015, 2016, 2017 and 2018 divided by 4 is:

- Less than 143% of 2014 EPS, nil vest;
- Between 143% and 160% of 2014 EPS, shares will vest on a pro-rata basis;
- 160% and above of 2014 EPS, 100% of shares will vest.

a) Option holdings of key management personnel

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

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

b) Other transactions with key management personnel and their related parties

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

These transactions by director are as follows:

R.J Nelson	Consulting Fees: Nil (2014: \$14,208)
J. M. de Zwart	Nil
J. A. O'Shaughnessy	Nil
S.J Maitland	Nil
M. Kidman	Nil
M. Pretty	Nil
N.J Griffin	Nil

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Directors' Report

30 June 2015

Auditor Independence and Non-audit Services

The auditor, Deloitte Touche Tohmatsu, has provided a written independence declaration to the directors in relation to its audit of the financial report for the year ended 30 June 2015. The independence declaration which forms part of this report is on page 24.

The following non-audit services were provided by the entity's previous auditor, Ernst and Young in the current and prior year. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of non-audit service provided means that auditor independence was not compromised.

	2015	2014
	\$	\$
Taxation services provided by Ernst & Young	75,860	76,643
Taxation services provided by Deloitte Touche Tohmatsu	10,395	-
Other services associated with the rights issue by Ernst & Young	-	12,500
Total	86,255	89,143

Signed in accordance with a resolution of the directors.



R. J. Nelson
Chairman

21 August 2015

The Board of Directors
Centrepoint Alliance Ltd
Level 14, Corporate Centre One, 2 Corporate Court
Bundall QLD 4217

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 audit of the financial statements of Centrepoint Alliance Limited for the financial year ended 30 June 2015, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



David Rodgers
Partner
Chartered Accountants
Brisbane, 21 August 2015

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Statement of Profit or Loss and Comprehensive Income
For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
CONTINUING OPERATIONS			
Revenue			
Advice and financial product revenue (gross)		117,045	120,099
Advice and financial product fees		(84,549)	(86,588)
Advice and financial product revenue (net)		32,496	33,511
Interest income	5	15,636	17,181
Other revenue	6	732	959
		48,864	51,651
Expenses			
Borrowing expenses	7	(5,297)	(5,108)
Employee benefit expenses	8	(22,318)	(22,930)
Professional consulting fees		(2,045)	(2,522)
Client claims	21(a)	(2,606)	(1,886)
Insurances		(1,053)	(1,953)
Property costs		(2,136)	(2,871)
Impairment of assets	8	(507)	(693)
Depreciation and amortisation		(2,040)	(2,022)
Other general and administration expenses	8	(8,309)	(7,412)
Profit before tax from continuing operations		2,553	4,254
Income tax benefit/(expense)	10	3,327	(1,031)
Net profit from continuing operations after tax		5,880	3,223
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		5,880	3,223
Net profit attributable to:			
Owners of the parent		5,888	3,299
Non-controlling interests		(8)	(76)
Net profit for the period		5,880	3,223
Total comprehensive profit attributable to:			
Owners of the parent		5,888	3,299
Non-controlling interests		(8)	(76)
Total comprehensive profit for the period		5,880	3,223
Earnings per share for profit attributable to the ordinary equity holders of the parent			
		Cents	Cents
Basic profit per share	12	4.14	3.20
Diluted profit per share	12	3.96	3.13

The Consolidated Statement of Profit or Loss and Comprehensive Income is to be read in conjunction with the attached notes included in pages 29 to 80.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Statement of Financial Position
As at 30 June 2015

	Note	2015 \$'000	2014 \$'000
ASSETS			
Current			
Cash and cash equivalents	24(a)	12,539	16,373
Trade and other receivables	13	11,375	13,038
Interest bearing receivables	14	122,467	130,706
Other assets	15	4,377	9,205
Total current assets		150,758	169,322
Non-current			
Trade and other receivables	13	-	117
Interest bearing receivables	14	330	356
Other assets	15	827	667
Property, plant & equipment	16	2,080	1,963
Intangible assets & goodwill	17	4,945	6,029
Deferred tax assets	10(d)	9,694	6,362
Total non-current assets		17,876	15,494
TOTAL ASSETS		168,634	184,816
LIABILITIES			
Current			
Trade and other payables	18	34,427	35,231
Interest bearing liabilities	19	85,317	95,749
Other liabilities	20	183	151
Provisions	21	8,911	10,703
Current tax liability		141	140
Total current liabilities		128,979	141,974
Non-current			
Trade and other payables	18	-	90
Interest bearing liabilities	19	75	249
Other liabilities	20	467	502
Provisions	21	2,455	7,480
Total non-current liabilities		2,997	8,321
TOTAL LIABILITIES		131,976	150,295
NET ASSETS		36,658	34,521
EQUITY			
Contributed equity	22	32,678	40,015
Reserves	23	18,740	4,318
Accumulated losses		(14,878)	(9,938)
Equity attributable to shareholders		36,540	34,395
Non-controlling interests		118	126
TOTAL EQUITY		36,658	34,521

The Consolidated Statement of Financial Position is to be read in conjunction with the attached notes included in pages 29 to 80.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Statement of Cash Flows
For the year ended 30 June 2015

	Note	2015 \$'000	2014 \$'000
Cash Flows from Operating Activities			
Cash receipts from customers		154,639	160,280
Cash paid to suppliers and employees		(148,160)	(152,739)
Cash provided by operations		6,479	7,541
Claims and litigation settlements	21(a)	(9,081)	(8,879)
Income tax refunded		-	58
Net cash flows provided by/(used in) operating activities	24(b)	(2,602)	(1,280)
Cash Flows from Investing Activities			
Interest received		541	403
Dividends received from investments		-	74
Maturity /(investment) in term deposits		5,000	(5,000)
Payments to acquire financial assets		(36)	-
Proceeds from sale of investments		-	333
Acquisition of intangible assets	17	(301)	(1,034)
Acquisition of property, plant & equipment	16	(923)	(1,394)
Proceeds from sale of property, plant & equipment		2	141
Net cash flows provided by/(used in) by investing activities		4,283	(6,477)
Cash Flows from Financing Activities			
Interest and borrowing expenses paid		(53)	(66)
Net (decrease)/increase in borrowings		(8,835)	24,252
Net increase/(decrease) in loan funds advanced		7,380	(22,884)
Proceeds from issue of share capital		29	13,984
Transaction costs on issue of share capital		-	(508)
Dividends paid	11	(4,036)	-
Net cash flows (used in)/provided by financing activities		(5,515)	14,778
Net (decrease)/increase in cash & cash equivalents		(3,834)	7,021
Cash & cash equivalents at the beginning of the year	24(a)	16,373	9,352
Effect of exchange rate fluctuations on cash held		-	-
Cash & cash equivalents at the end of the period	24(a)	12,539	16,373

The Consolidated Statement of Cash Flows is to be read in conjunction with the attached notes included in pages 29 to 80.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Consolidated Statement of Changes in Equity
For the year ended 30 June 2015

		Ordinary shares	Dividend reserve	Other reserves	Accumulated losses	Total	Non- controlling interests	Total equity
Notes		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Balance at 1 July 2014	40,015	3,820	498	(9,938)	34,395	126	34,521
	Profit for the period	-	-	-	5,888	5,888	(8)	5,880
	Total comprehensive income for the year	-	-	-	5,888	5,888	(8)	5,880
	Transfer to dividend reserve	-	18,700	-	(18,700)	-	-	-
	Issue of share capital	22	534	-	-	534	-	534
	Share-based payment	27	-	-	263	263	-	263
	Share capital reduction ¹	22	(7,871)	-	7,871	-	-	-
	Dividends paid	-	(4,541)	-	-	(4,541)	-	(4,541)
	Balance at 30 June 2015	32,677	17,979	761	(14,878)	36,538	118	36,656
	Balance at 1 July 2013	24,809	-	69	(7,913)	16,965	273	17,238
	Profit for the period	-	-	-	3,299	3,299	(76)	3,223
	Foreign currency translation differences	-	-	-	-	-	-	-
	Total comprehensive income for the year	-	-	-	3,299	3,299	(76)	3,223
	Transfer to dividend reserve	-	3,820	-	(3,820)	-	-	-
	Issue of share capital	-	13,631	-	-	13,631	-	13,631
	Share-based payment	27	-	-	429	429	-	429
	Issue of share capital on acquisition of minority interest	-	1,575	-	(1,433)	142	(142)	(0)
	Dilution gains/(losses)	-	-	-	(71)	(71)	71	-
	Balance at 30 June 2014	40,015	3,820	498	(9,938)	34,395	126	34,521

¹ During the period, the parent entity (Centrepoint Alliance Limited) offset accumulated losses as at 30 June 2014 of \$7,871,000 against share capital as provided for by section 258F of the Corporations Act.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements
30 June 2015

1. Corporate information

The consolidated financial statements of Centrepoint Alliance Limited and its subsidiaries (collectively, the 'Group') for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 21 August 2015.

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

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

Information on the Group's structure and other related party relationships is provided in Note 26.

2. Summary of significant accounting policies

Basis of preparation

General

The financial report is a general purpose financial report, which has been prepared on a going concern basis and in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Account Standards Board. The financial report has also been prepared on a historical cost basis.

For the purposes of preparing the consolidated financial statements, the Company is a for profit entity.

Rounding

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand \$1,000 (unless otherwise stated) under the option available to the Company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

Compliance with International Financial Reporting Standards

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

New accounting standards and interpretations

Accounting Standards and Interpretations issued but not yet effective

The Australian Accounting Standards and Interpretations, that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ending 30 June 2015 are set out below. The directors are still assessing the impact of the new standards for the reporting period ending 30 June 2016 onwards.

Title	Application date of standard	Application date for Group
<p>AASB 15: Revenue from contracts with customers AASB 15 outlines a single comprehensive model for entities to use in accounting for revenue arising from contract 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>	1 January 2017	1 July 2017

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

30 June 2015

Title	Application date of standard	Application date for Group
<p>AASB 9 <i>Financial Instruments (December 2009)</i>, AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i>, AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i>, AASB 2013-9 <i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>, AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>, AASB 2014-8 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2009) and AASB 9 (December 2010)</i></p> <p>AASB 9 introduces new requirements for classifying and measuring financial assets.</p> <p>Through AASB 2013-9, a new hedge accounting model has been put in place that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.</p>	1 January 2018	1 July 2018
<p>AASB 9 <i>Financial Instruments (December 2010)</i>, AASB 2010-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)</i>, AASB 2012-6 <i>Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i>, AASB 2013-9 <i>Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</i>, AASB 2014-1 <i>Amendments to Australian Accounting Standards</i>, AASB 2014-8 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)</i></p> <p>A revised version of AASB 9 incorporating revised requirements for the classification and measurement of financial liabilities, and carrying over of the existing derecognition requirements from AASB 139 <i>Financial Instruments: Recognition and Measurement</i>.</p> <p>Through AASB 2013-9, a new hedge accounting model has been put in place that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.</p>	1 January 2018	1 July 2018
<p>AASB 9 <i>Financial Instruments (December 2014)</i>, AASB 2014-7 <i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></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 <i>Financial Instruments: Recognition and Measurement</i>. 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>	1 January 2018	1 July 2018

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements
30 June 2015

Title	Application date of standard	Application date for Group
<p>AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation Amends AASB 116 <i>Property, Plant and Equipment</i> and ASB 138 <i>Intangible Assets</i> to provide additional guidance on how the depreciation or amortisation of property, plant and equipment and intangible assets should be calculated.</p>	1 January 2016	1 July 2016
<p>AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 <i>Hedge Accounting</i> into AASB 9 <i>Financial Instruments</i>.</p>	1 January 2018	1 July 2018
<p>AASB 2014-1: Amendments to Australian Accounting Standards (Part E – Financial Instruments) Makes amendments to Australian Accounting Standards to reflect the AASB’s decision to defer the mandatory application date of AASB 9 <i>Financial Instruments</i> to annual reporting periods beginning on or after 1 January 2018. Part E makes amendments to reduced disclosure requirements for AASB 7 <i>Financial Instruments: Disclosures</i> and AASB 101 <i>Presentation of Financial Statements</i>.</p>	1 January 2015	1 July 2015
<p>AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements Amends AASB 127 <i>Separate Financial Statements</i>, to allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements:</p> <ul style="list-style-type: none"> • at cost; • in accordance with AASB 9 <i>Financial Instruments</i>, or • using the equity method as described in AASB 128 <i>Investments in Associates and Joint Ventures</i>. <p>The accounting policy option must be applied for each category of investment.</p>	1 January 2016	1 July 2016
<p>AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle Amends a number of pronouncements as a result of the IASB’s 2012-2014 annual improvements cycle. Key amendments include:</p> <ul style="list-style-type: none"> • AASB 5 – change in methods of disposal; • AASB 7 – servicing contracts and applicability of the amendments to AASB 7 to condensed interim financial statements; • AASB 119 – discount rate: regional market issue; and • AASB 134 – Disclosure of information ‘elsewhere’ in the interim financial report’. 	1 January 2016	1 July 2016

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

30 June 2015

Title	Application date of standard	Application date for Group
<p>AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101 Amends AASB 101 <i>Presentation of Financial Statements</i> to provide clarification regarding the disclosure requirements in AASB 101.</p> <p>Includes narrow-focus amendments to address concerns about existing presentation and disclosure requirements and to ensure entities are able to use judgements when applying a Standard in determining what information to disclose in their financial statements.</p>	1 January 2016	1 July 2016
<p>AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality Completes the withdrawal of references to AASB 1031 in all Australian Accounting Standards and Interpretations, allowing that Standard to effectively be withdrawn.</p>	1 July 2015	1 July 2015

a) Changes in accounting policy, disclosures, standards and interpretations

i) Changes in accounting policies, new and amending standards and interpretations

The Group has adopted the following new and amending Australian Accounting Standards and AASB Interpretations that are mandatorily effective for the first time for the financial year beginning 1 July 2014:

<p>AASB 1031: Materiality</p>	<p>Revised AASB 1031 is an interim standard that cross-references to other Standards and the <i>Framework for the Preparation and Presentation of Financial Statements</i> (issued December 2013) that contain guidance on materiality.</p> <p>The application of AASB 1031 does not impact on the amounts recognised in the consolidated financial statements.</p>
<p>AASB 2013-3: Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets</p>	<p>Addresses disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.</p> <p>Other than the additional disclosures, the application of AASB 2013-3 does not have any material impact on the amounts recognised in the consolidated financial statements.</p>
<p>AASB 2013-9: Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments</p>	<p>Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.</p> <p>The application of AASB 2013-9 does not have any material impact on the amounts recognised in the consolidated financial statements.</p>

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

30 June 2015

<p>AASB 2014-1: Amendments to Australian Accounting Standards [Part A - Annual Improvements 2010-2012 and 2011-2013 Cycles]</p>	<p>Part A makes various amendments to Australian Accounting Standards arising from the issuance by IASB of <i>IFRSs Annual Improvements to IFRS 2010-2012 Cycle and Annual Improvements to IFR's 2011-2013 Cycle</i>. Key amendments include:</p> <ul style="list-style-type: none"> • AASB 2 – definition of a vesting condition; • AASB 3 – accounting for contingent consideration in a business combination and scope exceptions for joint ventures; • AASB 8 – aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets; • AASB 116 & 138 – revaluation method: proportionate restatement of accumulated depreciation and accumulated amortisation • AASB 124 – key management personnel; • AASB 13 – short-term receivables and payables and scope of paragraph 52 (portfolio exception); and • AASB 140 – clarifying the interrelationship between AASB 3 and AASB 140 when classifying property as investment property or owner occupied property. <p>The application of AASB 2014-1 does not have any material impact on the amounts recognised in the consolidated financial statements.</p>
<p>AASB 2014-1: Amendments to Australian Accounting Standards (Part C – Materiality)</p>	<p>AASB 2014-1 Part C makes amendments to particular Australian Accounting Standards to delete references to AASB 1031.</p> <p>The application of AASB 2014-1 Part C does not have any material impact on the amounts recognised in the consolidated financial statements.</p>

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

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

30 June 2015

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company, Centrepoint Alliance Limited, and its subsidiaries as at 30 June 2015. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements, and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ('OCI') are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary
- De-recognises the carrying amount of any non-controlling interests
- De-recognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss, and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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 Company shareholders' equity.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

30 June 2015

c) Significant accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

- *Goodwill & intangible assets recoverable amounts* – notes 2(l) and 17.
- *Impairment of loan receivables* – note 14(b).
- *Provision for client claims* – notes 2(p) and 21.
- *Recognition of deferred tax assets* – notes 2(t) and 10.

d) Business combinations

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

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

If a business combination is achieved in stages, the fair value of the previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss. It is then considered in the determination of goodwill (refer Note 2 (l)).

Any contingent consideration is recognised at fair value at the acquisition date. Contingent consideration which is classified as an asset or liability that is a financial instrument and within the scope of AASB 139 *Financial Instruments: Recognition and Measurement* is measured at fair value with changes in fair value recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

30 June 2015

e) Foreign currency

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

i) Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

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

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction.

ii) Foreign operations

On consolidation, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Australian dollars at the rate of exchange prevailing at the dates of the transactions. The income and expenses of foreign operations are translated to Australian dollars at annual average exchange rates.

Foreign currency differences arising on translation for consolidation are recognised in other comprehensive income. When a foreign operation is disposed of, in part or in full, the relevant amount in the foreign currency translation reserve ('FCTR') is transferred to profit or loss.

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

f) Cash and cash equivalents

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

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

g) Loan receivables

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

i) Insurance Premium Finance

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

ii) Financial advisers

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

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements
30 June 2015

iii) Impairment of loan receivables

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

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

h) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are measured at amortised cost using the effective interest method, less provision for impairment. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for impairment is raised when there is objective evidence that the Group will not be able to collect the debt. The criterion for impairment is if the debt is 60 days overdue with no repayments or payment arrangement and/or the debtor is placed in administration or liquidation. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The amount of the impairment loss is recognised in the profit or loss within other expenses. When a trade receivable for which an impairment allowance has been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

i) Investments and other financial assets

Investments are initially recognised at cost, including acquisition charges associated with the investment.

Subsequent to initial recognition, investments are measured at fair value. Gains or losses arising from changes in the fair value of investments are recognised in the Statement of Comprehensive Income.

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

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

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

Financial assets and liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

30 June 2015

i) Derecognition

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

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

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

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

ii) Impairment

The Group assesses at each reporting date, whether there is objective evidence that a financial asset or group of financial assets are impaired.

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

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

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

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

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j) Plant and equipment

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Plant and equipment is carried at cost, net of accumulated depreciation and any accumulated impairment losses. The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the asset is written down to its recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

Depreciation is calculated on a diminishing value basis over the estimated useful lives of the assets as follows:

Plant and equipment	2 – 7 years
Leasehold improvements	Lease term
Motor vehicles	5 years

De-recognition

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

Residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

k) Impairment of non-financial assets other than goodwill

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Non-financial assets are carried at cost, net of accumulated depreciation and any accumulated impairment losses. The carrying values of non-financial assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised and the asset is written down to its recoverable amount. The recoverable amount of a non-financial asset is the greater of fair value less costs to sell and value in use.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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I) Goodwill and intangibles

i) Goodwill

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

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

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

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

Impairment losses recognised are not subsequently reversed.

ii) Intangibles

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

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in an accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the Statement of Comprehensive Income.

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

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

Software	2.5 years
Network and Client Lists	5 – 15 years

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m) Trade and other payables

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

Liabilities are recognised, whether or not the liability has been billed to the economic entity.

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

n) Interest-bearing loans and borrowings

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

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

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

o) Leases

i) Operating Leases

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

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of the incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

ii) Finance Leases

Finance leases, which transfer to the Group substantially all the risk and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased item or, if lower, at the present value of the minimum lease payments. Lease payments are allocated between finance charges and reduction in the lease liability. Finance charges are charged directly against income.

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

p) Provisions and employee benefits

i) Provisions (refer to Note 21)

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

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

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current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity. A provision for claims is recognised when client claims received by advisers are notified to the Company or the Group expects to incur liabilities in the future as a result of past advice given. It is measured at the present value of the future costs that the Group expects to incur to settle the claims.

ii) Employee benefits

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

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

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

iii) Make good costs for leased property

A provision for make good costs for leased property is recognised when a make good obligation exists in the lease contracts.

The provision is the best estimate of the present value of the expenditure required to settle the make good obligation at the reporting date. Future make good costs are reviewed annually and any changes are reflected in the present value of the make good provision at the end of the reporting period. The unwinding of the discounting is recognised as a finance cost.

q) Share-based payment transactions

i) Equity settled transactions:

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

Current equity settled transactions are:

- Performance rights issued in August 2013;
- The Centrepoint Alliance Employee Share Option Plan, which provides benefits to employees by invitation from the Board; and
- The Centrepoint Alliance Employee Share Plan, which provides benefits to employees by invitation from the Board.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted.

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

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

At each subsequent reporting date until vesting, the cumulative charge to the Statement of Comprehensive Income is the product of:

- i) the grant date fair value of the award;
- ii) The current best estimate of the number of awards that will vest, taking into account such factors as the likelihood of non-market performance conditions being met; and
- iii) The expired portion of the vesting period.

The charge to the Statement of Comprehensive Income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

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

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

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

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

ii) Reserved shares

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

r) Contributed Equity

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

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s) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

i) Financial advice and product margin revenue

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

ii) Service revenue

Revenue for services provided is recognised at the point of delivery of the service to clients.

iii) Ongoing revenue

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

iv) Interest income – Insurance Premium Funding

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

v) Document fees – Insurance Premium Funding

Fee income is recognised when services are rendered and the right to receive the payment is established.

vi) Dividend and distribution income

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

t) Taxation

i) Income Tax

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

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

a) Current tax

Current tax assets and liabilities for the period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

b) Deferred tax

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

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

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

Deferred tax assets are recognised for deductible temporary differences, carry forward tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which deductible temporary differences, unused tax credits and unused tax losses can be utilised, except:

- When a deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow a deferred tax asset to be recovered.

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

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

c) Tax consolidation legislation

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

The head entity, Centrepoint Alliance Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

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

Assets or liabilities arising under tax funding agreements with tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group. Details of the tax funding agreement are disclosed in note 10.

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

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ii) *Goods and Services Tax ('GST')*

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

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

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

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

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

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u) Earnings per share ('EPS')

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

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

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

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

v) Comparative information

Where applicable, comparatives have been reclassified to present them on the same basis as current period figures.

3. Financial risk management

a) Risk exposures and responses

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

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

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

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

b) Credit risk

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

The Group's maximum exposure to credit risk for interest bearing receivables and trade receivables at the reporting date is limited to Australia.

The Group has credit insurance cover for the majority of its insurance premium funding loan receivables but does not hold any credit derivatives to offset its other credit exposures. The terms of the credit insurance cover include an aggregate first loss limited to \$250,000.

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The Group trades only with recognised, creditworthy third parties and the majority of the Group's cash balances are held with National Australia Bank Limited and Westpac Banking Corporation.

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

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

i) Trade and other receivables

The Group does not have any significant credit risk exposure to any single counter-party or any group of counter-parties having similar characteristics. Trade and other receivables relate mainly to financial advice revenue and product margins earned as a financial dealer group and the majority is receivable from major financial institutions with high credit-ratings assigned by international credit-rating agencies. The Group does not require collateral in respect of trade and other receivables.

ii) Loans receivable – insurance premium funding

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

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

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

iii) Loans receivable – investment advisers

Loans to advisers have terms ranging from 1 to 5 years. Full credit submissions are prepared and reviewed and security is usually obtained in the form of charges over assets or guarantees and financial advice fees payable.

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

No new loan facilities to investment advisers are being approved.

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iv) Ageing analysis

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

Ageing Analysis	2015						
		0-30	31-60	61-90 Days	61-90 Days	+91 Days	+91 Days
	Total	Days	Days	PDNI*	CI**	PDNI*	CI**
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables	11,375	10,756	50	121	-	448	-
Loan receivables - IPF	122,973	120,431	783	365	305	249	840
Loan receivables - Adviser	1,095	171	13	12	1	433	465

Ageing Analysis	2014						
		0-30	31-60	61-90 Days	61-90 Days	+91 Days	+91 Days
	Total	Days	Days	PDNI*	CI**	PDNI*	CI**
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables	13,155	11,340	666	682	-	450	17
Loan receivables - IPF	131,378	129,658	837	358	194	84	247
Loan receivables - Adviser	1,163	421	1	1	-	468	272

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

No further credit is provided to PDNI debtors until full repayment of overdue amounts is made. Payment terms for some PDNI debtors have been re-negotiated to aid recovery. Each operating unit has been in direct contact with the relevant debtor and is satisfied that payment will be received in full.

Impairment analysis is included at note 14.

c) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations as disclosed in note 19. The Group adopts a policy to minimise exposure to interest rate risk by depositing excess funds in interest bearing accounts at a variable rate or with short date maturities.

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

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	2015			2014		
	Fixed	Fixed	Variable	Fixed	Fixed	Variable
	<= 6 Months	> 6 Months		<= 6 Months	> 6 Months	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial Assets						
Cash and term deposits	4,125	-	8,414	14,977	-	6,396
Loan receivables - insurance premium funding	55,716	67,258	-	65,630	65,748	-
Loan receivables - investment advisers	159	936	-	431	732	-
Security deposits	-	1,143	-	-	803	-
	60,000	69,337	8,414	81,038	67,283	6,396
Financial Liabilities						
Receivables finance facility - insurance premium funding	85,143	-	-	95,484	-	-
Equipment hire and software finance	89	160	-	178	336	-
	85,232	160	-	95,662	336	-
Net Exposure	(25,232)	69,177	8,414	(14,624)	66,947	6,396

The Group's objective is to minimise exposure to adverse risk and therefore it continuously analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative financing, alternative hedging positions and the mix of fixed and variable interest rates. Individual insurance premium funding loans are at fixed interest rates however the book consists of thousands of small loans with new loans written daily. The average term of the loans is 10.5 months resulting in the average duration of the book being 5 to 6 months. Movements in borrowing interest rates can be passed on quickly to new borrowers with the result that the average interest rate of the book responds relatively quickly to changes in market interest rates.

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. If interest rates had moved, as illustrated in the table below, with all other variables held constant, consolidated post tax profit and equity would have been affected as follows:

	Post Tax Profit		Other Comprehensive	
	Higher/(lower)		Higher/(lower)	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Judgements of reasonably possible movements:				
+1%	(102)	(168)	(102)	(168)
-1%	102	168	102	168

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

Significant assumptions used in the interest rate sensitivity analysis include:

- Reasonably possible movements in interest rates were determined based on the Group's current credit rating and mix of debt, relationships with finance institutions.

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- b) The level of debt that is expected to be renewed.
- c) The net exposure is representative of the expected exposure in the twelve months from reporting date.

d) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of instruments such as bank overdrafts, bank loans, subordinated debt, preference shares, finance leases and other committed available credit lines from time to time as required. The Group's unused facility limits are stated in note 19(c).

The Group's policy is to match debt with the nature and term of the underlying assets. At reporting date over 95% of the Group's financial assets mature in less than 12 months. The insurance premium funding interest bearing receivable, which is the majority of the receivables, consists of multiple small loans with an average maturity of 5 to 6 months.

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

i) Maturity analysis of financial assets and liability based on management's expectation:

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

The tables below are based on the carrying values at reporting date and includes future interest receivable or payable.

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	2015			
	<= 6 Months \$'000	6-12 Months \$'000	1-5 Years \$'000	Total \$'000
Financial Assets				
Cash and term deposits	12,539	-	-	12,539
Trade and commissions receivable	11,254	121	-	11,375
Loan receivables - insurance premium funding	55,715	67,258	-	122,973
Loan receivables - investment advisers	159	42	894	1,095
Security deposits	352	-	791	1,143
	80,019	67,421	1,685	149,125
Financial Liabilities				
Trade and other payables	34,337	90	-	34,427
Other liabilities	91	91	467	649
Receivables finance facility	38,551	46,592	-	85,143
Equipment hire and software finance	89	85	75	249
	73,068	46,858	542	120,468
Net Maturity	6,951	20,563	1,143	28,657
	2014			
	<= 6 Months \$'000	6-12 Months \$'000	1-5 Years \$'000	Total \$'000
Financial Assets				
Cash and term deposits	21,373	-	-	21,373
Trade and commissions receivable	12,562	576	17	13,155
Loan receivables - insurance premium funding	65,630	65,748	-	131,378
Loan receivables - investment advisers	431	7	725	1,163
Security deposits	136	-	667	803
	100,132	66,331	1,409	167,872
Financial Liabilities				
Trade and other payables	35,215	15	90	35,320
Other liabilities	75	75	503	653
Receivables finance facility	47,673	47,811	-	95,484
Equipment hire and software finance	178	87	249	514
	83,141	47,988	842	131,971
Net Maturity	16,991	18,343	567	35,901

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e) Foreign currency risk

The Group's activities do not expose it to the financial risks of changes in foreign currency exchange rates. Any foreign currency risk for the Group is currently negligible.

f) Market and price risk

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

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

g) Fair value of financial instruments

The Group uses various methods in estimating the fair value of a financial instrument. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. The methods comprise:

Level 1 – the fair value is calculated using quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – the fair value is estimated using inputs other than quoted (unadjusted) market prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in their hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) as the end of each reporting period.

There were no transfers between categories during the year.

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities.

Cash and Cash equivalents: Fair value approximates the carrying amount as these assets are receivable on demand or short term in nature.

Interest Bearing Receivables: For fixed rate loans, excluding impaired loans, fair value is determined by discounting expected future cash flows by the RBA Indicator Lending Rate for 3 year fixed small business loans adjusted using quoted BBSW interest rates to reflect the average remaining term of the loans as at 30 June 2015.

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The calculated fair value using this Level 3 methodology approximates carrying value. Increasing the interest rate used to discount future cash flows by 1% would reduce fair value by less than \$350,000.

For variable rate loans, excluding impaired loans, fair value approximates the carrying amount as they are repriced frequently.

Interest Bearing Liabilities: The carrying values of variable rate interest bearing liabilities approximate their fair value as they are short term in nature and reprice frequently.

4. Segment information

The Group has organised its businesses and identified two reportable segments based on the nature of the products and services provided and the markets in which it operates. Internal reports are regularly reviewed by the Managing Director and Chief Executive Officer on this basis.

The Group's reportable segments are:

- Centrepoint Wealth – provides Australian Financial Services Licence related services, investor directed portfolio services and investment management services to financial advisers and their clients;
- Centrepoint Funding – provides insurance premium funding and mortgage broking services.

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 described in note 2. The Group does not currently manage its assets and liabilities on an individual segment basis. Accordingly, assets and liabilities have not been allocated to individual segments.

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	Centrepoint Wealth \$'000	Centrepoint Funding \$'000	Corporate & Unallocated \$'000	Consolidated \$'000
2015				
Revenue				
External customers	31,372	1,856	-	33,228
Inter-segment revenue	1,063	(294)	15,663	16,432
Interest income	203	15,096	337	15,636
Segment revenue	32,638	16,658	16,000	65,296
Inter-segment elimination				(16,432)
Total revenue				48,864
Segment results				
Borrowing expenses	(49)	(5,238)	(10)	(5,297)
Client claims	(2,606)	-	-	(2,606)
Depreciation & amortisation	(1,609)	(304)	(127)	(2,040)
Impairment of assets	10	(517)	-	(507)
Segment profit before tax	3,079	2,086	13,603	18,768
Inter-segment elimination				(16,215)
Profit before tax				2,553
2014				
Revenue				
External customers	32,405	1,764	301	34,470
Inter-segment revenue	259	52	4,338	4,649
Interest income	64	16,782	335	17,181
Segment revenue	32,728	18,598	4,974	56,300
Inter-segment elimination				(4,649)
Total revenue				51,651
Segment results				
Borrowing expenses	(64)	(5,044)	(1)	(5,109)
Client claims	(1,886)	-	-	(1,886)
Depreciation & amortisation	(1,701)	(293)	(28)	(2,022)
Impairment of assets	15	(555)	(153)	(693)
Segment profit before tax	2,962	5,143	49	8,154
Inter-segment elimination				(3,900)
Profit before tax				4,254

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The Inter-segment sales are carried out on an arm's length basis and are eliminated on consolidation. Revenue from one customer amounted to \$6,320,970 (2014: \$6,886,709) arising from sales in the Wealth segment.

5. Interest revenue

	2015 \$'000	2014 \$'000
Interest income - Insurance premium funding	15,096	16,779
Interest income - Other	540	402
Total interest income	15,636	17,181

6. Other revenue

	2015 \$'000	2014 \$'000
Cost recoveries from advisers	521	450
Gain on sale of investments	-	243
Retail and wholesale asset and service fees	89	77
Other	122	189
Total other revenue	732	959

7. Borrowing expenses

	2015 \$'000	2014 \$'000
Interest expense	3,609	3,771
Bank fees & other	1,688	1,337
Total borrowing expenses	5,297	5,108

Rate of Interest	Average Balance		Interest		Average Rate p.a.	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 %	2014 %
Interest expense	93,867	95,225	3,609	3,771	3.84%	3.96%

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8. Other Expenses

	2015	2014
	\$'000	\$'000
a) Employee benefit expenses		
Wages and salaries	21,834	21,619
Share based compensation expense	263	429
Termination costs	221	882
Total employee benefit expenses	22,318	22,930
b) Impairment of assets		
Impairment of receivables	507	623
Impairment of intangibles	-	70
Total impairment of assets	507	693
c) Other general and administrative expenses		
Audit fees	361	472
Communication expenses	806	450
Computer expenses	501	367
Adviser conference & training expenses	609	795
Directors fees and expenses	367	334
Entertainment	232	221
Foreign exchange loss/(gain)	1	(1)
Licensing, subscriptions and registrations	1,208	1,029
Marketing and promotion	1,073	518
Management fees	620	649
Printing, stationary and postage	206	223
Travel and accommodation	730	919
Other expenses	1,595	1,436
Total other general and administrative expenses	8,309	7,412

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9. Remuneration of auditors

The primary auditor of Centrepoint Alliance Limited was Deloitte Touche Tohmatsu.

	2015 \$	2014 \$
<i>Amounts received or due and receivable by Deloitte Touche Tohmatsu for 2015 and Ernst & Young for 2014</i>		
Audit of the financial report of the entity and other entities in the consolidated group	220,000	335,500
Other services in relation to the entity and other entities in the consolidated group		
Taxation services provided by Ernst & Young	75,860	76,643
Taxation services provided by Deloitte Touche Tohmatsu	10,395	-
Other services associated with the rights issue	-	12,500
Other regulatory audit services	55,000	45,444
	361,255	470,087
<i>Amounts received or due and receivable by other audit firms for:</i>		
Audit fees - managed funds & international businesses	74,201	90,408
Other non-audit services - Pricewaterhouse Coopers review of financial advice risk management framework	-	32,112
	74,201	122,520

10. Income tax

a) Income tax (benefit)/expense

The major components of income tax expense for the years ended 30 June 2015 and 2014 are:

	2015 \$'000	2014 \$'000
<i>Current income tax</i>		
Current income tax charge	912	140
Adjustment to current tax of prior period	(34)	46
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	(4,270)	768
Adjustment to deferred tax of prior period	65	77
Income tax (benefit)/expense reported in the income statement	(3,327)	1,031

b) Amounts charged or credited directly to equity

No income tax was charged directly to equity for the year ending 2015 (2014: \$154,000).

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

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

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

	2015 \$'000	2014 \$'000
Accounting profit before tax from continuing operations	2,553	4,254
At the Company's statutory income tax rate of 30% (2014: 30%)	766	1,276
Non-deductible expenses	146	96
Amounts not included in assessable income	-	(128)
Effect of tax losses not taken into account	(4,270)	(463)
Tax adjustment in respect to non-consolidated entities	-	121
Adjustment in respect of current tax of prior years	(34)	52
Adjustment in respect of deferred tax of prior years	65	77
Aggregate income tax (benefit)/expense	(3,327)	1,031

d) Recognised deferred tax assets and liabilities

Deferred income tax relates to the following:

	Statement of Financial Position		Statement of Comprehensive Income	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
<i>Deferred tax liabilities</i>				
Deferred revenue	(4)	(1,057)	1,053	(1,041)
Intangibles - net of impairment	(612)	(866)	254	(866)
Prepayments	-	-	-	1,838
Gross deferred tax liabilities	(616)	(1,923)	1,307	(69)
<i>Deferred tax assets</i>				
Provisions for claims	4,055	5,612	(1,557)	(619)
Provision for impairment of loan receivables	380	381	(1)	(718)
Deferred fee income	-	-	-	(64)
General accruals	485	509	(24)	(28)
Employee benefits	1,127	1,253	(126)	553
Prepaid revenue	75	196	(121)	196
Recognition from prior year losses	4,270	-	4,270	-
Applied revenue tax losses	(302)	-	(302)	-
Deferred transaction costs	220	334	(114)	(95)
Gross deferred tax assets	10,310	8,285	2,025	(775)
Net deferred tax assets	9,694	6,362		
Movement in deferred tax assets/liabilities			3,332	(844)
Amounts charged directly to equity			-	154
Deferred income tax expense is attributable to:				
Continuing operations			3,332	(690)

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

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In the current year, the Group has recognized \$4.270m (of which \$302k was applied in the current year) of deferred tax assets from previous revenue losses, due to it being probable that the Group will derive sufficient taxable income to utilise the revenue tax losses. The Group has made this assessment based on its Board of approved FY16 to FY19 budget which has forecast growth in its Investment Products, Platform Solutions & Managed Funds, Insurance Premium markets and a decrease in adviser client claim payments for a period. The deferred tax asset recognised represents management's best estimate of probable future taxable income.

e) Unrecognised tax losses

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

	2015 \$'000	2014 \$'000
Revenue losses	34,752	48,985
Capital losses	29,097	29,097
Total unrecognised	63,849	78,082

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

f) Tax consolidation

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

a) Measurement method adopted under AASB interpretation 1052 Tax Consolidation Accounting

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

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

b) Nature of the tax funding agreement

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

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

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11. Dividends

Dividends payable are recognised when declared by the company.

	2015 \$'000	2014 \$'000
a) Dividends paid or payable		
The following fully franked dividends were provided for or paid during the year:		
Dividends paid on ordinary shares	4,541	-

	2015 \$'000	2014 \$'000
b) Franking credit balance		
Franking account balance as at the end of the financial year	26,956	28,902

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

12. Earnings per share ('EPS')

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

	2015 \$'000	2014 \$'000
a) Profit used in calculating profit per share		
Net profit attributable to ordinary equity holders of the Company	5,888	3,299
Net profit attributable to ordinary equity holders of the Company from continuing operations	5,888	3,299
b) Weighted average number of shares	No. of shares	No. of shares
Weighted average number of ordinary shares (excluding reserved shares)	142,151,048	103,169,149
<i>Effect of dilution:</i>		
Performance rights and CAESP shares	6,444,383	2,237,534
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	148,595,431	105,406,683

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.

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c) Information on the classification of securities

Reserved shares (Centrepont Alliance Employee Share Plan)

During the year 4,514,284 shares were issued to the Centrepont Alliance Employee Share Plan Trust on behalf of employees under the rules of the Plan. As at reporting date 5,300,000 reserved shares were held by the Trust and are excluded from the calculations of earnings per share because they are treated as reserved shares under AASB 132 *Financial Instruments: Presentation*.

13. Trade and other receivables

	2015	2014
	\$'000	\$'000
Current		
Commissions receivable	10,267	11,635
Trade receivables	1,108	1,403
Total	11,375	13,038
Non-current		
Claims recoveries	-	117
Total	-	117

An ageing analysis is provided in note 3(b) (iv).

14. Interest bearing receivables

	2015	2014
	\$'000	\$'000
Current		
Loan receivables - Insurance premium funding	122,973	131,378
Provision for impairment - collective	(188)	(354)
Provision for impairment - specific	(525)	(508)
	122,260	130,516
Loan receivables - Investment advisers	311	345
Provision for impairment - specific	(104)	(155)
	207	190
Total current interest bearing receivables	122,467	130,706
Non-current		
Loan receivables - Investment advisers	784	818
Provision for impairment - specific	(454)	(462)
Total non-current interest bearing receivables	330	356

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a) Terms and conditions

Insurance Premium Funding loans are fixed interest loans with an average term of 10.5 months. Repayments are made monthly in advance in accordance with the terms of the loan contract.

Loans due from investment advisers have terms ranging from 1 to 5 years and varying interest terms at or above commercial rates. The majority of these loans are secured through charges over assets, by guarantees, or by retention of financial advice fees.

b) Impairment of loan receivables

Impairment expense amounts are included in the Statement of Comprehensive Income under 'impairment of assets'.

	2015	2014
	\$'000	\$'000
(i) <i>Allowance for Impairment</i>		
Opening Balance	2,130	2,617
<i>Movement in the allowance is as follows</i>		
Allowance for impairment	715	764
Bad debts written off (gross)	(874)	(1,251)
Closing balance	1,971	2,130
(ii) <i>Receivables impairment expense</i>		
Impairment expense	725	764
Bad debts (recovery)/written off directly	(10)	1
Amounts recovered against debts previously written off	(208)	(142)
Total expense	507	623

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

	2015	2014
	\$'000	\$'000
(iii) <i>Non-Accrual Loans</i>		
Total of loan receivables with allowance	1,542	1,195
Specific allowance for impairment	(525)	(508)
Non-accrual loans included in loan receivables (net)	1,017	687
Interest foregone on non accrual loans	65	62

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

An ageing analysis of loan receivables is provided in note 3(b) (iv).

c) Related party receivables

There are currently no related party receivables.

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d) Fair value and risk management

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

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

15. Other assets

	2015	2014
	\$'000	\$'000
Current		
Security deposits	352	136
Interest bearing term deposits	-	5,000
Prepayments	4,025	4,069
Total	4,377	9,205
Non-current		
Security deposits	791	667
Other	36	-
Total	827	667

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16. Property, plant and equipment

	Leasehold Improvement \$'000	Plant & Equipment \$'000	Total \$'000
Cost			
At 1 July 2013	564	5,592	6,156
Additions	954	440	1,394
Disposals	(237)	(286)	(523)
At 30 June 2014	1,281	5,746	7,027
Additions	459	464	923
Disposals	(63)	(3,004)	(3,067)
At 30 June 2015	1,677	3,206	4,883
Depreciation and impairment			
At 1 July 2013	463	4,500	4,963
Depreciation charge for the year	123	373	496
Impairment	-	-	-
Disposals	(175)	(220)	(395)
At 30 June 2014	411	4,653	5,064
Depreciation charge for the year	265	390	655
Impairment	-	-	-
Disposals	(60)	(2,856)	(2,916)
At 30 June 2015	616	2,187	2,803
Net carrying value			
At 30 June 2015	1,061	1,019	2,080
At 30 June 2014	870	1,093	1,963

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17. Intangible assets

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

	Goodwill \$'000	Software \$'000	Network & Client Lists \$'000	Total \$'000
Period ending 30 June 2015				
At 1 July 2014 net of accumulated amortisation and impairment	2,132	1,010	2,887	6,029
Additions	-	301	-	301
Impairment	-	-	-	-
Amortisation	-	(537)	(848)	(1,385)
At 30 June 2015 net of accumulated amortisation and impairment	2,132	774	2,039	4,945
At 30 June 2015				
Cost	2,385	3,810	10,025	16,220
Accumulated amortisation and impairment	(253)	(3,036)	(7,986)	(11,275)
Net carrying value	2,132	774	2,039	4,945

Year ending 30 June 2014				
At 1 July 2013 net of accumulated amortisation and impairment	2,132	403	3,986	6,521
Additions	-	1,034	70	1,104
Impairment	-	-	(70)	(70)
Amortisation	-	(427)	(1,099)	(1,526)
At 30 June 2014 net of accumulated amortisation and impairment	2,132	1,010	2,887	6,029
At 30 June 2014				
Cost	2,385	3,509	10,025	15,919
Accumulated amortisation and impairment	(253)	(2,499)	(7,138)	(9,890)
Net carrying value	2,132	1,010	2,887	6,029

b) Description of the Group's intangible assets

i) Goodwill

Cash generating units ('CGU')

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

Goodwill was also created during 2012 on the acquisitions of the externally owned interests in Ventura Investment Management Ltd of \$93,000 and in Centrepoint Lending Solutions Pty Ltd (previously Australian Loan Company Pty Ltd) of \$863,000, (net of an impairment of \$253,000).

Other CGU's include Professional Investment Services Pty Ltd and Investment Diversity Limited.

Goodwill is tested on an annual basis and when there is an indication of potential impairment.

ii) Networks and client lists

Intangible assets in the form of adviser network businesses and adviser client lists acquired to expand the adviser network. These had a total book value at 30 June 2015 of \$2,039,000 (2014: \$2,887,000).

iii) Software

The Group has developed or acquired software, which are being amortised over their expected useful lives.

c) Impairment tests for goodwill and intangibles

i) Goodwill

Goodwill is regularly tested for impairment by calculation of value in use at the CGU level.

Value in use is calculated using discounted cash flow projections for five years and terminal values prepared from current forecasts using the following assumptions:

- Growth rate 2.5% (2014: 0%)
- Cost of equity: 12.35% (2014: 12.35%)

Growth rates – represent the change in forecast earnings used to derive future cash flows used in the impairment test calculation. The Board approved budget for financial year ended 30 June 2015 has been used as the basis for future cash flows. Key assumptions incorporated into the 2015 budget are on the volume of new loans for both the insurance premium funding business and the Centrepoint Lending Solutions business; effective interest rate attained for the insurance premium funding business; and the commission retention rate for the Centrepoint Lending Solutions business. The growth rate applied to future periods after 2015 is in line with specific projections for each business entity.

Cost of Equity – this is the weighted average cost of capital used to calculate the pre-tax risk adjusted discount rate and is equal to 12.35%. This rate was determined by the Board with reference to risk free interest rates and cost of equity of ASX listed peers.

The testing resulted in no impairment being required.

The value in use model is not materially sensitive to any of the above assumptions.

No indicators of impairment are noted for the remaining CGU's.

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ii) Networks and client lists

Adviser networks and client lists are regularly tested for impairment by calculation of value in use when indicators of potential impairment arises.

Value in use is calculated using discounted cash flow projections associated with the applicable asset using the following assumptions:

- The number of revenue generating advisers and clients declines to nil over the remaining useful life
- Revenue growth from advisers and clients: -5% to 0% depending on the asset (2014: -5% to 0%)
- Inflation rate for expenses: 2.5%
- Cost of equity: 12.35% (2014: 12.35%)

The testing resulted in no impairment losses (2014: \$69,000).

The value in use calculations are most sensitive to the remaining useful life assumption. Sensitivity analysis indicates that a decrease in the assumed useful life of 1 year would have resulted in an impairment expense of \$226,000 (2014: \$100,000).

iii) Software

The value of the developed or acquired software of the Group is amortised on a straight line basis over a 2.5 year period, which the directors assess as the intangible asset's useful life. No software is considered to be impaired.

18. Trade and other payables

	2015 \$'000	2014 \$'000
Current		
Insurance premium funding - commissions payable	544	551
Insurance premium funding - premiums payable	21,766	20,880
Amounts payable to financial advisers	7,931	8,898
Trade payables	1,889	1,659
Other creditors and accrued expenses	2,297	3,243
Total	34,427	35,231
Non-current		
Other creditors and accrued expenses	-	90
Total	-	90

a) Terms and conditions

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

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

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements
30 June 2015

b) Fair value

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

c) Financial guarantees

No guarantees have been given over trade and other payables.

d) Related party payables

For terms and conditions relating to related party payables refer to note 26.

e) Interest rate, foreign exchange and liquidity risk

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

19. Interest bearing liabilities

	2015 \$'000	2014 \$'000
Current		
Receivables finance facility - insurance premium funding	85,143	95,484
Equipment hire and software finance liabilities	174	265
Total	85,317	95,749
Non-current		
Equipment hire and software finance liabilities	75	249
Total	75	249

a) Fair value of interest bearing liabilities

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

b) Financial risk

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

c) Finance facilities

Centrepoint Alliance Premium Funding Pty Ltd has a multi option facility, including an insurance premium funding receivables finance facility with the National Australia Bank Limited ('NAB') & Bendigo and Adelaide Bank ('BAAB'). The insurance premium funding receivables finance facility has a tiered limit arrangement that varies up to \$150m as at 30 June 2015 to match the seasonality of the business. Advances under the facility are available up to 24 December 2016, with the facility increasing to a maximum \$188.8m during this period. It is secured by a registered mortgage debenture over all the assets and undertakings of that company. In addition, amounts advanced under the receivables finance facility are secured by the partial assignment to the NAB/BAAB of loan contract receivables and an unlimited interlocking guarantee and indemnity given by the Company.

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

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
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30 June 2015

	Accessible \$'000	Used \$'000	Unused \$'000
30 June 2015			
NAB Multi option facility	115,232	65,112	50,120
BAAB Multi option facility	34,768	20,030	14,738
	150,000	85,142	64,858
30 June 2014			
NAB Multi option facility	115,000	95,484	19,516
	115,000	95,484	19,516

d) Defaults and breaches

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

20. Other liabilities

	2015 \$'000	2014 \$'000
Current		
Lease incentives	183	151
Total	183	151
Non-current		
Lease incentives	467	502
Total	467	502

21. Provisions

	2015 \$'000	2014 \$'000
Current		
Provision for adviser client claims	5,500	6,705
Provision for employee entitlements	3,092	3,710
Property make good	319	288
Total	8,911	10,703
Non-current		
Provision for adviser client claims	1,800	7,070
Provision for employee entitlements	423	410
Property make good	232	-
Total	2,455	7,480

The provision for adviser client claims is the estimated cost of resolving claims from clients arising from financial advice provided prior to 1 July 2010 by Authorised Representatives of the Group. The provision is the estimated cost of resolving reported and 'incurred but not reported' ('IBNR') claims. The estimate was determined using an independent actuarial valuation assessment in August 2015 that used internal historical

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
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data on claims up to 30 June 2015. It is measured based on the present value of future costs that the Group expects to incur to resolve such claims. The actuarial model does not project claims from class actions. Class action lawyers have been active within the financial services industry in relation to failed investment products and there is an unquantifiable risk that such action may be taken against a Group subsidiary in the future. Claims are expected to be reported and resolved over a period between zero and five years. Resolution is dependent on the circumstances of each claim and the level of complexity involved. Any costs are offset against the provision as incurred.

	2015 \$'000	2014 \$'000
a) Movement in provision for adviser client claims		
Opening balance	13,775	20,768
<i>Movement in the provision is as follows:</i>		
Claims provisioning expense during the period*	2,369	1,886
Claims settlements & fees paid (net of recoveries)	(8,844)	(8,879)
Closing balance	7,300	13,775

* Movement excludes \$236,846 from claims arising from advice post 30 June 2010.

	2015 \$'000	2014 \$'000
b) Movement in provision for employee benefits		
Opening balance	4,120	2,806
<i>Movement in the provision is as follows:</i>		
Provision for year	2,703	3,505
Reduction resulting from re-measurement without cost	(584)	-
Leave and other employee benefits paid	(2,724)	(2,191)
Closing balance	3,515	4,120

	2015 \$'000	2014 \$'000
(c) Movement in provision for property make good		
Opening balance	288	469
<i>Movement in the provision is as follows:</i>		
Provision for year	263	150
Property make good expenditure	-	(331)
Closing balance	551	288

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements
30 June 2015

22. Contributed equity

	Reference	2015 \$'000	2014 \$'000
a) Paid up capital			
Ordinary shares	(i)	36,178	41,188
Reserved shares	(ii)	(3,500)	(1,173)
		32,678	40,015

	Number of shares	2015 \$'000	Number of shares	2014 \$'000
i) Ordinary shares (issued & fully paid)				
Balance at start of year	142,789,724	41,188	93,465,646	25,982
Movements during the year:-				
- Share issue - net of transaction costs	-	-	8,000,000	2,487
- Rights issue - net of transaction costs	-	-	35,697,906	11,144
- Share issue - long term incentive plan	4,514,284	2,356	-	-
- Share issue - dividend reinvestment plan	996,798	505	-	-
- Share capital s258F reduction	-	(7,871)	-	-
- Acquisition of minority interest	-	-	5,626,172	1,575
On issue at end of year	148,300,806	36,178	142,789,724	41,188
ii) Reserved shares				
Balance at start of year	(856,431)	(1,173)	(856,431)	(1,173)
Movements during the year:-				
- Issue of share to executive	70,715	29	-	-
- Share issue - long term incentive plan	(4,514,284)	(2,356)	-	-
On issue at end of year	(5,300,000)	(3,500)	(856,431)	(1,173)
Total contributed equity	143,000,806	32,678	141,933,293	40,015

b) Capital management

The Company's capital is currently only comprised of shareholder funds.

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

Subsequent to balance date the directors declared a dividend in respect of the 2015 financial year of 1.2 cents per ordinary share amounting to \$1,779,610 (2014: \$3,141,374). No provision has been recognised as at 30 June 2015 (2014: Nil).

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements
30 June 2015

23. Reserves

	2015 \$'000	2014 \$'000
Employee equity benefits reserve	761	498
Dividend reserve	17,979	3,820
Total	18,740	4,318

a) Employee equity benefits reserve	2015 \$'000	2014 \$'000
Balance at start of year	498	69
Value of share based payments provided or which vested during the year	263	429
Value of share based payments expired during the year	-	-
Balance at end of year	761	498

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

During the current period, the following shares were issued to the Managing Director and Chief Executive Officer and other senior executives of the Group under the Centrepont Alliance Share Plan ('CAESP'). Participants were provided with an interest free non-recourse loan to fund their acquisition of the shares. This arrangement is equivalent to a call option over the shares and accordingly it has been valued using the Black Scholes model as follows:

Shares	No. of shares	Vesting period	Issue price	Fair Value at issue date
Managing Director	1,400,000	3 years	\$0.522	\$0.160
Managing Director	1,400,000	4 years	\$0.522	\$0.167
Senior Executives	2,500,000	3 years	\$0.522	\$0.160

b) Dividend reserve	2015 \$'000	2014 \$'000
Balance at start of year	3,820	-
Dividends paid	(4,541)	-
Transfer from current year parent entity profit	18,700	3,820
Balance at end of year	17,979	3,820

24. Notes to cash flow statement

a) Reconciliation of cash & cash equivalents

	2015 \$'000	2014 \$'000
Cash at bank	12,539	16,373
Total	12,539	16,373

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

	2015 \$'000	2014 \$'000
Net profit after income tax	5,880	3,223
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	2,040	2,022
Foreign exchange (gain)/loss	(1)	1
Impairment of intangibles assets and receivables	507	693
(Profit)/loss on disposal of non-current assets	143	(13)
Interest received	(541)	(402)
Dividend received from investments	-	(74)
Gain on sale of investments	-	(243)
Interest expense	53	66
Share based compensation expense	263	429
Tax expense	(3,327)	1,031
Working capital adjustments:		
<i>(Increase)/decrease in assets:</i>		
Trade and other receivables	1,274	201
Other assets	(293)	(1,084)
Deferred tax assets	(5)	(186)
<i>(Decrease)/increase in liabilities:</i>		
Trade and other payables	(1,779)	(1,103)
Provisions for employee entitlements	(604)	1,313
Provision for client claims	(6,476)	(6,993)
Provision for property make good	263	(181)
Provision for tax	1	20
Net cash from operating activities	(2,602)	(1,280)

c) Non-cash financing and investing activities

During the current year, the Group entered into the following non-cash financing activities which are not reflected in the consolidated Statement of Cash Flows:

- In relation to the interim dividend declared at December 2014, 996,798 shares were issued under the Centrepoint Alliance dividend reinvestment plan at 0.5073 cents per share totalling \$506k.

There were no non-cash investing transactions not reflected in the Statement of Cash Flows.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Notes to the Consolidated Financial Statements
30 June 2015

25. Information relating to Centrepoint Alliance Limited (the 'Company')

	2015	2014
	\$'000	\$'000
Current assets	37,483	22,722
Non-current assets	16,935	14,212
Current liabilities	(664)	(472)
Net Assets	53,754	36,462
Issued capital	35,006	40,015
Employee equity benefits reserve	761	498
Dividend reserve	17,906	3,820
Accumulated profit/(losses)	81	(7,871)
Total Shareholder Equity	53,754	36,462
Net profit after tax of the parent entity	18,781	3,832
Total comprehensive income of the parent entity	18,781	3,832

At reporting date the Company had given guarantees to external parties totalling \$45,804 (2014: \$45,804). In addition the Company has given an unlimited interlocking guarantee and indemnity to the National Australia Bank as a condition of its banking facility arrangements to secure the borrowings of Centrepoint Alliance Premium Funding Pty Ltd.

Contractual operating lease expenditure commitments of the Company are as follows:

	2015	2014
	\$'000	\$'000
Not later than one year	1,026	897
Later than one year but not later than five years	1,929	2,042
Total	2,955	2,939

The Company has various corporate services agreements for IT and telecommunications hardware and support. The agreements have terms between 1 and 3 years with options to renew at expiry of the initial term on a month to month basis.

At reporting date the Company had no contingent liabilities.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

30 June 2015

26. Related party disclosures

a) Information relating to subsidiaries

The Consolidated Financial Statements of the Company are:

Name	Country of Incorporation	Ownership Interest		Principal Activity
		2015	2014	
Centrepoint Funding				
Centrepoint Lending Solutions Pty Ltd (formerly Australian Loan Company Pty Ltd)	Australia	100%	100%	Mortgage broker / aggregator
Centrepoint Alliance Premium Funding Pty Ltd	Australia	100%	100%	Insurance premium funding
Alliance Premium Funding Limited*	New Zealand	100%	- %	Insurance premium funding
Centrepoint Wealth				
Alliance Wealth Pty Ltd (formerly AAP Advantage Pty Ltd)	Australia	100%	100%	Financial advice
Associated Advisory Practices Pty Ltd	Australia	100%	100%	AFSL licensee support services
Alliance Wealth & Protection Pty Ltd (formerly Associated Advisory Practices (No 2) Pty Ltd)	Australia	100%	100%	Salaried advice
Investment Diversity Limited	Australia	100%	100%	Packages investment platforms
Professional Investment Services Pty Ltd	Australia	100%	100%	Financial advice
Ventura Investment Management Ltd	Australia	100%	100%	Packages managed funds
Corporate				
Centrepoint Alliance Services Pty Ltd	Australia	100%	100%	Trustee – Employee share plan
Centrepoint Services Pty Ltd (formerly Centrepoint Adviser Services Pty Ltd)	Australia	100%	100%	Service company
Centrepoint Wealth Pty Ltd (formerly Professional Investment Holdings Ltd)	Australia	100%	100%	Holding company
De Run Securities Pty Ltd	Australia	56%	56%	Financial services
Imagine Your Lifestyle Pty Ltd	Australia	100%	100%	Dormant
Professional Accountants Pty Ltd	Australia	100%	100%	Loans to adviser network
Advisers Worldwide (NZ) Limited**	New Zealand	100%	100%	Dormant
Ausiwi Limited**	New Zealand	100%	100%	Dormant
Professional Investment Holdings (NZ) Limited**	New Zealand	43%	43%	Dormant
Professional Investment Services (NZ) Limited**	New Zealand	43%	43%	Dormant
Professional Lending Services Limited**	New Zealand	38%	38%	Dormant
Fifth Floor Pte Ltd	Singapore	0%	100%	De-registered 10 July 2014

* Company registered on 21 May 2015

** Currently under Solvent Voluntary Liquidation

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

30 June 2015

b) Ultimate parent

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

c) Terms and conditions of transactions with related parties other than KMP

Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2015, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (2014: Nil). An impairment assessment is undertaken each financial year through examination of the financial position of related parties and the market in which a related party operates.

d) Transactions with key management personnel

The aggregate compensation made to directors and other members of key management personnel of the company and the Group is set out below:

	2015 \$'000	2014 \$'000
Short term employee benefits	1,713	1,607
Post employment benefits	118	113
Long-term benefits	224	309
Share based payments	163	248
Termination/resignation benefits	52	300
Total compensation	2,270	2,577

27. Share based payment plans

a) Types of share-based payment plans

i) Performance Rights

Performance rights are rights that can be converted to fully paid ordinary shares in the Company for no monetary consideration subject to specific performance criteria, as determined by the Board for each issue of rights, being achieved.

ii) Centrepont Alliance Employee Share Plan ('CAESP')

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

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

30 June 2015

b) Recognised share-based payment expenses

	2015 \$'000	2014 \$'000
Expense arising from equity-settled share-based payment transactions under the CAESP	120	-
Expense arising from performance rights	143	429
Total	263	429

c) Movements during the year

All current option awards are fully vested at reporting date. There are 5,300,000 shares which are held within the CAESP which are not yet vested. Performance rights issues of 3,700,000 issued in the prior financial year have not yet vested.

	2015		2014	
	No	WAEP*	No	WAEP*
<i>(i) Shares under the CAESP</i>				
Outstanding at beginning of period	285,001	0.40	285,001	0.40
New share awards	5,300,000	0.16	-	-
Expired during the period	-	-	-	-
Outstanding at end of period	5,585,001	0.17	285,001	0.40
<i>(ii) Options under CAESOP</i>				
Outstanding at beginning of period	400,000	0.40	400,000	0.40
Issued during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at end of period	400,000	0.40	400,000	0.40
<i>(ii) Performance rights</i>				
Outstanding at beginning of period	3,700,000	-	-	-
Issued during the period	-	-	4,100,000	-
Expired during the period	-	-	(400,000)	-
Outstanding at end of period	3,700,000	-	3,700,000	-

*WAEP is weighted average exercise price

d) Option pricing model

The fair value of the shares issued under the CAESP, the options issued under the CAESOP and the performance rights are estimated as at the date of allocation using the Black Scholes Model taking into account the terms and conditions upon which they were granted and market based inputs as at the grant date.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

Notes to the Consolidated Financial Statements

30 June 2015

28. Commitments

a) Contracted operating lease expenditure

The Group has entered into commercial leases on certain properties expiring at various times up to 5 years from reporting date. The leases have varying terms, options and rent renewals. On renewal, if applicable, the terms are renegotiated. The Company has also entered into corporate services agreements for IT and telecommunications hardware and support. The agreements have terms between 1 and 3 years with options to renew at expiry of the initial term on a month to month basis.

	2015	2014
	\$'000	\$'000
Not later than one year	2,089	2,148
Later than one year but not later than five years	4,011	4,228
Later than five years	-	-
Total	6,100	6,376

b) Remuneration commitments

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

	2015	2014
	\$'000	\$'000
Not later than one year	-	200
Later than one year but not later than five years	-	-
Later than five years	-	-
Total	-	200

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

29. Contingent liabilities

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.

The Group has provided for claims arising from advice provided prior to 1 July 2010 based on an actuarial model of past claims as described in Note 21. The actuarial model does not project claims from class actions. Class action lawyers have been active within the financial advice industry in relation to failed investment products and there is an unquantifiable risk that such action may be taken against a Group subsidiary in the future.

At the date of this report the directors are not aware of any other material contingent claims in relation to advice provided after 1 July 2010.

A notification for a breach of warranty in relation to the sale of an overseas subsidiary in 2012 has been received by Centrepoint Alliance Limited. The alleged breach relates to an overstatement of assets and is currently being investigated.

There were no other contingent liabilities at reporting date.

30. Events after the reporting period

The following matters have occurred subsequent to the year end:

On 21 August 2015, the directors of Centrepoint Alliance Limited declared a final dividend on ordinary shares in respect of the 2015 financial year. The dividend is to be paid out of the dividend reserve. The total amount of the dividend is \$1,779,610 which represents 1.2 cents per share and is fully franked at the corporate income tax rate of 30%. The record date is 25 September 2015 and payment date is 16 October 2015.

There are no other matters or events the directors' are aware of 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.

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
Directors' Declaration
30 June 2015

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

1. In the opinion of the directors:
 - (a) the financial statements and notes of Centrepoint Alliance Limited for the financial year ended 30 June 2015 are in accordance with the *Corporations Act 2001*, including:
 - i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
 - (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2; and
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors by the chief executive officer and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2015.

On behalf of the directors:



R. J. Nelson
Chairman
21 August 2015

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES
ASX Additional Information
30 June 2015

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 31 July 2015.

1. Class of securities and voting rights

a) Ordinary shares

Ordinary shares of the Company are listed (quoted) on the ASX. There are 1,782 holders of ordinary shares, holding 148,300,806 fully paid ordinary shares.

Holders of ordinary shares are entitled to one vote per share when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

b) Performance rights

A performance right is a right that can be converted to an ordinary fully paid share in the Company for no monetary consideration subject to specific performance criteria being achieved. Details of Performance rights are not quoted on the ASX and do not have any voting rights.

2. Distribution of shareholders and performance rights

Size of holding	No. of ordinary shareholders	No. of performance right holders
1 - 1,000	302	-
1,001 - 5,000	486	-
5,001 - 10,000	239	-
10,001 - 100,000	637	-
100,000 and over	122	5

The number of shareholdings held in less than marketable parcels is 305.

3. Substantial shareholders

Ordinary Shareholders	Fully paid	
	No. of Shares	% Held
TIGA Trading Pty Ltd	40,136,116	27.06%
Adam Smith Asset Management Pty Ltd	9,099,426	6.14%
River Capital Pty Ltd	9,057,673	6.11%

CENTREPOINT ALLIANCE LIMITED AND ITS CONTROLLED ENTITIES

ASX Additional Information

30 June 2015

4. Twenty largest holders of quoted equity securities

Ordinary Shareholders	Fully paid	
	No. of Shares	% Held
1 UBS Nominees Pty Ltd	27,958,614	18.85%
2 HSBC Custody Nominees (Australia) Limited	18,689,751	12.60%
3 J P Morgan Nominees Australia Limited	9,099,430	6.14%
4 Citicorp Nominees Pty Limited	9,097,440	6.13%
5 RBC Investor Services Australia Nominees Pty Limited <Bkcust A/C>	5,994,226	4.04%
6 Centrepont Alliance Services Pty Ltd <Centrepont Alliance Employee>	5,300,000	3.57%
7 RBC Investor Services Australia Nominees P/L <Wam Account>	4,875,922	3.29%
8 One Managed Invt Funds Ltd <Sandon Capital Inv Ltd A/C>	4,432,758	2.99%
9 Entities Representing the Interests of R. Nelson	4,223,378	2.85%
10 Entities Representing the Interests of N. Griffin	2,501,841	1.69%
11 Entities Representing the Interests of J. de Zwart	2,019,492	1.36%
12 Soba Pty Ltd	1,932,360	1.30%
13 National Nominees Limited	1,555,016	1.05%
14 Fetterpark Pty Ltd <O'Reilly Family S/F A/C>	1,342,653	0.91%
15 Entities Representing the Interests of M. Kidman	1,254,821	0.85%
16 Bellglow Pty Ltd <Bennetts Family A/C>	883,823	0.60%
17 Edsonmere Pty Ltd	829,600	0.56%
18 Netwealth Investments Limited <Wrap Services A/C>	708,084	0.48%
19 Kerstat Pty Ltd <Murphy Investment A/C>	693,810	0.47%
20 Austin Superannuation Pty Ltd <The Brian Austin S/F A/C>	692,896	0.47%
	<u>104,085,915</u>	<u>70.19%</u>

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

Report on the Financial Report

We have audited the accompanying financial report of Centrepont Alliance Limited, which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the 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 year's end or from time to time during the financial year as set out on pages 25 to 81.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

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

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

Auditor's Independence Declaration

In conducting our audit, 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 report.

Opinion

In our opinion:

- (a) the financial report of Centrepoint Alliance Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Centrepoint Alliance Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



David Rodgers

Partner

Chartered Accountants

Brisbane, 21 August 2015

Full Year Results

Centrepont Alliance Limited

30 June 2015

ASX:CAF

FY15 Highlights

- Statutory net profit after tax of \$5.9m up 78% on pcp. Underlying pre-tax profit of \$7.0m was down 15%
- Centrepont further consolidated its position as a leading independent wealth and premium funding business with good growth in new clients off the back of strong relationships and enhanced capabilities
- Wealth underlying profit of \$7.1m was up 10% on pcp. The move to a sustainable profitable business model is progressing well. Strong growth in Funds Under Management and Administration up 14% to \$2.8bn
- Funding underlying profit of \$2.5m was down 52% on pcp. The premium funding business was impacted by the 10-20% decline in the Australian commercial general insurance premium market. East coast business grew 21% in declining market with increased margins
- Strategic investments in new services and growth initiatives including Funding partnering strategy, salaried advice, investment solutions and M&A capabilities delivering positive results
- Final fully franked dividend of 1.2 cents per share, representing total dividends of 2.2 cps in FY15 (FY14 2.2 cps)

To be recognised as Australia's most trusted and respected financial services organisation

By:

- Being the leading choice for independent advisers
- Partnering with world class service providers to deliver quality solutions for advisers and their clients
- Helping clients achieve their financial goals and make the right financial decisions
- Having a strong brand and financial performance
- Having a culture of innovation to find better, simpler solutions

Non-Bank Funding Market

Premium Funding

- \$4.7bn premium funding market
- Distributed via General Insurance brokers to SME and corporate customers
- Relatively attractive margins increasing with scale

Mortgage broking and other non-bank funding

- Mortgage broking is a fast growing sector
- A range of product extension opportunities exist



Centrepoint Funding

- 28,000 loans funded, \$384m general insurance premiums and \$4bn mortgages funded
- East coast growth in excess of 20% for last 3 years
- Largest network of partner GI broker groups
- Experienced and capable management team

Wealth Market

- Australian superannuation market of \$2 trillion expected to grow at an average of 7% pa over the next 20 years
- The nature of the Australian regulatory, superannuation, welfare and tax environment ensures most Australians would benefit from quality financial advice
- Trend away from traditional institutions
- Significant regulatory, customer and technology changes are making customer centric full advice models more achievable
- Attractive margins and scale advantages



Centrepoint Wealth

- Largest network of non institutional advisers (>1500) and > 500 Practices
- \$2.8bn of Funds Under Management/Administration
- Client centric wealth model covering advice and investment solutions
- Experienced and capable management team

Our Wealth services & solutions



Financial summary

	FY13	FY14	FY15	Change FY15 v FY14
Total Revenue	\$52.6m	\$51.7m	\$48.9m	▼ (5%)
Total Expenses (ex claims)	\$49.2m	\$45.5m	\$43.7m	▼ (4%)
Cost to Income Ratio	93%	88%	89%	▲ 1%
Underlying PBT	\$5.8m	\$8.3m	\$7.0m	▼ (15%)
Statutory NPAT	(\$7.2m)	\$3.3m	\$5.9m	▲ 78%
Underlying PBT EPS (cents)	6.0	8.3	4.8	▼ (42%)
Statutory diluted EPS (cents)	(7.9)	3.1	4.0	▲ 28%
Net Tangible Assets (cents per share)	6.9	15.5	14.8	▼ (4%)
Funds under Administration & Management				
- Invested	\$2.23b	\$2.47b	\$2.83b	▲ 14%
- Net Flows	(\$16m)	\$19m	\$211m	▲ 10.3x
Premium Funding Loans	\$368m	\$445m	\$384m	▼ (14%)

Financial Highlights

- \$4m revenue impact of soft commercial general insurance premium market
- Business simplification continuing to deliver savings and service improvements. Offset by investment in strategic initiatives
- Strong growth in Funds under Management, Funds under Administration and net flows

Business line profit summary

Segment	FY13	FY14	FY15	Change FY15 v FY14	
Wealth	\$6.7m	\$6.5m	\$7.1m	▲	10%
Funding	\$3.7m	\$5.3m	\$2.5m	▼	(52%)
Corporate	(\$4.6m)	(\$3.5m)	(\$2.6m)	▼	(25%)
Group Underlying PBT	\$5.8m	\$8.3m	\$7.0m	▼	(15%)
Underlying Profit Adjustments	(\$12.4m)	(\$4.0m)	(\$4.4m)	▲	9%
Tax	(\$0.7m)	(\$1.0m)	\$3.3m	▼	4.4x
Statutory NPAT	(\$7.2m)	\$3.3m	\$5.9m	▲	78%

Summary

- Wealth performing well with new business model attracting new practices and increased adoption of wealth solutions
- Funding growing east coast distribution, impacted by soft GI market, increased commissions and one-off costs
- Corporate expenses were contained as a result of lower consulting and staff costs

Underlying Profit Reconciliation

	FY13	FY14	FY15	Change FY15 v FY14
Underlying Profit	\$5.8m	\$8.3m	\$7.0m	(15%)
Legacy claims	(\$10.0m)	(\$1.9m)	(\$2.4m)	25%
Amortisation of intangibles	(\$2.0m)	(\$0.9m)	(\$0.8m)	(7%)
Restructuring costs	\$0.0m	(\$1.2m)	(\$0.2m)	(82%)
Book acquisitions	\$0.0m	\$0.0m	(\$0.8m)	(100%)
Other	(\$0.4m)	(\$0.1m)	(\$0.1m)	112%
Statutory Profit Before Tax	(\$6.6m)	\$4.3m	\$2.6m	(39%)
Tax payable	(\$0.6m)	(\$1.0m)	(\$1.0m)	(6%)
Tax Assets Realised	\$0.0m	\$0.0m	\$4.3m	-
Net Profit After Tax	(\$7.2m)	\$3.3m	\$5.9m	78%

Comments

- Legacy claims expense (\$2.4m) relates to an increase in the provision for claims associated with advice provided pre-July 2010. The increase was due to increased claims in 1H15 around the time of intense media coverage and lawyers advertising 'no win, no fee' arrangements
- Amortisation relates to prior period acquisitions with long term value and capitalized IT costs
- Restructuring costs are associated with team restructuring and retention incentives
- Book acquisitions relates to clients purchased from in-house advisers to be serviced by the salaried advice team
- With the improving profitability, \$4.3m of the deferred tax assets were recognised

Group balance sheet

	FY13	FY14	FY15	Change FY15 v FY14
Cash and Term Deposits	\$9.4m	\$21.4m	\$12.5m	(41%)
Interest Bearing Receivables	\$107.6m	\$130.7m	\$122.5m	(6%)
Other Current Assets	\$16.7m	\$17.2m	\$15.8m	(9%)
Intangible Assets and Goodwill	\$6.5m	\$6.0m	\$4.9m	(18%)
Other Non-current Assets	\$10.0m	\$9.5m	\$12.9m	37%
Total Assets	\$150.2m	\$184.8m	\$168.6m	(9%)
Interest Bearing Liabilities	\$71.7m	\$95.7m	\$85.3m	(11%)
Other Current Liabilities	\$47.9m	\$46.2m	\$43.7m	(6%)
Non-current Liabilities	\$13.4m	\$8.3m	\$3.0m	(64%)
Total Liabilities	\$133.0m	\$150.3m	\$132.0m	(12%)
Net Assets	\$17.2m	\$34.5m	\$36.7m	6%
Net Tangible Assets	\$10.7m	\$22.1m	\$22.0m	(0%)
Net Tangible Assets (cents per share)	6.9	15.5	14.8	(4%)

Highlights

- Strong cash position and stable Balance Sheet
- Decrease in Receivables due to softer market in Premium Funding
- Current liabilities decreased in line with Premium Funding volume reduction
- Non-current liabilities down in line with claims provisions
- Corporate debt remained insignificant

Financial

- Underlying profit up 10% to \$7.1m
 - Post FOFA revenues grew strongly with Funds Under Administration up 16% and Funds Under Management up 10% offsetting decline in grandfathered revenues
 - Strategic initiatives being funded by operational efficiencies
-

Operating

- Growth in quality practice recruitment offsetting exiting of non-core practices
 - Strong advocates for quality independent advice and customer best interest. Well positioned and ahead of many in the industry
 - Contemporary wealth business model including new Adviser fee model implemented. Development of fund administration and management services continues and adviser take up is increasing
 - Continue to enhance service offering for independent advisers
-

Strategy and people

- Proposition now in place to facilitate strong growth in recruitment of quality practices
 - Salaried Adviser channel established and growing steadily
 - Mergers & Acquisition capability established with solid pipeline of opportunities
 - Strong relationships with regulators and industry stakeholders
-

Wealth Results

	FY13	FY14	FY15	Change FY15 v FY14	
Revenue	\$35.9m	\$32.5m	\$31.6m	▼	(3%)
Expenses	(\$29.2m)	(\$26.0m)	(\$24.4m)	▼	(6%)
Underlying PBT	\$6.7m	\$6.5m	\$7.1m	▲	10%

Key Metrics \$m

Net Flows, FUAd	78	27	164	▲	5.1x
Net Flows, FUM	(94)	(8)	47	▲	6.7x
Total Net Flows	(16)	19	211	▲	10.3x
Funds Under Administration	1,590	1,788	2,076	▲	16%
Funds Under Management	637	684	754	▲	10%
Total Funds Invested	2,227	2,473	2,829	▲	14%

Summary

- Revenues stabilised. Growth in post FOFA wealth revenues offsetting loss of grandfathered income
- New flat fee adviser model encouraging small non-core advisers to exit. Revenues are being replaced with growth in new practices and product revenues
- Significant investment in strategic initiatives continued: new salaried advice team of 12, new managed account service, new CRM and IT infrastructure, new M&A capability
- Turnaround story with net flows growing strongly



A leading non-aligned financial
advice & end-to-end wealth
management firm

- Wholly owned subsidiary company of Centrepont Alliance
- High quality, client focused salaried financial advice business with a team of 12
- Not aligned or affiliated with any major institution
- Ability to provide mums & dads, HNWs and family office clients with holistic or specialised advice
- Provision of scalable, 'best of breed' wealth solutions including:
 - Managed Accounts
 - Wrap with tailored portfolios
 - Highly customised insurance
- Clients currently sourced from orphan clients and clients acquired from exiting advisers

Financial

- Underlying profit down 52% to \$2.5m
- Premiums funded down 14% to \$384m driven by commercial GI premiums down circa 10-20% per industry commentators
- Difficult environment for brokers in soft GI market causing pressure on commission. Higher funding fees also impacting profits
- Operational costs increased due to growth initiatives (Steadfast, NZ), retention incentives and investment in systems. Cost savings have lowered cost base and further savings targeted

Operating

- Broker engagement progressing well with 6% increase in active brokers
- Rebranding and relaunch of mortgage broking business successfully completed. First year of sales growth in 8 years
- Technology is being used to assist broker networks simplify loan applications and deepen relationships

Strategy and people

- Secured Steadfast relationship. Launched New Zealand premium funding business
- Leading independent premium funder with strong partner arrangements with key broker groups - IBNA, Steadfast, CQIB, Insight
- Business continuing to maintain margins and fund long term growth
- Business risk lower, Funding lines diversified, distribution arrangements expanding and deepening, strong sales and credit management and key staff retention incentives

Centrepont Funding results

	FY13	FY14	FY15	Change FY15 v FY14
Revenue	\$16.0m	\$18.6m	\$17.0m	▼ (9%)
Expenses	(\$12.3m)	(\$13.3m)	(\$14.4m)	▲ 9%
Underlying PBT	\$3.7m	\$5.3m	\$2.5m	▼ (52%)
Amortisation	(\$0.1m)	(\$0.1m)	(\$0.1m)	▲ 1%
Restructure & other	\$0.0m	\$0.0m	(\$0.3m)	▲ 100%
Statutory PBT	\$3.6m	\$5.1m	\$2.1m	▼ (59%)

Key metrics

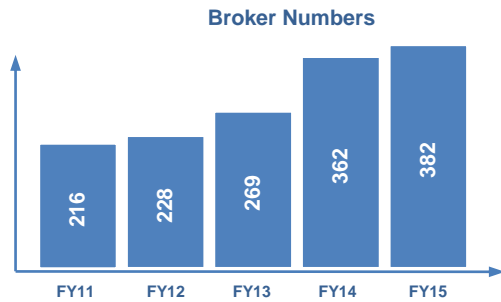
PF Loan volume (\$m)	368	445	384	▼ (14%)
Active brokers, end-of-year	269	362	382	▲ 6%
Loans	19,800	27,168	28,451	▲ 5%
Average size (\$)	18,586	16,380	13,485	▼ (18%)
Bad debts written off, net	0.06%	0.06%	0.17%	▲ 176%
Funding Margin (%)	4.10	3.77	3.97	▲ 5%

Summary

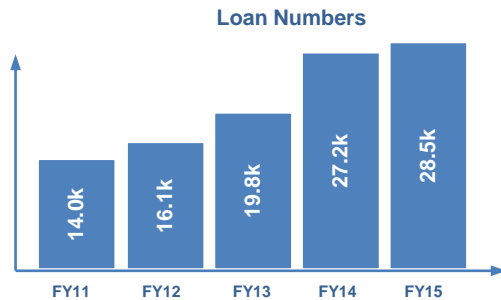
- The 10-20% fall in GI premiums in “soft” market resulted in premiums funded being down \$60-\$70m and revenues down \$4m
- Strong organic growth on east coast more than offset loss of WA team in FY14
- Focus on higher margin smaller loans increased rates by 60bps or \$2.3m to revenue
- Commissions increased 40bps or \$1.5m as a result of brokers seeking to maintain revenues during softening GI market
- Expenses increased in FY15 due to one off items: retention incentives (\$0.4m), funding of growth initiatives (\$0.4m), bank fees (\$0.4m) and team restructure (\$0.2m)
- Strong credit management continued albeit bad debts up

Funding

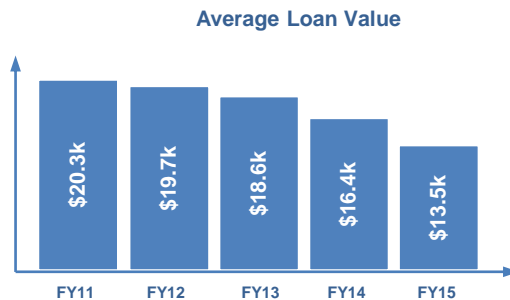
Strong focus remains on the key long term value drivers



- Broker numbers have increased 42% since 2013 off the back of strong distribution team
- Our reputation for consistent, reliable and responsive service is now being combined with technology to simplify and accelerate loan applications and improve the broker experience

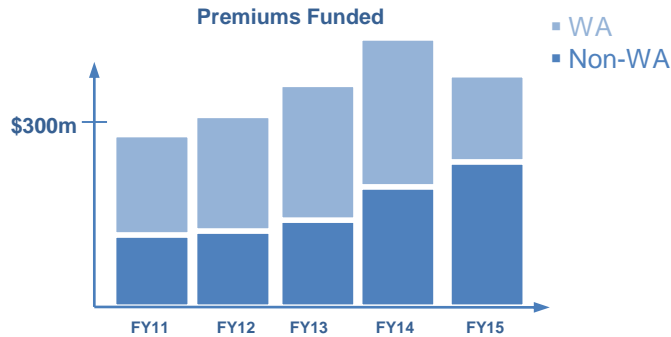


- Loan numbers have increased 44% since 2013 following the growth in broker numbers
- Over time we will target expanding our share of our broker's funding requirements

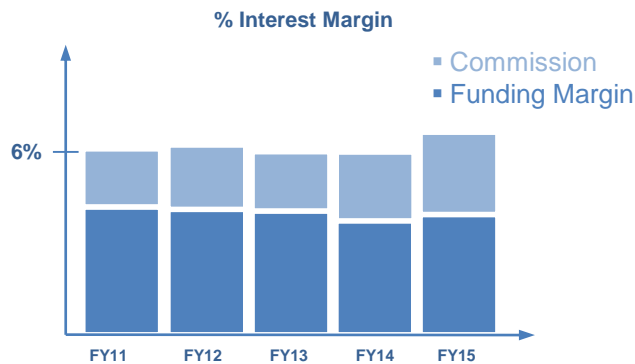


- Loan values decreased 18% in FY15 and 12% in FY14 due to the sale's team focus and maintaining margins, soft GI market and the loss of some large WA accounts
- Smaller loans are higher margin with lower credit risk

Funding



- Premiums funded decreased by \$61m or 14% in FY15 due to soft GI market and weakness in WA economy
- Non-WA premiums funded increased 21% in FY15 following a 38% increase in FY14. This more than offset the loss of some WA accounts as a result of the loss of the WA team in FY14
- The new Steadfast relationship, along with other major network relationships, underpin future growth
- Business well positioned for any hardening in the GI market



- Premium funding rates have been generally declining in a falling interest rate and competitive market. Centrepont's rates have improved during this period
- Rates increased 60bps with the focus on high margin low value loans and strong sales discipline
- The rapid softening of the GI market has impacted brokers hard with a flow on impact on commissions as they try to manage revenues. Commission costs increased 40bps during the period. We expect this to be temporary until the GI market stabilises

Deferred Tax Asset Recognition

- In FY15 the Group recognised an asset of \$4.3m which is credited to statutory profit after tax from the recognition of off balance sheet deferred tax assets
- Given the strengthening financial results and the expectation of future profits, the Group has recognised a deferred tax asset for that amount where it is probable that the asset can be utilised to offset tax payable
- The Group has a further \$35m of revenue losses off balance sheet that can be recognised in the future
- The group also has deferred capital losses of \$29m and franking credits of \$27m

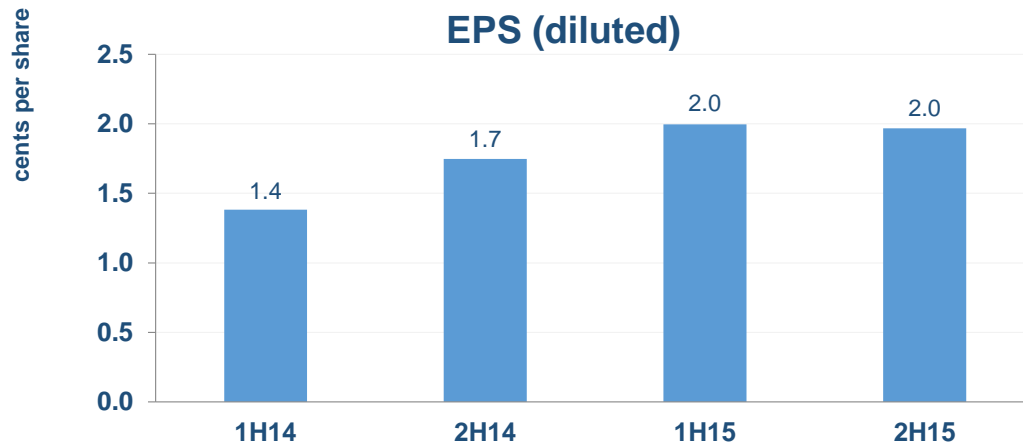
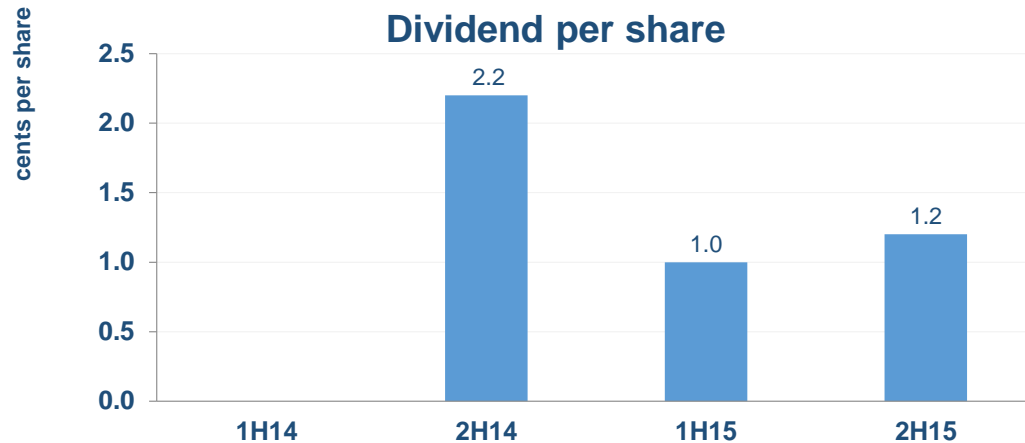
Legacy claims

Legacy claims are claims related to advice provided pre July 2010 and prior to the acquisition by Centrepont in December 2010

An independent actuarial assessment was undertaken of past experience and projected future likely experience resulting in \$2.1m additional provisioning and the discount unwind increasing the provision by a further \$0.3m

The 2H15 claims settled was \$2.1m which is significantly below pcp and prior period. The 1H15 results we believe were adversely affected by intense media attention on financial advice during 2014 calendar year and increased lawyer advertising

	FY13	FY14	FY15
Opening balance	\$22.1m	\$20.8m	\$13.8m
Claims provisioning expense during the period	\$9.5m	\$1.3m	\$2.1m
Discount unwind	\$0.5m	\$0.6m	\$0.3m
Claims settlements & fees paid (net of recoveries)	(\$11.3m)	(\$8.9m)	(\$8.9m)
Closing balance	\$20.8m	\$13.8m	\$7.3m



- The Board has declared a final dividend of 1.2 cents per share fully franked
- Record date is 25th September 2015 with payment on 16th October 2015
- A Dividend Reinvestment Plan is offered with a discount of 2%
- The aim of the dividend policy is to provide shareholders with sustainable and fully franked dividends, whilst balancing the cashflow needs of the business
- An \$18m distributable dividend reserve has been established

Strategic initiatives - update

Organic Growth

- Strong organic growth in both new wealth practices and GI brokers
- Increasing take up of in-house platforms and funds by advisers
- Sales and marketing capability improving underpinning future growth
- Improve margins by lowering costs and targeting high margin segments

Modern Advice Model

- Supporting independent advisers transition to professional advice model
- Advisers increasing adoption of in-house services and solutions
- New adviser fee model has been implemented
- Focus on client best interest and improving the quality of advice

Salaried Advice (Alliance Wealth & Protection)

- Salaried advice capability established
- Rapid growth and recruitment phase. Currently servicing orphan clients and providing adviser succession planning options

M&A

- M&A capability established
- Multiple small client books acquired
- Pipeline of 'bolt on' opportunities to leverage existing infrastructure and capability

Summary

- Wealth will focus on recruiting quality practices and increasing adoption of Centrepont solutions
- Funding will continue to grow premiums funded, broker relationships and reduce costs
- Expansion of salaried advice model to continue
- M&A capability established with pipeline of inorganic growth and partnering opportunities
- Work closely with our clients and business partners, to continue to advocate and support non-institutional advisers and improve the quality of advice and solutions Australians receive
- Continue building the Centrepont brand including re-launch in 2Q16
- Continued development of culture, team and in-house capabilities to support long term sustainable growth

Appendices

Our Story

1991

Alliance Finance founded by Martin Kane in WA, offering insurance premium funding and equipment finance

June 2002

Listed on ASX (CAF)

Sept 2005

Merger with Centrepont Finance, co-founded by chairman Rick Nelson. Renamed Centrepont Alliance

Dec 2010

Centrepont Wealth acquired incl. Professional Investment Services (PIS), one of the largest independent financial advice networks in Australia

Apr 2013

John de Zwart appointed MD and CEO. New Wealth strategic plan initiated

Oct 2013

Remaining 45% of Associated Advisory Practices (AAP), acquired

May 2104

\$14m Capital raising to fund growth and strengthen the balance Sheet

Oct 2014

New AFSL, Alliance Wealth, launched. Managed Accounts Solution (vMAPs) launched. New Steadfast relationship

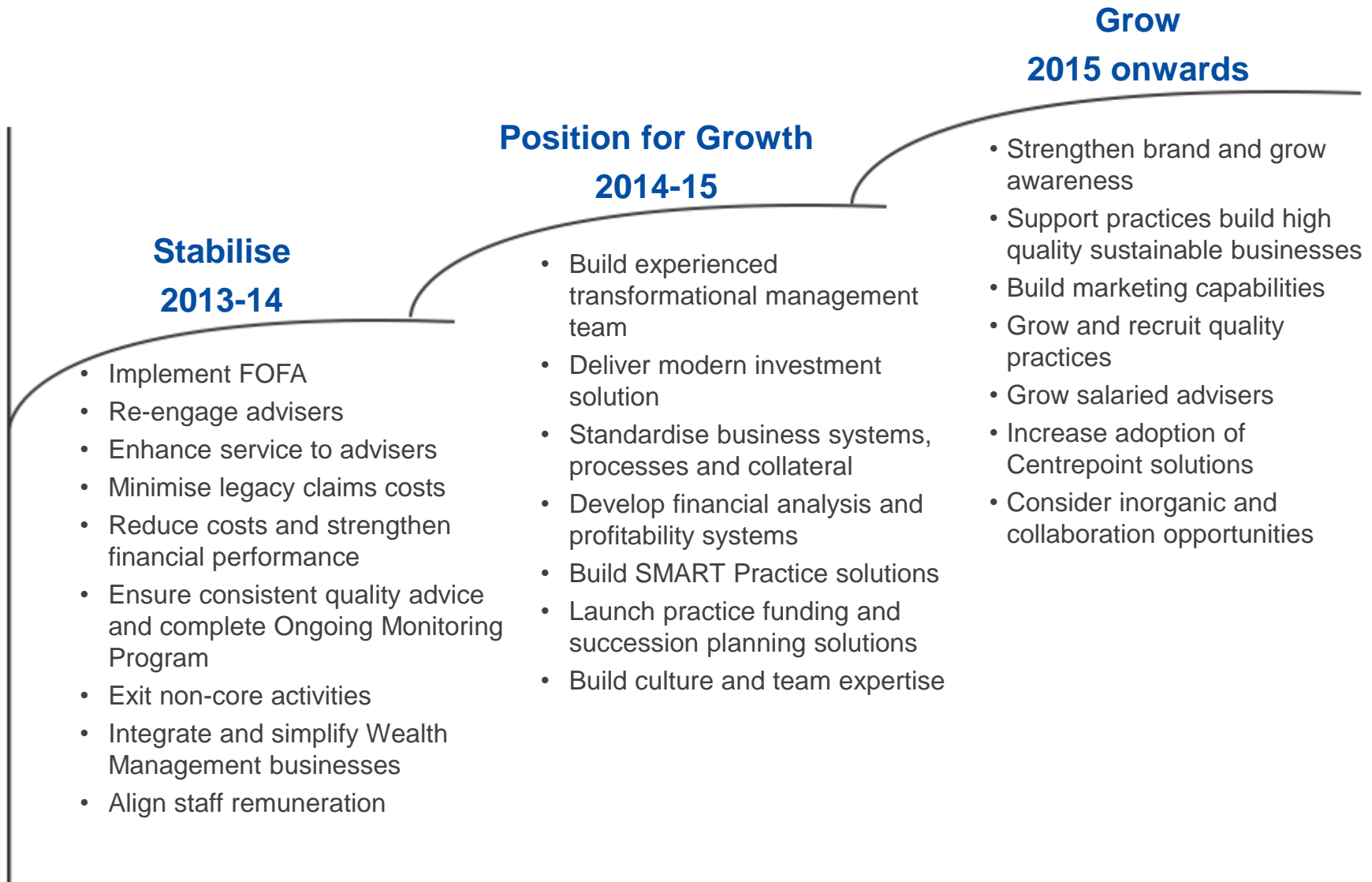
Nov 2014

Salaried adviser channel, Alliance Wealth & Protection (AWP), established

May 2015

Premium funder, Alliance Funding, launched in New Zealand

Original Wealth plan complete



The Centrepont Family

Brand re-launch including new brand architecture scheduled for October 2015

Centrepont Alliance

Centrepont Wealth

Centrepont Funding

Financial Advice

Associated Advisory
Practices



Professional Investment
Services



Alliance Wealth



Alliance Wealth & Protection



Platforms & Administration

Investment Diversity



Funds Management

vMAPs



Ventura Funds

VENTURAFM

Premium Funding

Centrepont Alliance
Premium Funding



Mortgage Broking & Asset Finance

Centrepont Lending
Solutions



Definitions

Term	Definition
CAGR	Compounded Annual Growth Rate
Funds	The collective term for Funds under Distribution Agreements, Advice, Administration, Management and Managed Portfolios
Funds under Administration ('FuAd')	Funds upon which the Group derives fees as the responsible entity or as the promoter of badged investment administration solutions
Funds under Advice ('FuA')	Funds upon which advisers associated with the Centrepont group provide advice to clients
Funds under Management ('FuM')	Funds upon which the Group derives fees as the responsible entity or as the promoter of a badged funds management product
Funding Margin	Funding Margin comprises Premium Funding Revenue excluding broker commissions divided by the PF Loan Volume
KMP	Key Management Personnel as defined in the Corporations Act
Net Operating Expenses	Net Operating Expenses comprises Operating Expenses less cost of goods sold expenses items
Net Operating Revenue	Net Operating Revenue comprises Operating Revenue less cost of goods sold
PBT	Profit Before Tax
PCP	Prior Corresponding Period
PP	Prior Period
Practices	Accumulated total of licensed (PIS/AW) and self-licensed (AAP) practices in the Centrepont Group
Underlying PBT	Underlying PBT excludes tax, amortisation and one-off, non-operational items
vMAPs	Ventura Separately Managed Account Solution

Disclaimer

This presentation is for general information purposes only and should be read in conjunction with the Appendix 4E lodged with the Australian Securities Exchange by Centrepont Alliance Limited (ASX:CAF) on 21 August 2015. This presentation does not provide recommendations or opinions in relation to specific investments or securities.

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All numbers are as at 30 June 2015 unless otherwise stated. Numbers may not add up due to rounding.

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