ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

ABN 72 052 507 507

CENTREPOINT ALLIANCE

Contents

Directors' Report

For the Year Ended 30 June 2023

The Directors of Centrepoint Alliance Limited (the Company) present their report together with the financial statements of the consolidated entity, being the Company and its controlled entities (the Group) for the year ended 30 June 2023.

Directors

Alan Fisher

BCom, FCA, MAICD

Chair of the Board, Independent Non-Executive Director

Appointed on 12 November 2015.

Experience and expertise

Alan is an experienced corporate adviser and public company director. He has a proven track record of implementing strategies that enhance shareholder value. He spent 24 years at world-leading accounting firm Coopers & Lybrand, where he headed and grew the Melbourne Corporate Finance Division. Following this tenure, Alan developed his own corporate advisory business. His main areas of expertise include mergers and acquisitions, public and private equity raisings, business restructurings and strategic advice. Alan holds a Bachelor of Commerce from the University of Melbourne, is a Fellow of the Institute of Chartered Accountants Australia and New Zealand and a member of the Australian Institute of Company Directors.

Georg Chmiel

Diplom-Informatiker (Masters equivalent in Computer Science), MBA, CPA (USA), FAICD, FICDM

Independent Non-Executive Director

Appointed on 7 October 2016.

Experience and expertise

Georg Chmiel has 3 decades of experience in rapidly growing, disruptive online businesses and has been leading more than 35 acquisitions and been taken over seven times over 32 years of experience in the financial services industry, online media and real estate industry.

Previously he was Managing Director and CEO of iProperty Group (ASX:IPP), the owner of Asia's leading network of property portal sites and related real estate services before its takeover by REA Group, which was Southeast Asia's largest ever internet buyout at that time. Georg was also Managing Director and CEO of LJ Hooker Group, with 700 real estate offices across ten countries providing residential and commercial real estate as well as financial services, and Group Chief Financial Officer and Acting Chief Executive Officer of REA Group (ASX:REA). Georg also worked for KPMG, Deutsche Bank and McKinsey & Company.

Georg is the 2023 recipient of the Master Entrepreneur Award (APEA), the 2022 Excellence Award for Digital Transformation of the Malaysia Australia Business Council, the 2022 ASEAN Distinguished Business Leader Lifetime Achievement Award, the 2022 ASEAN Business Excellence Award, the 2021 Impact Lifetime Achievement Award for Property Excellence, the 2020 C-Suite Leadership Excellence Award and others.

Georg is a CPA (USA), Member of the American Institute of Certified Public Accountants, Fellow of the Australian Institute of Company Directors (AICD) and the Institute of Corporate Directors Malaysia (ICDM), Board Member of the World Digital Chamber, Executive Council Member of the Economic Club Kuala Lumpur (ECKL) and others. Georg holds a Master of Business Administration (MBA) of INSEAD and a Computer Science degree of Technische Universität München (TUM).

Other Current Directorships

Non-Executive Director and Chair of Bionomics Limited (ASX:BNO) and Non-Executive Director and Chair of Audit and Risk Committee of Thorney Technologies Limited (ASX:TEK)

Former Directorships

Non-Executive Director of Simavita Limited (ASX:SVA)

Non-Executive Director and Chair of IDT Australia Limited (ASX:IDT)

Special responsibilities

Chair of the Board and member of the Nomination, Remuneration and Governance Committee

Interests in shares and options

Nil

Other Current Directorships

Non-Executive Director of BUTN Limited (ASX:BTN)

Non-Executive Chairman of Spacetalk Limited, (ASX:SPA)

Former Directorships

Non-Executive Director of Mitula Group Limited (ASX: MUA)

Executive Chair of iCarAsia Limited (ASX:ICQ)

Non-Executive Director of PropTech Group Limited (ASX:PTG)

Special responsibilities

Chairman of the Group Audit, Risk and Compliance Committee

Interests in shares and options

800,000 shares indirectly held

Martin Pretty

Graduate Diploma of Applied Finance, BA, CFA, GAICD

Non-Executive Director

Appointed on 27 June 2014.

Experience and expertise

Martin brings to the Board over 22 years' experience in the finance sector. The majority of this experience was gained within ASX-listed financial services businesses including Hub24 Limited, Bell Financial Group Limited and IWL Limited. Martin has also previously worked as a finance journalist with the Australian Financial Review.

Martin holds a Bachelor of Arts (Honours) from the University of Melbourne, and a graduate Diploma of Applied Finance from FINSIA. Martin is a CFA Charterholder and a graduate of the Australian Institute of Company Directors.

Other Current Directorships

Non-Executive Director and Chairman of Scout Security Limited (ASX:SCT) and Non-Executive Director and Chair of the Audit and Risk Committee of Spacetalk Limited (ASX:SPA)

Special responsibilities

Chairman of the Nomination, Remuneration and Governance Committee

Interests in shares and options

105,000 shares indirectly held

Alexander Beard

BCom, FCA, MAICD

Non-Executive Director

Appointed on 1 January 2020.

Experience and expertise

Alexander has a long and distinguished career as a director of numerous public companies over the past 26 years. He is former chief executive of ASX-listed CVC Limited, where he oversaw annual shareholder returns in excess of 15% per annum for over 15 years.

Alexander is a professional investor, Fellow of the Institute of Chartered Accountants Australia and New Zealand and a member of the Australian Institute of Company Directors.

Other Current Directorships

Executive Chairman of Hancock and Gore Limited (ASX: HNG).

Non-Executive Chairman of Anagenics Limited (ASX:AN1) and FOS Capital Limited (ASX:FOS)

Special Responsibilities

Member of the Group Audit, Risk and Compliance Committee

Interests in shares and options

555,000 shares directly held

7,257,426 shares indirectly held

Simon Swanson

BEc, BBus, FCPA, CIP FANZIIF

Non-Executive Director

Appointed on 1 November 2021.

Experience and expertise

Simon Swanson is an internationally experienced financial services executive having worked for over 36 years across life insurance, funds management, general insurance and health insurance. He successfully led the largest life insurer (CommInsure, Sovereign and Colonial) in three countries and spent half his career in the Asia Pacific region. Simon was previously a director of the Australian Literacy and Numeracy Foundation and former Chairman of ANZIIF's Life, Health and Retirement Income Faculty Advisory Board. Simon was effectively the founder of ClearView in its current form and was appointed as Managing Director of ClearView Wealth Limited on 26 March 2010. Simon holds a Bachelor of Economics and Bachelor of Business and is a Fellow of CPA.

Other Current Directorships

Managing Director of ClearView Wealth Limited (ASX:CVW)

Interests in shares and options

Nil

Company Secretary

Kim Clark

Certificate III in Financial Services, Graduate Certificate in Commerce, Certificate of Banking

Company Secretary

Appointed on 23 September 2020.

Experience and expertise

Kim is the Head of Corporate Services for Boardroom Pty Limited's Queensland office and currently acts as Company Secretary for various ASX listed and unlisted companies in Australia. Kim is an experienced business professional with 23 years' experience in banking and finance and six years as in-house Company Secretary of an ASX 300 company prior to joining Boardroom in April 2013.

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		Nomination, Remuneration and Governance Committee		Group Audit, Risk and Compliance Committee	
	Held	Attended	Held	Attended	Held	Attended
A. D. Fisher	9	9	3	3	N/A	N/A
M. P. Pretty	9	9	3	3	N/A	N/A
G. Chmiel	9	9	N/A	N/A	3	3
A.D.H. Beard	9	9	N/A	N/A	3	3
S.D. Swanson	9	9	N/A	N/A	N/A	N/A

Principal Activities

Centrepoint Alliance Limited and its controlled entities operate in the financial services industry within Australia and provide a range of financial advice and licensee support services (including licensing, systems, compliance, training and technical advice) and investment solutions to financial advisers, accountants and their clients across Australia, as well as mortgage aggregation services to mortgage brokers.

Operating and Financial Review

Operating Review

The Group has continued to perform strongly post integration with ClearView Advice and is now operating as a fully integrated business with standard systems, uniform pricing, and an efficient operating model.

The licensee business is now ranked number three in the market by advisers operating under the Group's Licenses and has achieved another strong year of performance relative to competitors. Retention of advisers has been strong against a backdrop of further declines in the market driven by the Financial Adviser Standards and Ethics exam deadline in the first half of 2023. The Group finished the year with 511 authorised representatives operating under the Group's licenses and 196 self-licensed practices supported by an estimated 797 advisers.

Strong adviser retention rates have been underpinned by a focus on service. All adviser service requests are tracked using Salesforce.com and the business has continued to reduce lead times for service delivery with average turnaround times improving by 20% over the year. Adviser satisfaction is measured using quarterly Net Promotor Score (NPS), which has seen improvements quarter-on-quarter with total NPS increasing from +13 in August 2022 to +33 in March 2023.

The management of risk and compliance remains a key priority for the Group with the embedment and strengthening of risk monitoring and controls. Cyber risk has been a key priority with the introduction of mandatory measures for advisers including external IT assessments, multifactor authentication and cyber training. An independent assessment of IT infrastructure, systems and security has been completed to identify and mitigate potential risks.

The focus on a strong culture of compliance, an in-house professional standards team, who pre-vet advisers and undertake proactive audits, combined with a network of professional advisers, has resulted in a 60% reduction in client claims paid against advisers over the last 12 months.

The Group's strategy to expand its lending business is progressing well following the successful launch of Lending as a Service (LaaS) in October 2022. At 30 June 2023, 30 firms are participating in LaaS, and there is a strong pipeline of additional firms looking to join. The service has been embraced by advisers seeking to assist clients with their lending needs in the current economic landscape.

The restructure of the Investment Solutions business has progressed, establishing the essential infrastructure and governance to scale the business. The Ventura Board has transitioned to a non-executive director majority board, and robust governance frameworks and controls have been established, enabling the launch of a range of managed accounts and other investment solutions. In line with this strategy, in July 2022 the Ventura Funds were divested and a range of managed accounts launched on one of our partner platforms, CFS First Choice, to provide greater efficiencies for advisers and their clients. The focus for 2024 is to distribute managed accounts across a range of our partner platforms.

Technology remains a key priority and differentiator for the Group. Over the 12 months, Xplan, the key adviser software solution used by advisers throughout the network, has been enhanced with additional features and functionality. This has also enabled the improvement of support times and accelerated deployment of enhancements.

The Group remains focused on both organic and inorganic growth opportunities. To evaluate potential merger and acquisition opportunities under consideration by the Board, the Group engaged the services of mid-market specialist adviser Allier Capital.

Financial Performance and Position

For the financial year ended 30 June 2023, the Group reported a net profit after tax of $6.3m compared to a net profit after tax of $6.5m for the financial year ended 30 June 2022. This is a combination of a gross profit increase of $3.6m and expense decrease of $0.5m.

	30 June 2023 $'000	30 June 2022 $'000
Gross profit from contracts with customers	31,960	30,301
Gross profit	34,754	31,164
Expenses	(28,140)	(28,594)
Profit before tax	6,614	2,570
Income tax (expense)/benefit	(275)	3,922
Net profit after tax	**6,339**	**6,492**

Gross profit from customer contracts increased by $1.7m from the prior year. This is primarily due to the increase in authorised representative fee revenue generated from acquiring ClearView Advice on 1 November 2021 and increased partner program sponsorship revenue. The acquisition generated $10.0m in revenue for the financial year ($6.8m at 30 June 2022), which has been partially offset by reduced investment margin revenue as a result of the cessation of platform margin of $1.7m derived in the 2022 financial year, and the sale of the Ventura Funds business to Russell Investment Management Limited for $1.7m resulting in a $0.3m cessation of revenue.

Expenses decreased by $0.5m, principally driven by employee expense reductions. This was due to a reduction in the accounting cost for share-based payment expense of $1.1m offset by an increase in wages and salaries of $0.3m due to the full year impact of the ClearView Advice acquisition.

The Group recognised an income tax expense of $0.3m (30 June 2022: benefit of $3.9m). The movement in the current year is a result of the decrease in deferred tax asset from tax losses of $2.9m and other movements in deferred tax balances due to temporary differences of $1.3m. The Group continues to assess future taxable income, allowing tax losses to be recognised.

The Group held net assets at 30 June 2023 of $31.2m (30 June 2022: $28.3m) and net tangible assets of $10.1m (30 June 2022: $6.6m) representing net tangible assets per share of 5.13 cents (30 June 2022: 3.71 cents).

The Group's net assets increased by $2.9m during the year primarily due to the $6.3m net profit after tax, and $0.4m share-based payment expense offset by $3.9m in dividends paid. The dividends paid include a fully franked ordinary dividend totalling $2.0m paid on 29 September 2022 pertaining to the FY22 results, an interim fully franked ordinary dividend of $1.0m and fully franked special dividend of $1.0m paid in March 2023 pertaining to the 1H23 results and the sale of Ventura Funds Management to Russell Investment Management Limited.

The Group held $15.6m in cash and cash equivalents as at 30 June 2023. Cash receipts during the year consisted primarily of $4.3m in net cash from operations ($6.6m in receipts from operations less $2.3m in other working capital movements), $1.5m from sale of the Ventura Funds business to Russell Investment Management Limited, and $0.5m interest received and loan proceeds. Cash payments during the year included $3.9m in dividends paid to shareholders, $0.6m payment in intangible assets and property, plant and equipment, $0.6m payment in lease liabilities and finance costs, $0.2m in claims paid and $0.1m for final settlement post-completion to ClearView Advice.

Adviser loans acquired as part of the ClearView Advice acquisition have been repaid with remaining outstanding loans due from financial advisers at 30 June 2023 of $0.1m (30 June 2022: $0.4m).

Dividends

On 8 August 2022, the Directors of Centrepoint Alliance Limited declared a fully franked ordinary dividend of 1.0 cent per share in respect of the results for the year ended 30 June 2022. Total dividend paid was $1,958,818.89 with 15 September 2022 as the record date and 29 September 2022 as the payment date.

On 22 February 2023, the Directors of Centrepoint Alliance Limited declared an interim fully franked ordinary dividend totalling 0.5 cents per share in respect of the results for the half-year ended 31 December 2022 and a fully franked special dividend of 0.5 cents per share in respect of the sale of Ventura Funds business to Russell Investment Management Limited. The total dividend paid was $1,968,818.89, with 3 March 2023 as the record date and 17 March 2023 as the payment date.

On 22 August 2023, the Directors of Centrepoint Alliance Limited declared a fully franked ordinary dividend of 2.0 cents per share in respect of the results for the year ended 30 June 2023. Total dividend declared was $3,957,637.78 with 15 September 2023 as the record date and 29 September 2023 as the payment date.

Shares and Performance Rights

A total of 18,697,881 performance rights exist as at 30 June 2023. Total performance rights comprise of:

- 3,000,000 performance rights from FY20 Long-Term Incentive (LTI) offer issued in previous financial years. (Note: a total of 4,000,000 FY20 performance rights met vesting conditions during the year with 1,000,000 rights being exercised and converted to shares on 22 February 2023).
- 8,000,000 performance rights from FY22 LTI offer issued to CEO on 2 November 2021.
- 3,000,000 performance rights from FY22 LTI offer issued to CFO on 24 December 2021.
- 4,697,881 performance rights from FY23 LTI offer issued on 16 December 2022.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Group during the year and up to the date of this report.

Events Subsequent to the Balance Sheet Date

On 9 August 2023, 1,000,000 FY20 performance rights were exercised and converted to ordinary shares.

The Group has received indicative approval from the National Australia Bank (NAB) for a debt facility of $10m to fund acquisitions. The Board has approved the term sheet proposed and management are in the process of working with NAB to establish this facility. Details of the term sheet and purpose of the funding will be announced once the facility is established.

Other than the above and the dividend declaration in Note 8, there are no other matters or events which have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Likely Developments

Likely developments in the operations of the Group 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 Note 22. The Directors are not aware of any other significant material likely developments requiring disclosure.

Environmental Regulation

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

Corporate Governance Statement and Practices

The Group's Corporate Governance Statement for the financial year ended 30 June 2023 was approved by the Board on 22 August 2023. The Corporate Governance Statement is available on the Group's website: www.centrepointalliance.com.au/investor-centre/corporate-governance/.

Indemnification and Insurance of Directors and Officers

During the financial year, the Group paid a premium for a policy insuring all Directors of the Company, the Company Secretary and all Executive Officers against any liability incurred by such director, secretary or executive officer to the extent permitted by the *Corporations Act 2001* (the Act).

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under the terms of the contract.

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 auditor

To the extent permitted by law, the Company has agreed to indemnify its auditor – BDO Audit Pty Ltd, 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 BDO Audit Pty Ltd during or since the end of the financial year.

Rounding

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

Remuneration Report

The Remuneration Report for the year ended 30 June 2023 outlines the remuneration arrangements of the Key Management Personnel of the Group in accordance with the requirements of 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 and Governance Committee (NRGC)
- Employment contracts
- Details of remuneration
- Shareholdings of Key Management Personnel
- Option holdings of Key Management Personnel
- Other transactions with Key Management Personnel and their related parties.

For the purposes of the 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:

A. D. Fisher	Chair and Director (non-executive)
M. P. Pretty	Director (non-executive)
G. J. Chmiel	Director (non-executive)
A. D. H. Beard	Director (non-executive)
B. M. Glass	Chief Financial Officer
J. G. Shuttleworth	Chief Executive Officer
S.D. Swanson	Director (non-executive)

There were no further 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 to provide 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 competition 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, internal relativities where appropriate, and external advice on policies and practices.

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

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

The remuneration of Non-Executive Directors of the Company consists only of Directors' fees.

Group Performance

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

	2023	2022	2021	2020	2019
GROUP					
Net profit/(loss) after tax – ($'000)	6,339	6,492	1,847	(2,000)	(1,576)
EPS (basic) – (cents per share)	3.23	3.63	1.28	(1.35)	(1.06)
EPS (diluted) – (cents per share)	2.92	3.35	1.18	(1.35)	(1.06)
Share price ($)	0.23	0.29	0.22	0.09	0.10
Dividends paid – (cents per share)	2.00	2.50	4.00	–	–

Nomination, Remuneration and 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 Act in terms of appointment and termination. The Company applies the Australian Securities Exchange (ASX) listing rules that specify 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 2023, which was approved by a resolution of shareholders at the Annual General Meeting on 29 November 2016, is $550,000.

The remuneration of the Non-Executive Directors does not currently incorporate a performance-based component. Within the limits approved by Company shareholders, individual remuneration levels are set by reference to market levels.

Executive Directors (of which there are none) and executives are employed under contracts or agreed employment arrangements that specify remuneration amounts and conditions.

The Board has introduced an incentive system for Executives and senior employees based on issuing performance rights in the Company.

The Company's Securities Trading Policy prohibits 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 KMPs, where they exist, are shown in the succeeding sections.

Employment Contracts

Details of the terms of employment of the named KMP Executives are set out below. Those Executives that do not meet the KMP definition are not included here.

John Shuttleworth

Chief Executive Officer

Employment commencement date:

4 August 2021

Term:

No term specified

Discretionary incentives:

Short-term incentive

Eligible from the date of appointment to participate in the Company's short-term incentive plan, the terms of which are at the absolute discretion of the Board.

Eligible to receive a short-term incentive of up to 50% of base salary in respect of each financial year in which Mr Shuttleworth is employed by the Company.

Long-term incentive

As approved in the 2021 Annual General Meeting, the CEO was issued with 8,000,000 performance rights on 2 November 2021 under the Company's approved Long-Term Incentive Plan (LTIP).

On 16 December 2022, the Board approved the CEO issuance of 865,385 performance rights under the Company's approved Long-Term Incentive Plan (LTIP).

Required notice by Executive and Company:

Six months.

Termination entitlement:

Statutory entitlements and so much of the total fixed remuneration as is due and owing on the date of termination. Also, any short-term incentive or long-term incentive not vested may be paid or granted at the discretion of the Board.

Brendon Glass

Chief Financial Officer

Employment commencement date:

4 June 2020

Term:

No term specified

Discretionary 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

On 11 November 2021, the Board approved the CFO issuance of 3,000,000 performance rights (in three tranches) issued on 24 December 2021 under the Company's approved Long-Term Incentive Plan (LTIP).

On 16 December 2022, the Board approved the CFO issuance of 625,000 performance rights under the Company's approved Long-Term Incentive Plan (LTIP).

Required notice by Executive and Company:

Six months.

Details of remuneration

Details of the nature and amount of each element of the remuneration of each KMP of the Group are shown in the table below:

			Short-term benefits		Post-employment	Long-term benefits		Share-based payments					
	Year	No. of days remuneration	Salary & Fees $	Cash Bonus $	Superannuation $	Cash incentives $	Long service leave $	Performance rights[2] $	Shares $	Termination /Resignation payments $	Total $	Performance related %	Share related %
A. D. Fisher	2023	365	122,172	-	12,828	-	-	-	-	-	135,000	-	-
	2022	365	123,288	-	12,329	-	-	-	-	-	135,617	-	-
M. P. Pretty	2023	365	93,333	-	-	-	-	-	-	-	93,333	-	-
	2022	365	85,000	-	-	-	-	-	-	-	85,000	-	-
G. J. Chmiel	2023	365	85,000	-	-	-	-	-	-	-	85,000	-	-
	2022	365	77,626	-	7,763	-	-	-	-	-	85,389	-	-
A.D.H. Beard	2023	365	76,923	-	8,077	-	-	-	-	-	85,000	-	-
	2022	365	77,626	-	7,763	-	-	-	-	-	85,389	-	-
B. M. Glass	2023	365	325,000	132,000	25,292	-	-	78,545	-	-	560,837	23.54%	14.01%
	2022	365	321,384	200,000	23,568	-	-	293,595	-	-	838,547	23.85%	35.01%
J.G. Shuttleworth[1]	2023	365	450,000	100,000	25,292	-	-	275,527	-	-	850,819	11.75%	32.38%
	2022	331	409,615	-	23,568	-	-	1,074,600	-	-	1,507,783	-	71.27%
S.D. Swanson	2023	365	60,000	-	-	-	-	-	-	-	60,000	-	-
	2022	242	40,000	-	-	-	-	-	-	-	40,000	-	-
Total	**2023**		**1,212,428**	**232,000**	**71,489**	**-**	**-**	**354,072**	**-**	**-**	**1,869,990**	**-**	**-**
Total	**2022**		**1,134,539**	**200,000**	**74,991**	**-**	**-**	**1,368,195**	**-**	**-**	**2,777,725**	**-**	**-**

[1] Appointed in FY22

[2] Accounting expense in accordance with AASB 2, not yet vested

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

Name	Year	Grant date	Fair value at grant date $	Vesting Date	Target share price hurdle $	Expiry date	Vested in year No.	Lapsed in year No.	Forfeited in year No.
J. G. Shuttleworth	2022	2-Nov-2021	$0.2275 for 2,000,000 shares on 30 November 2022 $0.2028 for 2,000,000 shares on 30 November 2022 $0.1780 for 2,000,000 shares on 30 September 2023 $0.1432 for 2,000,000 shares on 30 September 2024	Tranche 1 – Up to 4,000,000 on 30 November 2022 Tranche 2 – Up to 6,000,000 on 30 September 2023 Tranche 3 – Up to 8,000,000 on 30 September 2024	Share price equalling or exceeding: $0.30 for 2,000,000 shares $0.35 for 2,000,000 shares $0.42 for 2,000,000 shares $0.55 for 2,000,000 shares	Three years from the date of vesting noting that vesting may roll into subsequent years.	-	-	-
	2023	16-Dec-2022	$0.10	1-Nov-2025	50% to vest if threshold absolute TSR CAGR[1] ≥ TDSP[2]: - 10% per year[3] during performance period[4]; or - 33% over entire performance period[4] 100% to vest if threshold absolute TSR CAGR[1] ≥ TDSP[2]: - 15% per year[3] during performance period[4]; or - 52% over entire performance period[4]	Three months from the date of vesting.	-	-	-

[1] Threshold Total Shareholder Return Compounded Annual Growth Rate (TSR CAGR) measured with the use of the Test Date Share Price Start of $0.27 (90-day volume weighted average price of Centrepoint shares on the ASX prior to and including 31 October 2022)
[2] Test Date Share Price (TDSP) determined each period using the 90-day volume weighted average price of Centrepoint shares traded on the ASX period prior to and including 31 October annually
[3] 31 October annually within the performance period
[4] 31 October 2022 to 31 October 2025 (inclusive)

Name	Year	Grant date	Fair value at grant date $	Vesting Date	Target share price hurdle $	Expiry date	Vested in year No.	Lapsed in year No.	Forfeited in year No.
B. M. Glass	2022	24-Dec-2021	$0.1668 for 900,000 shares on 30 September 2022 $0.1495 for 600,000 shares on 30 September 2022 $0.1495 for 100,000 shares on 30 September 2023 $0.1188 for 650,000 shares on 30 September 2023 $0.1188 for 50,000 shares on 30 September 2024 $0.0802 for 700,000 shares on 30 September 2024	Tranche 1 – Up to 1,5000,000 on 30-September-2022 Tranche 2 – Up to 2,250,000 on 30 September 2023 Tranche 3 – Up to 3,000,000 on 30 September 2024	Share price equalling or exceeding: $0.30 for 900,000 shares $0.35 for 700,000 shares $0.42 for 700,000 shares $0.55 for 700,000 shares	Three years from the date of vesting noting that vesting may roll into subsequent years.	-	-	-
	2023	16-Dec-2022	$0.10	1-Nov-2025	50% to vest if threshold absolute TSR CAGR[1] ≥ TDSP[2]: - 10% per year[3] during performance period[4]; or - 33% over entire performance period[4] 100% to vest if threshold absolute TSR CAGR[1] ≥ TDSP[2]: - 15% per year[3] during performance period[4]; or - 52% over entire performance period[4]	Three months from the date of vesting.	-	-	-

[1] Threshold Total Shareholder Return Compounded Annual Growth Rate measured with the use of the Test Date Share Price Start of $0.27 (90-day volume weighted average price of Centrepoint shares on the ASX prior to and including 31 October 2022)
[2] Test Date Share Price determined each period using the 90-day volume weighted average price of Centrepoint shares traded on the ASX period prior to and including 31 October annually
[3] 31 October annually within the performance period
[4] 31 October 2022 to 31 October 2025 (inclusive)

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

Name	Balance at the start of the year No.	Granted during the year[1] No.	Value ($)	Exercised during the year No.	Value ($)	Lapsed during the year No.	Value ($)	Forfeited during the year No.	Value ($)	Balance at the end of the year No.	Vested No.	Unvested No.
Performance rights												
J. G. Shuttleworth	8,000,000	865,385	86,539	-	-	-	-	-	-	8,865,385	-	-
B. M. Glass	3,000,000	625,000	62,500	-	-	-	-	-	-	3,625,000	-	-

[1] Subject to vesting conditions detailed in Performance rights, shares and options awarded, vested, lapsed and forfeited table

The following assumptions were used for the valuation of the FY23 Performance Rights with a grant date of 16 December 2022**:**

- The share price of $0.225 was the closing price of the Group's shares as at the valuation date.
- Performance Rights vest on the vesting date, there is no exercise period therefore the life of the Performance Rights is from the grant date to the vesting date.
- The risk-free interest rate is 3.13%. This is the yield on zero-coupon Australian Government bonds issued in Australian Dollars with a remaining term equal to the expected life of Performance Rights being valued. The yield is converted into a continuously compounded rate in the valuation model.
- The dividend yield on the Group's shares is assumed to be 6.67% for the purposes of this valuation. The yield is converted into a continuously compounded rate in the valuation model.
- The expected volatility of 57% was determined based on historic share price volatility of the Group, implied volatility of publicly traded options over the Group's shares and the tendency of volatility to revert to its mean. The Group's volatility on annualised historical daily volatility over the 3-year period to the valuation date was considered.

Shareholdings of Key Management Personnel

Shares held in Centrepoint Alliance Limited (number)

	Balance 1 July 2022	Granted as remuneration	On exercise of options	Net change of other[1]	Balance 30 June 2023
	Ordinary	Ordinary	Ordinary	Ordinary	Ordinary
A.D. Fisher	-	-	-	-	-
M.P. Pretty	105,000	-	-	-	105,000
G.J. Chmiel	800,000	-	-	-	800,000
A.D.H. Beard	7,737,426	-	-	75,000	7,812,426
B.M. Glass	-	-	-	-	-
J. G. Shuttleworth[2]	90,000	-	-	120,000	210,000
S.D. Swanson	-	-	-	-	-

Objective	**Short-term incentives** 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 employees to strive to achieve stretch performance objectives. **Long-term incentives** The objective of LTIs is to reward executives and certain senior managers in a manner that aligns remuneration with the creation of shareholder wealth. As such, LTI grants are only made to executives and certain senior managers, 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 hurdles.
Structure	**Short-term incentives** In August 2017, the Directors approved a new executive STI scheme based on earnings before interest, tax, depreciation and amortisation (EBITDA) and the achievement of underlying organisational and team goals. The target EBITDA is approved by the Board for each financial year. STI payable to executives is up to 50% of Total Fixed Remuneration. On an annual basis, after consideration of performance against key performance indicators (KPIs), the NRGC will review results and determine individual amounts approved for payment. For other employees there is an STI scheme where a bonus pool based on results, and approved by the Board, is weighted by a two-tiered approach with weightings assigned to each level, being Centrepoint Group results and individual KPIs. **Long-term incentives** LTI awards to qualified employees are made under the LTI plans and are delivered in the form of shares or rights. 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.

[1] 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 dealings at arm's length. Shares include indirect interests.

[2] Appointed last financial year

Awards	*Centrepoint Alliance Employee Share Plan (CESP) 2022* The Board approved the grant of 4,000,000 performance rights on 20 February 2020 to senior executives of the Group under the CESP at $0.0579 per performance right. These are legally held by the CESPT and not converted into fully paid ordinary CAF shares until satisfaction of the vesting conditions which were determined on 1 December 2022 based on the following: If the absolute Total Shareholder Return (TSR) for 30 June 2022 financial year is: • Target share price hurdle of 18.0 cents, 50% of the performance rights will vest; • Stretch share price hurdle of 20.0 cents, 100% of the performance rights will vest. The Volume Weighted Average Price (VWAP) at the start of the performance period (29 November 2019), was $0.13 for the awards granted on 31 January 2020. On 1 December 2022, these performance rights met vesting conditions. The exercise of these rights remains at the discretion of the rights holders until the expiry date of 1 December 2025. On 22 February 2023, 1,000,000 performance rights were exercised and converted to shares. *CESP23* On 1 November 2021, the Board of Directors approved 8,000,000 performance rights to be issued to the CEO, and on 11 November 2021 the Board of Directors approved 3,000,000 performance rights to be issued to the CFO under the CESP. The fair value of the performance rights issued was calculated as at the date of grant using the Monte Carlo Model. This model took into account the terms and conditions upon which the performance rights were granted and market-based inputs as at the grant date. *CESP24* On 1 December 2022, the Board of Directors approved 4,697,881 performance rights to be issued to senior leaders under the CESP. The fair value of the performance rights issued were calculated as at the date of grant using the Monte Carlo Model. This model took into account the terms and conditions upon which the performance rights were granted and market-based inputs as at the grant date. *CEO Transitional Terms (short-term and long-term incentives)* The CEO will be eligible for discretionary annual incentive plans, the terms of which are at the absolute discretion of the Board. Refer to page 13 Employment Contracts for further details.

Option holdings of Key Management Personnel

No options to purchase shares were held by KMP.

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. There are no transactions by Directors in the current or prior financial year other than the ones disclosed above.

Auditor Independence and Non-Audit Services

The auditor – BDO Audit Pty Ltd, has provided a written independence declaration to the Directors in relation to its audit of the financial report for the year ended 30 June 2023. The Independence Declaration, which forms part of this report is on page 21.

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Act. The nature and scope of non-audit services provided means that auditor independence was not compromised.

	2023 $'000	2022 $'000
Fees for the audit or review of the statutory financial report and assurance services that are required by legislation to be provided by the auditor	405	446
Fees for other services (predominantly taxation)	29	69
	434	**515**

Signed in accordance with a resolution of the Directors.

A. D. Fisher

Chair
22 August 2023

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Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF CENTREPOINT ALLIANCE LIMITED

As lead auditor of Centrepoint Alliance Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Centrepoint Alliance Limited and the entities it controlled during the period.

Tim Aman
Director

BDO Audit Pty Ltd

Sydney

22 August 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2023 $'000	2022 $'000
Revenue			
Revenue from contracts with customers	4(a)	271,053	227,665
Contractual payments to advisers	4(a)	(239,093)	(197,364)
Gross profit from contracts with customers		31,960	30,301
Interest income	4(b)	400	53
Other income	4(c)	2,394	810
Gross Profit	4(d)	**34,754**	**31,164**
Expenses			
Employee-related expenses	4(e)	(17,640)	(18,470)
Professional services		(1,390)	(1,681)
Depreciation and amortisation		(2,091)	(1,837)
Subscriptions and licenses		(1,846)	(1,744)
IT and communication expenses		(879)	(1,066)
Low value and variable costs related to property and equipment	14(a)	(311)	(370)
Marketing and promotion		(475)	(257)
Travel and accommodation		(287)	(76)
Expected credit loss reversal/(expense)		22	96
Finance costs	4(f)	(136)	(120)
Client claims		(15)	(4)
Property costs	14(a)	(105)	(44)
Other general and administrative expenses		(2,987)	(3,021)
		(28,140)	**(28,594)**
Profit before tax		**6,614**	**2,570**
Income tax expense/(benefit)	5(a)	275	(3,922)
Net profit for the year		**6,339**	**6,492**
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR		**6,339**	**6,492**
Net profit attributable to:			
Owners of the parent		6,339	6,492
Non-controlling interests		-	-
Net profit for the year		**6,339**	**6,492**
Total comprehensive profit attributable to:			
Owners of the parent		6,339	6,492
Non-controlling interests		-	-
Total comprehensive profit for the year		**6,339**	**6,492**
Earnings per share for profit attributable to the ordinary equity holders of the parent		**Cents**	**Cents**
Basic profit cents per share	9	3.23	3.63
Diluted profit cents per share	9	2.92	3.35

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

Consolidated Statement of Financial Position

	Note	2023 $'000	2022* $'000
ASSETS			
Current			
Cash and cash equivalents	7.1.1	15,608	14,742
Trade and other receivables	7.1.2	6,205	5,088
Loan receivables	7.1.3	17	293
Contract assets	7.1.4	370	87
Other assets		1,168	1,211
Total current assets		**23,368**	**21,421**
Non-current			
Loan receivables	7.1.3	79	115
Investments	7.1.5	116	116
Property, plant and equipment	13	238	483
Right-of-use assets	14(b)	775	2,501
Intangible assets and goodwill	15	17,535	17,842
Deferred tax assets	5(c)	6,002	6,558
Other assets		-	280
Total non-current assets		**24,745**	**27,895**
TOTAL ASSETS		**48,113**	**49,316**
LIABILITIES			
Current			
Trade and other payables	7.1.6	9,357	10,158
Lease liabilities	7.1.7	488	507
Provisions	16	3,939	5,146
Deferred tax liabilities	5(c)	-	280
Total current liabilities		**13,784**	**16,091**
Non-current			
Lease liabilities	7.1.7	315	2,013
Provisions	16	417	468
Deferred tax liabilities	5(c)	2,426	2,426
Total non-current liabilities		**3,158**	**4,907**
TOTAL LIABILITIES		**16,942**	**20,998**
NET ASSETS		**31,171**	**28,318**
EQUITY			
Contributed equity	10(a)	47,652	47,594
Reserves	11	2,007	3,551
Accumulated losses		(18,606)	(22,945)
Equity attributable to shareholders		**31,053**	**28,200**
Non-controlling interests		118	118
TOTAL EQUITY		**31,171**	**28,318**

The Consolidated Statement of Financial Position is to be read in conjunction with the attached Notes.

*Refer to Note 12.2 for detailed information on Restatement of comparatives

Consolidated Statement of Cash Flows

	Note	2023 $'000	2022 $'000
Cash Flows from Operating Activities			
Cash receipts from customers		270,717	228,478
Cash paid to suppliers and employees		(266,391)	(220,835)
Cash provided by operations		4,326	7,643
Claims and litigation settlements	16(a)	(197)	(547)
Net cash flows provided by operating activities	6(a)	**4,129**	**7,096**
Cash Flows from Investing Activities			
Interest received/(paid)		293	(25)
Proceeds from sale of investment management rights	4(c)	1,500	-
Proceeds from interest-bearing loan		-	1,103
Proceeds from convertible loan		160	200
Payments for intangible assets	15.1.1	(526)	-
Payments for property, plant and equipment	13	(53)	(368)
Payment for acquisition of subsidiaries, net of cash acquired	12.1	(115)	68
Dividends received from investments		5	101
Net cash flows provided by investing activities		**1,264**	**1,079**
Cash Flows from Financing Activities			
Repayment of lease liabilities		(570)	(613)
Finance costs	4(f)	(29)	(48)
Dividends paid	8(a)	(3,928)	(3,902)
Net cash flows used in financing activities		**(4,527)**	**(4,563)**
Net increase in cash and cash equivalents		**866**	**3,612**
Cash and cash equivalents at the beginning of the year		14,742	11,130
Cash and cash equivalents at the end of the year	7.1.1	**15,608**	**14,742**

The Consolidated Statement of Cash Flows is to be read in conjunction with the attached Notes.

Consolidated Statement of Changes in Equity

	Notes	Ordinary shares $'000	Dividend reserve $'000	Other reserves $'000	Accumulated losses $'000	Total $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2022		**47,594**	**1,986**	**1,565**	**(22,945)**	**28,200**	**118**	**28,318**
Profit for the year		-	-	-	6,339	6,339	-	6,339
Total comprehensive income for the year		**-**	**-**	**-**	**6,339**	**6,339**	**-**	**6,339**
Transfer of vested performance rights to share capital	10(a) & 11(a)	58	-	(58)	-	-	-	-
Share-based payment	11(a) & 21(b)	-	-	442	-	442	-	442
Dividends paid	11(b)	-	(3,928)	-	-	(3,928)	-	(3,928)
Distribution of profits from dividend reserve	11(b)	-	2,000	-	(2,000)	-	-	-
Balance at 30 June 2023		**47,652**	**58**	**1,949**	**(18,606)**	**31,053**	**118**	**31,171**
Balance at 1 July 2021		**34,301**	**5,888**	**339**	**(29,459)**	**11,069**	**118**	**11,187**
Profit for the year		-	-	-	6,492	6,492	-	6,492
Total comprehensive income for the year		**-**	**-**	**-**	**6,492**	**6,492**	**-**	**6,492**
Transfer of non-vested performance rights from reserves to retained earnings	11(a)	-	-	(22)	22	-	-	-
Transfer of vested performance rights to share capital	10(a) & 11(a)	312	-	(312)	-	-	-	-
Share-based payment	11(a) & 21(b)	-	-	1,560	-	1,560	-	1,560
Issue of shares	10(a) & 12.1	12,981	-	-	-	12,981	-	12,981
Dividends paid	11(b)	-	(3,902)	-	-	(3,902)	-	(3,902)
Balance at 30 June 2022		**47,594**	**1,986**	**1,565**	**(22,945)**	**28,200**	**118**	**28,318**

The consolidated Statement of Changes in Equity is to be read in conjunction with the attached Notes.

Notes to the Consolidated Financial Statements

1. Corporate information

The consolidated financial statements of Centrepoint Alliance Limited (the Company or the Parent Entity) and its subsidiaries (the Group) for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the Directors on 22 August 2023.

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 disclosures is provided in Note 20.

2. Summary of significant accounting policies

Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Act, Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). The financial report has also been prepared on a historical cost basis, except for certain financial assets that have been measured at fair value. Where necessary, comparative information has been updated to be consistent with the current reporting year.

For the purposes of preparing the consolidated financial statements, the Group is a for-profit entity. The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

AASB 101 *Presentation of Financial Statements* requires management to assess the entity's ability to continue as a going concern. In making the assessment, the standard requires that all available information about the future 12 months from the reporting year or date of issue of financial statements (whichever is later), needs to be taken into consideration. Any material uncertainties that cast significant doubt on the capability to continue as a going concern such as scope of the impact on future costs and revenues, need to be disclosed in the financial statements.

Sufficient cash reserves are projected over the next 14 months. Apart from the outflows relating to general operational spend and potential future dividends to shareholders, inflows are projected to increase, factoring in organic and inorganic business growth.

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 and revised Standards

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting year. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Standards and interpretations issued but not yet effective

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group for the annual reporting year ended 30 June 2023.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at and for the year ended 30 June 2023.

Subsidiaries are entities that are controlled by the Company. The financial results and financial position of the subsidiaries are included in the consolidated financial statements from the date control commences until the date control ceases. A list of the Company's controlled entities (subsidiaries) is included in Note 20.

Business combinations

The Group applies the acquisition method in accounting for business combinations in accordance with AASB 3 *Business Combinations*. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with AASB 112 *Income Taxes* and AASB 119 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 *Share-based Payments* at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

With the exception of deferred tax assets and liabilities related to employee benefits, the Group recognised the assets acquired and the liabilities assumed of ClearView Advice at fair value on acquisition date of 1 November 2021. The Group has recorded goodwill on acquisition as the consideration transferred is in excess of the net identifiable assets acquired. The Group does not have any previously held equity interest in ClearView Advice nor has it acquired any assets held for sale.

Deferred tax liability is recognised on intangible assets, except goodwill, arising on a business combination based on the difference of the carrying value of the asset on initial recognition in the consolidated accounts and the tax base. As the intangible asset is amortised or impaired, the temporary difference will decrease. The reduction in the deferred tax liability is recognised in profit or loss as a deferred tax credit.

Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against assets and liabilities. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date. During the year, a business combination has been completed resulting in a retrospective adjustment to the 30 June 2022 receivable and payable balances. Refer to Note 12.2.

Significant accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation and uncertainty at the end of the financial year, 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.

The Directors and management have assessed the impacts in the current reporting period of the volatility from current economic events including labour shortages, commodity prices, rising interest rates and general inflation. The Group does not have inflation-linked financial instruments such as external borrowings, and therefore this did not have any financial impact on finance costs. Further, inflation from increased costs has been largely recovered from the advisers, and thereby has not affected gross profits. The Group has considered the changes in inflation in its calculation of employee long-service provisions and impairment tests of non-current assets and have determined minimal impact on employee provisions and that none of the non-current assets are impaired.

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

- Intangible assets and goodwill – Note 15
- Provision for client claims – Note 16
- Recognition of deferred tax assets – Note 5
- Adviser service fees – Note 17

Change in estimate

Lease classification is made at the inception date and is reassessed only if there is a lease modification. During the year, the estimated lease term has changed due to management's assessment of whether they are reasonably certain of exercising a renewal option for one of its leased spaces, reducing the years from five to three years. As a result, the lease liability was remeasured using a revised discount rate. The relevant carrying amount of the right-of-use asset has similarly been adjusted as a result of the remeasurement of the lease liability. The net impact in the reduction of these amounts has been recognised in the profit or loss, totalling $54k. Refer to Note 14 *Leases*.

Foreign currency

Both the functional and presentation currency of the Group is Australian dollars ($).

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 Profit or Loss and Other Comprehensive Income as exchange gains or losses in the year when the exchange rates changed.

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.

3. Segment information

Key accounting policies

Operating Segments

Under AASB 8 *Operating Segments*, the Group determines and presents operating segments based on the nature of the products and services provided and the markets in which it operates. The senior executives of the Group are the chief operating decision makers.

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

The operating segments identified are below:

Business segment	Operations
Licensee and advice services	This segment represents the business that provides Australian Financial Services Licensee services to financial advisers and their clients, and mortgage broking services.
Fund management and administration	This segment provides investor directed portfolio services and investment management services to financial advisers, accountants and their clients.
Consulting services	This segment represents the business that provides consulting to both self-licensed advisers and licensees.

The corporate and unallocated balances represent corporate finance, company secretarial and other administration functions of the Group that are not considered an operating segment.

The Group operated only in Australia during the financial year. 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.

Year ended 30 June 2023	Licensee & Advice Services $'000	Funds Management & Administration $'000	Consulting Services $'000	Corporate & Unallocated $'000	Total $'000
Segment revenue					
Revenue from contracts with customers					
Authorised representative fees	19,692	-	-	-	**19,692**
Advice revenue	242,917	4	-	6	**242,927**
Product revenue	1,571	2,859	-	-	**4,430**
Virtual services	2,598	-	-	-	**2,598**
Licensing and managed services	1,184	-	-	(100)	**1,084**
Consulting services	-	-	322	-	**322**
Contractual payments to advisers					
Advice revenue paid to advisers	(238,372)	-	-	-	**(238,372)**
Fees paid to advisers/fund managers	-	(610)	(111)	-	**(721)**
Gross profit from contracts with customers	**29,590**	**2,253**	**211**	**(94)**	**31,960**
Interest income	315	63	-	22	**400**
Other income	459	1,715	-	220	**2,394**
Total segment gross profit	**30,364**	**4,031**	**211**	**148**	**34,754**
Other material expenses					
Interest charges and interest on lease liabilities	(49)	(15)	(6)	(66)	**(136)**
Client claims	(15)	-	-	-	**(15)**
Depreciation and amortisation	(789)	-	(168)	(1,134)	**(2,091)**
Expected credit reversal/(loss) expenses	26	-	(4)	-	**22**
Inter-segment expenses[1]	(14,788)	(433)	(193)	15,414	**-**
Total other material expenses	**(15,616)**	**(448)**	**(371)**	**14,214**	**(2,221)**
Segment profit/(loss) before tax	**10,608**	**3,314**	**(75)**	**(7,233)**	**6,614**
Income tax expense/(benefit)	(219)	-	(43)	537	**275**
Segment profit/(loss) after tax	**10,827**	**3,314**	**(32)**	**(7,770)**	**6,339**
Total comprehensive income/(loss) for the year	**10,827**	**3,314**	**(32)**	**(7,770)**	**6,339**
Statement of Financial Position at 30 June 2023					
Total assets	37,823	29,195	1,736	(20,641)	**48,113**
Total liabilities	(10,938)	(203)	(234)	(5,567)	**(16,942)**
Net assets	**26,885**	**28,992**	**1,502**	**(26,208)**	**31,171**

[1] Inter-segment expenses represent employee-related costs and other expenses paid centrally, which are allocated to the segments in which they are incurred.

Year ended 30 June 2022	Licensee & Advice Services $'000	Funds Management & Administration $'000	Consulting Services $'000	Corporate & Unallocated $'000	Total $'000
Segment revenue					
Revenue from contracts with customers					
Authorised representative fees	15,742	-	-	-	**15,742**
Advice revenue	198,316	-	-	-	**198,316**
Product revenue	768	8,107	-	325	**9,200**
Virtual services	2,840	-	99	-	**2,939**
Licensing and managed services	1,337	-	-	(271)	**1,066**
Consulting services	-	-	412	(10)	**402**
Contractual payments to advisers					
Advice revenue paid to advisers	(193,876)	-	-	-	**(193,876)**
Fees paid to advisers/fund managers	-	(3,403)	(85)	-	**(3,488)**
Gross profit from contracts with customers	**25,127**	**4,704**	**426**	**44**	**30,301**
Interest income	10	29	-	14	**53**
Other income	218	-	-	592	**810**
Total segment gross profit	**25,355**	**4,733**	**426**	**650**	**31,164**
Other material expenses					
Interest charges and interest on lease liabilities	(27)	-	(4)	(89)	**(120)**
Client claims	(4)	-	-	-	**(4)**
Depreciation and amortisation	(491)	-	(217)	(1,129)	**(1,837)**
Expected credit reversal/(loss) expenses	85	6	5	-	**96**
Inter-segment expenses[1]	(14,976)	(1,147)	-	16,123	**-**
Total other material expenses	**(15,413)**	**(1,141)**	**(216)**	**14,905**	**(1,865)**
Segment profit/(loss) before tax	**6,219**	**3,087**	**10**	**(6,746)**	**2,570**
Income tax (benefit)	129	-	(85)	(3,966)	**(3,922)**
Segment profit/(loss) after tax	**6,090**	**3,087**	**95**	**(2,780)**	**6,492**
Total comprehensive income/(loss) for the year	**6,090**	**3,087**	**95**	**(2,780)**	**6,492**
Statement of Financial Position at 30 June 2022[2]					
Total assets	34,824	25,726	1,841	(13,075)	**49,316**
Total liabilities	(12,451)	(48)	(305)	(8,194)	**(20,998)**
Net assets	**22,373**	**25,678**	**1,536**	**(21,269)**	**28,318**

[1] Inter-segment expenses represent employee-related costs and other expenses paid centrally, which are allocated to the segments in which they are incurred.

[2] During the current financial year, the Group restated certain prior period asset and liability balances as a result of finalisation of the ClearView completion accounts at 31 October 2022. The restatement is shown in the Licensee & Advice Services business segment. The correction has no effect on net assets or retained earnings. Refer 12.2.

4. Revenue and expenses

a. Revenue from contracts with customers (AASB 15 *Revenue from contracts with customers*)

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised. The Group recognises the different types of revenue as follows:

Authorised representative fees: On a monthly basis, the financial advisers are billed for Australian Financial Service License (AFSL) licensing fees in line with the contract between the Group and the adviser. The Group's obligation under these contracts is to provide support to advisers and access to one of the Group's AFSLs to enable them to sell financial advice. The fees charged to the adviser are based on a fixed fee structure outlined in the contract with the adviser. Revenue is recognised on a monthly basis as services are provided to the advisers.

During the year, an additional $1.3m in new adviser contracts (with rebate arrangements offered), resulted in the recognition of $0.4m in revenue ($0.5m since commencement of the rebate arrangement). Accordingly, a corresponding contract asset has been recognised in the Statement of Financial Position and disclosed in Note 7.1.4.

Advice revenue: Advice revenue can be in the form of a commission received from the product provider, or advice fees deducted from a financial product or received directly by the client. The Group receives the full amount of advice revenue from either the product provider or the client and then pays this in full to the adviser unless there is a specific arrangement with the adviser to retain a proportion of commission to satisfy their authorised representative fee or other debts to the Group. Based on the agreement between the Group and the advisers, the advisers act as an authorised representative of the Group, and the Group has ultimate responsibility with the end customers. The Group is therefore considered the principal in these arrangements. Where the advisers are employed by the Group, advice revenue earned is retained within the Group.

Product revenue: The Group earns revenue through the provision of fund management and portfolio administration services to its clients. Under these arrangements fees charged are calculated on a fixed percentage of Funds Under Management and Administration (FUMA) as stated in the contract with the client. Revenue is recognised as the service is provided. Also included in product revenue is partner program revenue, received from the Group's partners for their participation in the Group's education programs including masterclasses, webinars and an annual conference.

Virtual services: The Group provides a menu of third-party services to its adviser network. Those services with the greatest take-up are paraplanning and outsourced administration support. Other services include investment research and software. The Group sources third party providers and continually assesses the performance of providers to ensure quality standards are maintained. The Group derives margin from some services by negotiating competitive wholesale fees and sharing these benefits with advisers in its network. Revenue is recognised on a monthly basis as services are provided to the advisers.

Licensing and managed services: On a monthly basis, the Group charges fixed fees for admission to the customised platform (license fees) and technological support provided to the client (managed services). Revenue is recognised on a monthly basis as services are provided.

Consulting services: The Group earns revenue from the provision of XPLAN consulting, XPLAN tailoring and configuration and a comprehensive suite of advice delivery services, to meet specific business needs. Enzumo leverages the knowledge of solution specialists to design, develop and deploy customisations to XPLAN sites. Revenue is recognised on an over time basis when the performance obligations are met.

b. Interest income

Per AASB 9 *Financial Instruments*, interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

c. Other revenue

Other revenue represents other sundry income received by the Group. For the current financial year, $1.5m was received for the first tranche of the sale of investment management rights in relation to five Ventura funds, which were transferred to Russell Investment Management Limited following the satisfaction of condition precedents (including Unitholder approval). A further $0.2m variable consideration was recognised as income on the sale of the investment management rights based on the most likely amount of the total transaction price of the sale as of 30 June 2023. The proceeds of the final tranche of the sale were received in July 2023.

d. Gross profit

Other income represents other sundry income received by the Group.

		2023 $'000	2022 $'000
Revenue			
Revenue from contracts with customers	4(a)		
Authorised representative fees		19,692	15,742
Advice revenue		242,927	198,316
Product revenue		4,430	9,200
Virtual services		2,598	2,939
Licensing and managed services		1,084	1,066
Consulting services		322	402
Total revenue from contracts with customers		271,053	227,665
Contractual payments to advisers			
Advice revenue paid to advisers		(238,372)	(193,876)
Fees paid to advisers/fund managers		(721)	(3,488)
Total contractual payments to advisers		(239,093)	(197,364)
Gross profit from contracts with customers		**31,960**	**30,301**
Interest income	4(b)	**400**	**53**
Other income			
Cost recoveries from advisers		308	192
Income from sale of investment management rights		1,715	-
Other		371	618
Total other income	4(c)	**2,394**	**810**
Gross profit		**34,754**	**31,164**

e. Employee-related expenses

Employee-related expenses represent employee costs payable by the Group.

	2023 $'000	2022 $'000
Employee-related expenses		
Wages and salaries	16,996	16,173
Employee transaction costs[1]	112	525
Share-based compensation expense	442	1,560
Termination costs	90	212
Total employee-related expenses	**17,640**	**18,470**

[1] Employee transactions costs are in relation to the ClearView Advice acquisition.

f. Finance costs

The table below summarises the finance costs for the Group:

	2023 $'000	2022 $'000
Finance costs		
Bank charges	74	42
Interest on lease liabilities	29	48
Interest on premium funding agreements	33	30
Total finance costs	**136**	**120**

5. Income tax

a. Income tax (benefit)

The major components of income tax (benefit) for the years ended 30 June 2023 and 30 June 2022 are:

	2023 $'000	2022 $'000
Current income tax charge		
Utilisation and recognition of tax losses	1,871	1,183
Adjustments in respect of current tax of prior period	(331)	224
Deferred income tax charges		
Movements in deferred tax balances	(1,264)	(5,083)
Acquisitions	-	(246)
Total Income tax expense/(benefit)	**275**	**(3,922)**

b. Reconciliation between aggregate tax (benefit) recognised in the income statement and tax expense calculated per the statutory income tax rate

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

	2023 $'000	2022 $'000
Profit before tax	**6,614**	**2,570**
At the Company's statutory income tax rate of 30% (2022: 30%)	1,984	771
Non-deductible expenses	402	664
Non-assessable income	(516)	(28)
Utilisation of tax losses	-	(1,183)
Other movements in deferred tax assets/liabilities	(1,264)	(4,146)
Adjustment in respect of current tax of prior period	(331)	-
Aggregate income tax expense/(benefit)	**275**	**(3,922)**

c. Recognised deferred tax assets and liabilities

Deferred income tax relates to the following:

	Statement of Financial Position	
	2023 $'000	**2022 $'000**
Deferred tax liabilities		
Prepayments	(30)	(28)
Intangibles	(2,426)	(2,706)
Gross deferred tax liabilities	**(2,456)**	**(2,734)**
Deferred tax assets		
Provisions for claims	291	398
Provisions for doubtful debts	545	524
Provision for impairment of loan receivables	741	389
Lease liabilities	27	60
General accruals and other costs	64	95
Employee benefits	980	1,220
Recognition from prior year losses	4,924	3,900
Utilised tax losses previously recognised	(1,540)	-
Gross deferred tax assets	**6,032**	6,586
Net deferred tax asset offset	**6,002**	**6,558**
Deferred tax liability not offset	**(2,426)**	**(2,706)**

Following a significant improvement in trading conditions and Group profits over the last three years and in combination with expectations on Group profits for the foreseeable future, the Group's previously unrecognised tax losses were reviewed. The Group determined that it is now probable that taxable profits will be available against which historic tax losses can be utilised. As a consequence, an additional deferred tax asset of $1.0m was recognised for these losses at 30 June 2023 bringing total deferred tax assets to $6.0m (30 June 2022: $6.6m).

The Group has deferred tax liabilities of $2.4m as at 30 June 2023 (30 June 2022: $2.7m). The recognised deferred tax liabilities on intangible assets arose from the Group's acquisitions. These are not offset against the deferred tax asset as there is no legally enforceable right to offset this with the other deferred tax balances.

d. Unrecognised tax losses

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

	2023 $'000	**2022 $'000**
Revenue losses[1]	28,100	31,512
Capital losses[1]	37,192	37,407
Total unrecognised losses	**65,292**	**68,919**

[1] Prior year losses have been updated to reflect 30 June 2022 statutory tax filings.

The unrecognised revenue losses relate to transferred in losses, which are subject to fractioning under Australian taxation legislation, effectively prescribing the rate at which such acquired tax losses may be offset against the Group's taxable income. Given that the available fraction of the transferred losses is based on the relative market value of the Group, the determination of the available fraction is subject to some uncertainty. This will continue to be assessed in future reporting periods for potential utilisation.

The above losses are available indefinitely for offset against future taxable income and capital gains subject to meeting relevant statutory tests. Unrecognised tax losses decreased by $3.4m (30 June 2022: decrease of $18.1m) due to the additional recognition of $3.4m (2022: $13.0m) in transferred in tax losses as mentioned in Note 5(c).

e. Tax consolidation

Tax effect accounting by members of the tax consolidated group

a. Measurement method adopted under AASB interpretation 1052 *Tax Consolidation Accounting*

The parent 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 Group 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 Group level. The current and deferred tax amounts are measured with 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

Centrepoint Alliance Limited and its wholly owned Australian controlled entities formed a consolidated tax group which commenced in 1 July 2007 under the Tax Act (1997).

The parent 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 Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

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 parent 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.

Key accounting policies

Taxation

a. Income tax

The income tax expense for the year 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 or Loss and Other Comprehensive Income.

b. Current tax

Current tax assets and liabilities for the year 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.

c. 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.

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; or
- 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 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.

The deferred tax balance will be written down if there are changes in circumstances and forecasts are not met.

Deferred tax liabilities from business combinations are recognised from the temporary difference equal to the carrying value of the asset on initial recognition in the consolidated accounts. As the intangible asset and the related deferred tax arise on a business combination, the goodwill value is increased in accordance with AASB 12 *Disclosure of Interests in other Entities*.

As the intangible asset is amortised, the temporary difference will decrease. The reduction in the deferred tax liability is recognised in profit or loss. The recognition of this deferred tax credit to profit or loss reduces the impact of the amortisation of the intangible asset on profits for the year.

d. 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.

6. Notes to Statement of Cash Flows

a. Reconciliation of net profit after tax to net cash provided by operating activities

	2023 $'000	2022 $'000
Net profit after income tax	6,339	6,492
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation	2,091	1,837
Expected credit loss reversal	(22)	(96)
Loss on disposal of non-current assets	53	14
Interest (received)/paid	(293)	25
Finance costs	29	48
Share-based compensation expense	442	1,560
Dividend received from investments	(5)	(101)
Proceeds from convertible loan	(160)	(200)
Proceeds from sale of investment management rights	(1,500)	-
Lease modification	(54)	-
Working capital adjustments:		
(Increase)/decrease in assets:		
Trade and other receivables	(775)	1,184
Contract assets	(317)	(87)
Other assets	323	(353)
Deferred tax assets	275	(3,677)
(Decrease)/increase in liabilities:		
Trade and other payables	(1,154)	235
Provisions for employee benefits	(649)	618
Provision for client claims	(494)	(272)
Provision for property make good	-	(131)
Net cash from operating activities	**4,129**	**7,096**

7. Financial assets, liabilities and related financial risk management

7.1 Categories of financial instruments

			2023 $'000	2022 $'000
Financial assets	**Note**	**Classification**		
Cash and cash equivalents	7.1.1	Amortised Cost	15,608	14,742
Trade and other receivables	7.1.2	Amortised Cost	6,205	5,088
Loans	7.1.3	Amortised Cost	96	408
Contract asset	7.1.4	Amortised Cost	370	87
Investments in unlisted shares	7.1.5	FVTOCI – equity (designated)	116	116
Total financial assets			**22,395**	**20,441**
Financial liabilities				
Trade and other payables	7.1.6	Amortised Cost	9,357	10,158
Lease liabilities	7.1.7	Amortised Cost	803	2,520
Total financial liabilities			**10,160**	**12,678**

* Refer to Note 12.2 for detailed information on Restatement of comparatives

Key accounting policies

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities other than financial assets and financial liabilities at fair value through profit or loss (FVTPL) are added to, or deducted from, the fair value on recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

If the transaction price differs from fair value at initial recognition, the Group will account for such difference as follows:

- If fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets, then the difference is recognised in profit or loss on initial recognition (that is, day one profit or loss); and
- In all other cases, the fair value will be adjusted to bring it in line with the transaction price (that is, day one profit or loss will be deferred by including it in the initial carrying amount of the asset or liability).

After initial recognition, the deferred gain or loss will be released to profit or loss on a rational basis, only to the extent that it arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

Financial assets

Financial assets are recognised on the trade date when the purchase is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of AASB 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI), are subsequently measured at amortised cost;
- Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at fair value through other comprehensive income (FVTOCI); and

- All other debt instruments (for example, debt instruments managed on a fair value basis or held for sale) and equity investments are subsequently measured at FVTPL.

However, the Group may make the following irrevocable election/designation at initial recognition of a financial asset on an asset-by-asset basis:

- The Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which AASB 3 *Business Combinations* applies, in Other Comprehensive Income (OCI); and
- The Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group, or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities. The Group does not have any financial liabilities which are classified at FVTPL.

Other financial liabilities, including trade and other payables, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

7.1.1 Cash and cash equivalents

	2023 $'000	2022 $'000
Cash and cash equivalents	15,608	14,742
Total cash and cash equivalents	**15,608**	**14,742**

7.1.2 Trade and other receivables

	2023 $'000	2022 $'000
Commissions receivable	4,781	3,879
Trade receivables	1,424	1,209
Total trade and other receivables	**6,205**	**5,088**

* Refer to Note 12.2 for detailed information on Restatement of comparatives and Note 7.2.3.1 for ageing analysis.

The Group applies the general approach for assessing impairment, which requires the recognition of lifetime expected credit losses. Under this approach, the Group considers forward-looking assumptions and information regarding expected future conditions affecting historical customer default rates. The trade receivables were grouped into various customer segments with similar loss patterns.

Trade receivables generally have 30-90 day terms and no interest is charged on outstanding debts. The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. A loss allowance for trade receivables is raised using a provision matrix to analyse past default activity and a review of each debtor's current financial position adjusted for factors that are specific to the debtor, and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group has recognised a loss allowance of 100% against all receivables over 90 days past due with the exception of legal agreements for recoverability.

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

7.1.3 Loans

	2023 $'000	2022 $'000
Current		
Loan receivables – financial advisers	17	293
Total current loans	**17**	**293**
Non-current		
Loan receivables – financial advisers	883	901
Expected credit losses	(804)	(786)
Total non-current loans	**79**	**115**
Total loans	**96**	**408**

Loans due from financial advisers have terms ranging from one to five 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.

Expected Credit Losses

	2023 $'000	2022 $'000
Allowance for expected credit losses		
Opening balance	786	805
Movement in the allowance for expected credit losses	18	(19)
Closing balance	**804**	**786**
Expected credit loss expense		
Expected credit loss expense/(reversal)	18	(19)
Bad debts reversed	(40)	(77)
Total expected credit loss reversal	**(22)**	**(96)**

For details of expected credit losses against loans see Note 7.2.3.1.

7.1.4 Contract assets

	2023 $'000	2022 $'000
Contract assets	385	87
Expected credit losses	(15)	-
Total contract assets	**370**	**87**

Contract assets are recognised for revenue earned from expected benefits that advisers are able to provide to the Group over the term of the adviser contract.

Contract assets are subject to expected credit loss impairment assessment based on the expected term of the adviser contract.

7.1.5 Investments in unlisted shares

FVTOCI comprise equity securities that are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments, and the Group considers this classification to be more relevant.

	2023 $'000	2022 $'000
Investments	116	116
Total investments	**116**	**116**

In September 2016, $0.1m was invested in Ginger Group, which increased the Group's equity interest from 37.5% to 50%. Ginger Group has a 37.5% shareholding in Kepa Financial Services Limited (Kepa). The Group has assessed that it does not have control over the investment. During the 2021 financial year, the Board of Ginger Group approved the liquidation of Kepa. Liquidation occurred on 31 July 2022. Final proceeds and accounting for wind up is in progress with no material appropriation expected to the Group from the liquidation process.

7.1.6 Trade and other payables

	2023 $'000	2022 $'000
Amounts payable to financial advisers	6,670	6,300
Trade payables	765	1,636
Other creditors and accrued expenses	1,922	2,222
Total trade and other payables	**9,357**	**10,158**

* Refer to Note 12.2 for detailed information on Restatement of comparatives

7.1.7 Lease liabilities

	2023 $'000	2022 $'000
Current		
Lease liabilities	488	507
Non-Current		
Lease liabilities	315	2,013
Total lease liabilities	**803**	**2,520**

7.2 Financial risk management

7.2.1 Risk exposures and responses

The Group's principal financial instruments comprise cash and cash equivalents, trade receivables and payables, loans, contract assets, investments in unlisted shares and lease liabilities.

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 the different types of risks to which it is exposed. These include monitoring levels of exposure to interest rates, and assessments of market forecasts for interest rates. Ageing analyses and monitoring of expected credit loss 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 (GARCC) under the authority of the Board. The Board reviews and agrees policies for managing each of the risks identified below.

7.2.2 Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, loans, trade and other receivables and contract assets. The Group's exposure to credit risk arises from potential default of the counterparty, 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 loans and trade receivables at the reporting date is limited to Australia.

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 (credit rating: [AA-]) and Westpac Banking Corporation (credit rating: [AA-]).

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 kept to a minimum.

7.2.3 Sources of credit risk

Key sources of credit risk for the Group predominantly emanate from its business activities including loans and trade and other receivables. The Group monitors and manages credit risk by class of financial instrument. The table below outlines such classes of financial instruments identified, their relevant financial statement line item, maximum exposure to credit risk at the reporting date and expected credit loss (ECL) recognised:

			Maximum exposure to credit risk $'000	**Expected credit loss $'000**
Class of financial instrument	**Note**	**Financial statement line**		
Cash and cash equivalents	7.1.1	Cash and cash equivalents	15,608	-
Trade and other receivables	7.1.2	Trade and other receivables	8,021	1,816
Loans	7.1.3	Loans	900	804
Contract assets	7.1.4	Contract assets	385	15
Total			**24,914**	**2,635**

Key accounting policies

Impairment of financial assets

The Group recognises loss allowances for expected credit losses on loans and trade and other receivables that are not measured at FVTPL.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, that is, lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as stage 1); or
- Full lifetime ECL, that is, lifetime ECL that results from all possible default events over the life of the financial instrument (referred to as stage 2 and stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

For trade receivables, the Group has applied the general approach in AASB 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current economic conditions and estimates of future economic conditions. Accordingly, the credit risk profile of these assets is presented based on their past due status in terms of the provision matrix.

Definition of default

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in corporate lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis.

Write off

Loans, receivables and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. A write off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

Key estimates and judgements

Significant increase in credit risk

ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. AASB 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased, the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Models and assumptions used

The Group uses models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

The Group measures ECL considering the risk of default over the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period. The risk of default is assessed by considering historical data as well as forward-looking information through a macroeconomic overlay and management judgement.

The Group's risk function constantly monitors the ongoing appropriateness of the ECL model and related criteria, where any proposed amendments will be reviewed and approved by the Group's management committees.

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its assessment of significant increase of credit risk as well as in its measurement of ECL. The Group uses this information to generate a 'base case' scenario of future forecast of relevant economic variables along with a representative range of other possible forecast scenarios.

The Group applies probabilities to the forecast scenarios identified. The base case scenario is the single most likely outcome and consists of information used by the Group for strategic planning and budgeting.

The Group has identified and documented key drivers of credit risk and credit losses for each loan historical data and has estimated relationships between macroeconomic variables, credit risk and credit losses.

The principal macroeconomic indicators included in the economic scenarios used at 1 July 2022 and 30 June 2023 are GDP, GDP index, GDP index change and unemployment. Management have derived that GDP has economic correlations to inflation and unemployment, which generally have a corresponding impact on loan performance.

The base case scenario is derived from forecasted changes to GDP, CPI and unemployment rates, using management's judgement. Adjustments to these forecasts are made to develop a further two scenarios for less likely but plausible economic expectations. A weighting is applied to each scenario, based on management's judgement as to the probability of each scenario occurring. These economic forecasts are then applied to a statistical model to determine the macroeconomic effects on the expected loss allowance on the lending portfolios.

The incorporation of forward-looking information on the assessment of ECL on other assets required to be assessed for impairment is a qualitative approach. A range of economic outlooks, from an economist, the RBA and OECD, have been considered in making an assessment of whether there are economic forecasts that would indicate a potential impairment on the assets being assessed.

Significant increase in credit risk

The Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the expected loss allowance based on lifetime rather than 12-month ECL.

The Group has used the assumption that 30 days past due represents significant increase in credit risk. The Group considers 90 days past due as representative of a default having occurred and a loan being credit impaired.

The Group has identified the following three stages in which financial instruments have been classified in regard to credit risk;

- Stage 1 – Performing exposure on which loss allowance is recognised as 12-month expected credit loss;
- Stage 2 – Where credit risk has increased significantly and impairment loss is recognised as lifetime expected credit loss; and
- Stage 3 – Assets are credit impaired and impairment loss is recognised as lifetime expected credit loss. Interest is accrued on a net basis, on the amortised cost of the loans after the ECL is deducted.

The table below shows analysis of each class of financial asset subject to impairment requirements by stage at the reporting date:

Class of financial instrument	2023							
	Maximum exposure to credit risk				Expected credit loss			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Cash and cash equivalents	15,608	-	-	**15,608**	-	-	-	**-**
Trade and other receivables[1]	-	8,021	-	**8,021**	-	1,816	-	**1,816**
Loans	-	-	900	**900**	-	-	804	**804**
Contract assets	-	385	-	**385**	-	15	-	**15**
Total	**15,608**	**8,406**	**900**	**24,914**	**-**	**1,831**	**804**	**2,635**

[1] There are no trade receivables at Stage 1 because the Group's accounting policy is to apply the general approach to measure lifetime credit losses on trade receivables.

Class of financial instrument	2022							
	Maximum exposure to credit risk				Expected credit loss			
	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000	Stage 1 $'000	Stage 2 $'000	Stage 3 $'000	Total $'000
Cash and cash equivalents	14,742	-	-	**14,742**	-	-	-	**-**
Trade and other receivables	-	6,834	-	**6,834**	-	1,746	-	**1,746**
Loans	-	-	1,194	**1,194**	-	-	786	**786**
Contract assets	-	87	-	**87**	-	-	-	**-**
Total	**14,742**	**6,921**	**1,194**	**22,857**	**-**	**1,746**	**786**	**2,532**

* Refer to Note 12.2 for detailed information on Restatement of comparatives

Summary of movements in expected credit loss by financial instrument

The following table summarises the movement in expected credit loss by financial instruments for the financial year:

	2023			
	Loans $'000	Trade and other receivables $'000	Contract Assets $’000	Total $'000
Expected credit loss				
Loss allowance as at 1 July 2022	786	1,746	-	2,532
Loss allowance recognised during the year	18	70	15	103
Loss allowance at 30 June 2023	**804**	**1,816**	**15**	**2,635**

	2022			
	Loans $'000	Trade and other receivables $'000	Contract Assets $’000	Total $'000
Expected credit loss				
Loss allowance as at 1 July 2021	805	2,506	-	3,311
Loss allowance recognised/(reversed) during the year	(19)	(760)[1]	-	(779)
Loss allowance at 30 June 2022	**786**	**1,746**	**-**	**2,532**

Credit risk concentrations are diversified across a large number of advisers and are geographically based within Australia. They are mainly derived from the financial services industry and the main business segments providing support to financial advisers.

The majority (80%) of expected credit loss arising from trade and other receivables is due to historical legacy adviser contributions from departed advisers

[1] $0.7m included in Other income

Equity instruments classified at FVTOCI

The maximum exposure to credit risk of the equity instrument designated at FVTOCI is their carrying amount.

7.2.3.1 Analysis of financial instrument by days past due status

Ageing Analysis

2023	Total	Not Due	0-30 Days	31-60 Days	61-90 Days PDN	61-90 Days CI	+91 Days PDNI	+91 Days CI
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total receivables and contract assets	6,575	585	5,516	72	70	-	332	-
Loans receivable – advisers	900	-	2	1	1	-	91	804

2022	Total	Not Due	0-30 Days	31-60 Days	61-90 Days PDN	61-90 Days CI	+91 Days PDNI	+91 Days CI
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Total receivables and contract assets	5,175	87	4,922	57	46	-	63	-
Loans receivable - advisers	1,194	-	26	26	25	-	331	786

** Past due not impaired (PDNI) and currently impaired (CI)*

7.2.4 Market risk

7.2.4.1 Interest rate risk

Interest rate risk is the potential for loss of earnings to the Group due to adverse movements in interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations as disclosed below. 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.

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.

The Group's exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the balance date, are as follows:

2023	Weighted average effective interest rate %	Fixed ≤ 6 Months $'000	Fixed > 6 Months $'000	Variable $'000	Non-interest-bearing $'000	Total carrying amount per balance sheet $'000
Financial Assets						
Cash and cash equivalents	1.55	-	-	15,608	-	15,608
Trade and other receivables		-	-	-	6,205	6,205
Loans		10	890	(804)	-	96
Contract assets		-	-	(15)	385	370
Investments in unlisted shares		-	-	-	116	116
Total financial assets		**10**	**890**	**14,789**	**6,706**	**22,395**
Financial Liabilities						
Trade and other payables		-	-	-	9,357	9,357
Lease liabilities	3.51	81	722	-	-	803
Total financial liabilities		**81**	**722**	**-**	**9,357**	**10,160**
Net Exposure		**(71)**	**168**	**14,789**	**(2,651)**	**12,235**

2022	Weighted average effective interest rate %	Fixed ≤ 6 Months $'000	Fixed > 6 Months $'000	Variable $'000	Non-interest-bearing $'000	Total carrying amount per balance sheet $'000
Financial Assets						
Cash and cash equivalents	0.08	4,081	-	10,661	-	14,742
Trade and other receivables		-	-	-	5,088	5,088
Loans	1.81	150	1,044	(786)	-	408
Contract assets		-	-	-	87	87
Investments in unlisted shares		-	-	-	116	116
Total financial assets		**4,231**	**1,044**	**9,875**	**5,291**	**20,441**
Financial Liabilities						
Trade and other payables		-	-	-	10,158	10,158
Lease liabilities	3.51	-	2,520	-	-	2,520
Total financial liabilities		**-**	**2,520**	**-**	**10,158**	**12,678**
Net Exposure		**4,231**	**(1,476)**	**9,875**	**(4,867)**	**7,763**

* Refer to Note 12.2 for detailed information on Restatement of comparatives

7.2.4.2 Price risk

The Group has a negligible exposure to commodity and equity securities price risk due to the high proportion of the Group's revenue relating to fee for service revenue in comparison to net advice and investment product revenue, which is impacted by the market price of amount of funds under management or under advice (approximately $296m in funds under management with a negative market movement of 5-20% would reduce the net advice and investment product revenue between $64k and $255k).

7.2.4.3 Liquidity risk

The Group's policy is to match debt with the nature and term of the underlying assets. At reporting date, over 89% (30 June 2022: 88%) of the Group's financial assets mature in less than 12 months. The table below reflects all contractually fixed payoffs 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.

Maturity analysis of financial assets and liabilities are based on management's expectations.

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, for example, 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 include future expected cash flows.

	≤ 6 Months	6-12 Months	1-5 Years	Total
Financial assets	**$'000**	**$'000**	**$'000**	**$'000**
Cash and cash equivalents	15,608	-	-	15,608
Trade and other receivables	4,421	217	1,567	6,205
Loans	10	8	78	96
Contract assets	370	-	-	370
Investments in unlisted shares	-	-	116	116
Total financial assets	**20,409**	**225**	**1,761**	**22,395**
Financial liabilities				
Trade and other payables	9,357	-	-	9,357
Lease liabilities	266	222	315	803
Total financial liabilities	**9,623**	**222**	**315**	**10,160**
Net Maturity	**10,786**	**3**	**1,446**	**12,235**

2022				
	≤ 6 Months	6-12 Months	1-5 Years	Total
Financial assets	$'000	$'000	$'000	$'000
Cash and cash equivalents	14,742	-	-	14,742
Trade and other receivables	3,365	99	1,624	5,088
Loans	150	142	116	408
Contract assets	87	-	-	87
Investments in unlisted shares	-	-	116	116
Total financial assets	**18,344**	**241**	**1,856**	**20,441**
Financial liabilities				
Trade and other payables	10,158	-	-	10,158
Lease liabilities	-	507	2,013	2,520
Total financial liabilities	**10,158**	**507**	**2,013**	**12,678**
Net Maturity	**8,186**	**(266)**	**(157)**	**7,763**

* Refer to Note 12.2 for detailed information on Restatement of comparatives

7.2.4.4 Foreign currency risk

The Group undertakes seasonal transactions denominated in foreign currencies (USD), and consequently, exposures to exchange rate fluctuations arise. These transactions include the IT subscriptions and consulting fees.

7.3 Fair value measurements

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each financial year.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped by fair value hierarchy level.

7.3.1 Financial instruments measured at fair value on recurring basis

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2023				
Equity instruments designated at FVTOCI				
Unlisted shares	-	-	116	116
Total assets	**-**	**-**	**116**	**116**

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
30 June 2022				
Equity instruments designated at FVTOCI				
Unlisted shares	-	-	116	116
Total assets	**-**	**-**	**116**	**116**

There are no financial liabilities that are measured at fair value.

There have been no transfers between Level 1 and Level 2 categories of financial instruments.

7.3.2 Reconciliation of Level 3 fair value measurements of financial assets

	FVTOCI Unlisted shares $'000
30 June 2023	
Balance at beginning of year	**116**
Total gains or losses:	
in profit or loss	-
Balance at end of year	**116**

	FVTOCI Unlisted shares $'000
30 June 2022	
Balance at beginning of year	**116**
Total gains or losses:	
in profit or loss	-
Balance at end of year	**116**

Fair value measurements

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the relevant Accounting Standard.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly (this is, unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (that is, the market with greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the financial year (that is, the market that maximises the receipts from the sale of the asset, or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use. In measuring fair value, the Group uses valuation techniques that maximise the use of observable inputs and minimise the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are received at each reporting date, and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement. The categories are as follows:

- **Level 1** – measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- **Level 2** – measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** – measurement based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group financial assets and liabilities are measured at fair value that approximates the carrying amount.

7.3.3 Summary of valuation methodologies applied in determining fair value of financial instruments

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priorities to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions), and which reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable. Inputs for which market data is not available and that are developed using the best information available about such assumptions that market participants would use when pricing the asset or liability are considered unobservable.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held in assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the economic entity are consistent with one or more of the following valuation approaches:

- **Market approach** – valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities; and/or
- **Income approach** – valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value; and/or
- **Cost approach** – valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

The investment in unlisted shares is classified within Level 3 and have significant unobservable inputs as they are infrequently traded. The fair value is measured based on the discounted expected cash flow from the investment as this investment is due for liquidation, as described in 7.1.5.

8. Dividends

On 8 August 2022, the Directors of Centrepoint Alliance Limited declared a fully franked ordinary dividend of 1.0 cent per share in respect of the results for the year ended 30 June 2022. Total dividend paid was $1,958,818.89, with 15 September 2022 as the record date and 29 September 2022 as the payment date.

On 22 February 2023, the Directors of Centrepoint Alliance Limited declared an interim fully franked ordinary dividend totalling 0.5 cents per share in respect of the results for the half-year ended 31 December 2022 and a fully franked special dividend of 0.5 cents per share in respect of the sale of the Ventura Funds business to Russell Investment Management Limited. The total dividend paid was $1,968,818.89, with 3 March 2023 as the record date and 17 March 2023 as the payment date.

On 22 August 2023, the Directors of Centrepoint Alliance Limited declared a fully franked ordinary dividend of 2.0 cent per share in respect of the results for the year ended 30 June 2023. Total dividend declared was $3,957,637.78 with 15 September 2023 as the record date and 29 September 2023 as the payment date.

	2023 $'000	2022 $'000
a. Dividends paid or payable		
The following fully franked dividends were provided for or paid during the year:		
Dividends paid on ordinary shares	2,943	2,423
Special dividends paid on ordinary shares	985	1,479
Total dividends	**3,928**	**3,902**

	2023 $'000	2022 $'000
b. Franking credit balance		
Franking account balance as at the end of the financial year	11,664	13,347

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

9. Earnings per share

Key accounting policies

Earnings per share (EPS)

Basic EPS is calculated as net profit attributable to shareholders 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 shareholders 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 year that would result from the dilution of potential dividends by ordinary shares.

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

	2023 $'000	2022 $'000
a. Profit used in calculating profit per share		
Net profit attributable to ordinary equity holders of the Company	6,339	6,492
b. Weighted average number of shares	**No. of shares**	**No. of shares**
Weighted average number of ordinary shares	196,232,574	178,759,981
Effect of dilution:		
Performance rights and LTI shares	21,121,618	14,787,249
Weighted average number of ordinary shares (excluding reserved shares) adjusted for the effect of dilution	**217,354,192**	**193,547,230**
Basic profit cents per share	3.23	3.63
Diluted profit cents per share	2.92	3.35

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.

10. Contributed Equity

Key accounting policies

Ordinary shares are classified as equity and recognised at the fair value of the consideration received by the Group. 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.

		2023 $'000		2022 $'000
a. Paid up capital				
Ordinary shares		47,652		47,594
		47,652		**47,594**
	2023	**2023**	**2022**	**2022**
	Number of shares	**$'000**	**Number of shares**	**$'000**
Ordinary shares (issued and fully paid)				
Balance at start of year	195,881,889	47,594	144,282,969	34,301
Movements during the year:				
Issue of shares	1,000,000	58	51,598,920	13,293
On issue at end of year	**196,881,889**	**47,652**	**195,881,889**	**47,594**
Total contributed equity	**196,881,889**	**47,652**	**195,881,889**	**47,594**

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 resolved to declare an ordinary dividend having referred to the dividend policy and strategic direction of the business.

11. Reserves

	2023 $'000	2022 $'000
Employee equity benefits reserve	1,949	1,565
Dividend reserve	58	1,986
Total reserves	**2,007**	**3,551**

	2023 $'000	2022 $'000
a. Employee equity benefits reserve		
Balance at start of year	1,565	339
Value of share-based payments provided or which vested during the year	442	1,560
Transfer of non-vested performance rights from reserves to retained earnings	-	(22)
Transfer of vested performance rights to share capital	(58)	(312)
Balance at end of year	**1,949**	**1,565**

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.

	2023 $'000	2022 $'000
b. Dividend reserve		
Balance at start of year	1,986	5,888
Dividends paid	(3,928)	(3,902)
Distribution of profits to dividend reserve	2,000	-
Balance at end of year	**58**	**1,986**

12. Acquisition of subsidiaries

On 1 November 2021, the Group paid $3.17m in cash for the net working capital of the ClearView Advice business and $12.98m in escrowed[1] Centrepoint Alliance Limited (CAF) shares to acquire 100% of the ClearView Advice business comprising LaVista, Matrix and CFA, from ClearView Wealth Limited (ASX: CVW). In accordance with the Share Purchase Agreement, 48 million ordinary, fully paid shares in CAF were issued at $0.25 per share. For the purposes of the accounting valuation, the shares were valued at $0.27 per share being the 30-day VWAP prior to the acquisition date of 1 November 2021. A subsequent settlement amount of $115k was paid to ClearView Wealth Limited on 4 November 2022 upon finalisation of the purchase price adjustment.

12.1 Net cash flows arising from acquisition of business and consideration transferred

	$'000
Cash paid in period ended 30 June 2022	3,170
Equity transferred in period ended 30 June 2022	12,981
Cash paid in period ended 30 June 2023	115
Total consideration	**16,266**

Cash acquired amounted to $3.2m resulting in net cash inflow of $68k for the year ended 30 June 2023.

[1] On 1 November 2022, $12.98m of Centrepoint Alliance Limited shares have been released from Voluntary Escrow restriction.

12.2 Assets acquired and liabilities assumed at the date of acquisition

The following table summarises the recognised amount of assets acquired and liabilities assumed at the date of acquisition.

	ClearView Financial Advice Pty Ltd $'000	LaVista Licensee Solutions Pty Ltd $'000	Matrix Planning Solutions Ltd $'000	Group Total $'000
Current Assets				
Cash and cash equivalents	2,682	207	349	3,238
Trade receivables	43	-	199	242
Prepayments	28	-	41	69
Non-Current Assets				
Other assets	537	-	-	537
Current Liabilities				
Trade and other payables	21	-	185	206
Provisions	350	-	-	350
Net identifiable assets acquired	**2,919**	**207**	**404**	**3,530**
Net identifiable intangible asset acquired				8,691
Goodwill arising on acquisition				6,652
Deferred tax liability				(2,607)
Net assets acquired				**16,266**

The net assets recognised in the 30 June 2022 financial statements were based on a provisional assessment of the fair values of the assets and liabilities acquired while the Group finalised the completion accounts review with the acquiree. This had not been completed by the date these financial statements were approved for issue by the Board of Directors.

On 31 October 2022, the completion accounts review was completed and there was a change in the condensed consolidated statement of financial position, for which the below accounts were retrospectively adjusted:

	30 June 2022 $'000	Adjustment $'000	Restated 30 June 2022 $'000
Trade and other receivables	5,113	(25)	5,088
Trade and other payables	(10,045)	(113)	(10,158)
Provisions	(5,284)	138	(5,146)
Net Assets	**28,318**	**-**	**28,318**
Accumulated losses	**(22,945)**	**-**	**(22,945)**

The 30 June 2022 comparative information was restated to reflect the adjustment to the provisional amounts. As a result, there was a $25k decrease in assets and corresponding decrease in liabilities.

The relevant purchase price adjustment of $115k was settled on 4 November 2022. Refer to Table 12.1 **(**Net cash flows arising from acquisition of business and consideration transferred).

The key driver for this settlement amount was the resolution of open claim matters, resulting in a reduction in the claims provision at date of completion.

13. Property, plant and equipment

Key accounting policies

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Plant and equipment are 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 the 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 straight-line basis over the estimated useful lives of the assets as follows:

Asset	Useful Life
Plant and equipment	2-7 years
Leasehold improvements	Lease term

Derecognition: 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 derecognition 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 Profit or Loss and Other 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.

	Leasehold Improvements $'000	Plant and Equipment $'000	Total $'000
Cost			
At 1 July 2021	1,218	2,979	4,197
Additions	172	231	403
Write-offs	-	(106)	(106)
At 30 June 2022	**1,390**	**3,104**	**4,494**
Additions	12	41	53
Write-offs	(1,014)	(2,170)	(3,184)
At 30 June 2023	**388**	**975**	**1,363**
Depreciation and impairment			
At 1 July 2021	1,149	2,753	3,902
Depreciation charge for the year	47	145	192
Disposals and write-offs	-	(83)	(83)
At 30 June 2022	**1,196**	**2,815**	**4,011**
Depreciation charge for the year	90	155	245
Disposals and write-offs	(1,014)	(2,117)	(3,131)
At 30 June 2023	**272**	**853**	**1,125**
Net carrying value			
At 30 June 2023	**116**	**122**	**238**
At 30 June 2022	**194**	**289**	**483**

14. Leases (Group as a lessee)

a. Amounts recognised in Statement of Profit or Loss and Other Comprehensive Income

The Group has elected not to recognise lease liabilities for short-term leases (leases with a term of 12 months or less) and leases of low value assets. Payments made for such leases are expensed on a straight-line basis. The variable payments associated with the Group's building and equipment leases are recognised as an expense as they are incurred.

The table below summarises the amounts recognised in the Statement of Profit or Loss and Other Comprehensive Income for the year:

	2023 $'000	2022 $'000
Depreciation expense on right-of-use assets	597	711
Interest expense on lease liabilities	26	48
Lease term modification adjustment	(54)	-
Expenses relating to short-term leases	105	44
Expenses relating to low value assets	135	179
Expenses relating to variable lease payments not included in the measurement of the lease liabilities	176	191
	985	**1,173**

b. Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, depreciation is calculated over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

The table below summarises the carrying amount of the right-of-use assets for the Group's building and equipment leases:

	Building $'000	Equipment $'000	Total $'000
Cost			
1 July 2022	**3,071**	**36**	**3,107**
Additions	-	33	33
Lease modification	(1,163)	-	(1,163)
Terminations	(374)	(36)	(410)
At 30 June 2023	**1,534**	**33**	**1,567**
Accumulated depreciation			
At 1 July 2022	**570**	**36**	**606**
Depreciation charge for the year	616	9	625
Lease modification	(28)	-	(28)
Terminations	(375)	(36)	(411)
At 30 June 2023	**783**	**9**	**792**
Carrying amount			
At 30 June 2023	**751**	**24**	**775**
At 30 June 2022	**2,501**	**-**	**2,501**

The Group's leases include buildings and equipment, and the average lease term is three years (30 June 2022: three years). Approximately 40% of the leases expired in the current financial year (30 June 2022: 33%). The Group recognised right-of-use assets of $33k (30 June 2022: $2.7m).

c. Maturity analysis of lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the year in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The table below summarises maturity analysis of undiscounted lease liabilities for the Group:

	2023 $'000	2022 $'000
Year 1	512	606
Year 2	318	499
Year 3	2	533
More than 3 years	-	1,162
Total	**832**	**2,800**

15. Intangible assets

Key accounting policies

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 recognised at the date of the acquisition. Goodwill is subsequently measured at cost less any accumulated impairment losses.

Impairment of assets

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that are expected to benefit from the synergies of the business combination.

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit, and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss on goodwill or other identifiable intangibles is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent years.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill or other identifiable intangible is included in the determination of the profit or loss on disposal.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Key judgements

The cash-generating units determined by management are:

- Licensee Services
- Ventura Investment Management Limited (Ventura)
- xseedwealth Pty Ltd (xseedwealth)
- Centrepoint Alliance Lending Services Pty Ltd (Centrepoint Lending Services)
- Investment Diversity Pty Ltd (Investment Diversity)
- Enzumo Corporation & Consulting Pty Ltd

Key estimates

Impairment testing of goodwill was carried out by comparing the net present value of cash flows from the cash-generating unit (CGU) to the carrying value of the CGU. The cash flows were based on projections of future earnings after adjusting for taxation, depreciation and amortisation and working capital changes.

The cash flows have been projected over a period of five years. The terminal value of the Group beyond year five has been determined using a constant growth perpetuity.

The key assumptions used in carrying out the impairment testing were as follows:

- Budgeted operating cash flows for the financial years ending 30 June 2023-2027 represent the Group's estimate of future cash flows based on the forecast approved by the Board of Directors. The business has moved to a fee-based model, which primarily impacts the Licensee Services CGU, and given some uncertainty around this, change sensitivities have been disclosed below.
- Terminal growth rate 1.0% (30 June 2022: 1.0%) represents the terminal growth rate (beyond five years).
- Discount rate used is 13.10% – 16.40% (30 June 2022: 13.10%-16.40%) in the impairment testing for the CGU's as at 30 June 2023.

The goodwill and other identifiable intangibles disclosed in the Statement of Financial Position at 30 June 2023 were supported by the impairment testing and no impairment adjustment was required.

The CGUs where a 'reasonably possible' change in estimates could lead to the carrying amount exceeding the value in use, are Centrepoint Lending Services and Licensee Services. The reasonably possible trigger points at which the carrying value of the CGU would exceed its recoverable amount, while holding all other variables constant, are as follows:

- **Licensee Services** – the primary sensitivity for Licensee Services relates to fee income earned under the new fee structure. Forecast fees would need to decrease by 30% in financial year 2023 and remain flat from financial year 2024 through to 2027. with a 11% increase in the employment cost base from financial year 2023 to 2027, before the carrying amount would exceed recoverable amount. The Group believes this is an unlikely scenario; and
- **Centrepoint Lending Services** – the primary sensitivity for Centrepoint Lending Services is the discount rate used in the calculation of value in use. The discount rate would need to increase to 44% before carrying amount would exceed recoverable amount. The Group believes the risks associated with the cash flows in this CGU are lower than average in the Group and the discount rate used is appropriate.

In determining the recoverable value of non-financial assets, the Group considered the following factors:

- Property, plant and equipment and intangible assets
  - decrease in market interest rates causes a decrease in the asset's value in use;
  - significant changes in the extent or way in which the asset is used or is expected to be used;
  - a decline or termination of the need for the services provided by the asset; and
  - significant changes in the legal aspects or business climate that could affect the worth of the asset.

- Goodwill
  - tested for impairment annually;
  - the testing for write-down or impairment of a substantial asset group;
  - a loss of key personnel that is other than temporary (such as death);
  - a significant decline in the entity's share price, which could result in the carrying amount of the entity's net assets exceeding its market capitalisation; and
  - a significant adverse modification in legal aspects or in the business climate.

The impairment assessment performed by the Group concluded that the underlying future cash flows will not be impacted by any business risk. As a result, no impairment was taken up for the year end.

Intangible asset	Description of the Group's intangible assets	Impairment Test	Key Accounting Policies
Goodwill	Goodwill was created during 2012 on the acquisitions of the externally owned interests in Ventura Investment Management Limited of $93k and in Centrepoint Alliance Lending Pty Ltd (previously Centrepoint Lending Solutions Pty Ltd) of $0.9m. Goodwill was created on the acquisition of Enzumo on 17 June 2020 of $0.5m and from the acquisition of ClearView Advice on 1 November 2021 of $6.7m. The current carrying value of goodwill is $8.1m.	Goodwill is tested annually for impairment by calculation of value in use at the CGU level. Management is of the view that core assumptions such as cost of capital and terminal growth rate are the same across all CGUs. Value in use is calculated using discounted cash flow projections for five years and terminal values prepared from current forecasts using the following assumptions: Terminal growth rate: 1.0% (30 June 2022: 1.0%). Cost of capital: 13.10% (30 June 2022: 13.10%). The testing resulted in no impairment being required.	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. As at acquisition date, any goodwill acquired is allocated to each of the CGUs, which are expected to benefit from the acquisition. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of a CGU 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 CGU retained.
Software	The Group has developed or acquired software, which is being amortised over expected useful lives.	The value of the developed or acquired software of the Group is amortised on a straight-line basis over a 5-year period, which the Directors assess as the intangible asset's useful life. There were no events or changes in circumstances that indicate that the carrying amount of the software may not be recoverable and therefore is not impaired.	As per Accounting Standards, software was capitalised as an asset on the basis that the costs result in a future economic benefit to the entity and they can be measured reliably. Value of software assets recorded by the entity in the financial statements continue to reflect the expected benefits to be obtained from their use. The Group determines the useful life of software assets and amortises the cost over the useful life of the assets. At each reporting date, the entity assesses whether there is any indication that an asset is recorded at greater than its recoverable amount, and if applicable, an impairment loss is recognised.
Client contracts (Customer relationships)	The Group has acquired client contracts as part of the Enzumo and ClearView Advice acquisition at fair value on acquisition date as determined by an independent valuer. The current carrying value of customer relationships is $7.5m (30 June 2022: $8.3m).	The value of the acquired client contracts is amortised on a straight-line basis over the years in which future economic benefits are expected to be derived, being a period of eight years for Enzumo and 11 years for ClearView Advice. There were no events or changes in circumstances that indicate that the carrying amount of the client contracts may not be recoverable, and therefore it is not impaired.	The client contracts are acquired in a business combination as fair value as at the date of acquisition. Following initial recognition, the intangible asset – client contracts, are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible asset	Description of the Group's intangible assets	Impairment Test	Key Accounting Policies
Brands and trademarks	The Group has acquired the Enzumo and ClearView Advice Brand and trademarks as part of the respective acquisitions at fair value on acquisition date as determined by an independent valuer. The current carrying value of trade name is $0.7m (30 June 2022: $0.7m), split between ClearView Advice $0.1m and Enzumo $0.6m.	The value of the acquired Enzumo and ClearView Advice brand is not amortised as it is seen to have an indefinite useful life, which has been impairment tested on an annual basis. To date, the brand and trademark is not considered to be impaired.	The Enzumo and ClearView Advice brand and trademark is acquired in a business combination at fair value as at the date of acquisition. They have an indefinite useful life and following initial recognition, the brand is carried at cost less any impairment losses.

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

Software	5 years
Client contracts	8-11 years

15.1.1 Reconciliation of carrying amounts at the beginning and end of the financial year

	Goodwill $'000	Software $'000	Client Contracts $'000	Brand & Trademarks $'000	Total $'000
Financial year ending 30 June 2023					
At 1 July 2022 net accumulated amortisation and impairment	8,092	658	8,349	743	**17,842**
Additions	-	879	-	-	**879**
Amortisation	-	(328)	(858)	-	**(1,186)**
At 30 June 2023 net accumulated amortisation	**8,092**	**1,209**	**7,491**	**743**	**17,535**
At 30 June 2023					
Cost	8,345	6,174	19,619	743	**34,881**
Accumulated amortisation and impairment	(253)	(4,965)	(12,128)	-	**(17,346)**
Net carrying value	**8,092**	**1,209**	**7,491**	**743**	**17,535**

	Goodwill $'000	Software $'000	Client Contracts $'000	Brand & Trademarks $'000	Total $'000
Financial year ending 30 June 2022					
At 1 July 2021 net accumulated amortisation and impairment	1,095	971	917	101	**3,084**
Additions	6,997	-	8,051	642	**15,690**
Amortisation	-	(313)	(619)	-	**(932)**
At 30 June 2022 net accumulated amortisation	**8,092**	**658**	**8,349**	**743**	**17,842**
At 30 June 2022					
Cost	8,345	5,295	19,618	743	**34,001**
Accumulated amortisation and impairment	(253)	(4,637)	(11,269)	-	**(16,159)**
Net carrying value	**8,092**	**658**	**8,349**	**743**	**17,842**

16. Provisions

	Key accounting policies
Claims and other provisions	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 reporting date. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for claims is recognised when client claims received by advisers are notified to the Group, or the Group expects to incur liabilities in the future as a result of past advice given. The liability is measured at the present value of the future costs that the Group expects to incur to settle the claims.
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 years 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.
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.

	2023 $'000	2022 $'000
Current		
Provision for claims	971	1,465
Provision for employee benefits	2,909	3,656
Property make good	59	25
Total	**3,939**	**5,146**
Non-current		
Provision for employee benefits	397	414
Property make good	20	54
Total provisions	**417**	**468**

	2023 $'000	2022 $'000
a. Movement in provision for claims		
Opening balance	1,465	1,875
Movement in the provision is as follows:		
Claims provision acquired on ClearView Advice acquisition	-	137
Claims provision reclassification	(297)	-
Claims settlements and fees paid	(197)	(547)
Closing balance	**971**	**1,465**

* Refer to Note 12.2 for detailed information on Restatement of comparatives

	2023 $'000	2022 $'000
b. Movement in provision for employee benefits		
Opening balance	4,070	3,454
Movement in the provision is as follows:		
Provision expense for the year	2,658	2,722
Provision for employee benefits acquired on ClearView Advice acquisition[1]	-	1,011
Leave and other employee benefits paid	(3,422)	(3,117)
Closing balance	**3,306**	**4,070**

	2023 $'000	2022 $'000
c. Movement in provision for property make good		
Opening balance	79	211
Movement in the provision is as follows:		
Provision paid/released for the year	-	(132)
Closing balance	**79**	**79**

[1] Funded by ClearView Advice

17. Contingent liabilities

Client claims

The nature of the financial advice business is such that from time-to-time advice given by the Group or its authorised representatives generates client compensation claims.

The Group continues to fully provide for known obligations. At 30 June 2023 a total of $1.0m was provided (30 June 2022: $1.3m).

Adviser service fees

Under the service arrangements with authorised representatives, customers generally pay an adviser service fee to receive an annual review, together with other services. The Group has completed its assessment of 'Fee for Service' to determine whether customers who have paid for these services have been provided with the agreed services.

An assessment of financial advisers employed by the Group (xseedwealth salaried advisers) has been completed, and where customer compensation is probable and can be reliably estimated, a provision was made at 30 June 2018. As at 30 June 2023 the provision balance is $80k.

The assessment process of identifying customers associated with authorised representatives licensed by the Group's wholly owned subsidiaries, Professional Investment Services (PIS) and Alliance Wealth (AW), commenced in February 2019.

The Group's self-employed advice firms on our licenses (PIS and AW) have been reviewed for Fee for No service (FFNS). 17% were identified with a Fee for No Service issue. Refunds of $0.73m are being paid or are expected to be paid by the practices.

As part of acquiring the ClearView Advice business in November 2021, a further $0.2m provision was assumed for remediation costs payable to advisers' clients.

18. Remuneration of auditors

The primary auditor of the Group is BDO Audit Pty Ltd.

	2023 $	2022 $
Amounts received or due and receivable by BDO Audit Pty Ltd		
Fees to the group auditor for the audit or review of the statutory financial reports of the Group, subsidiaries and joint operations	338,900	374,700
Fees for statutory assurance services that are required by legislation to be provided by the auditor	65,800	71,300
Amounts received or due and receivable by BDO Services Pty Ltd		
Fees for other services (predominantly taxation)	28,880	69,430
	433,580	**515,430**

19. Information relating to Centrepoint Alliance Limited

The Financial Statements of the Parent are:

	2023 $'000	2022 $'000
Current assets	36,384	34,225
Non-current assets	21,713	17,674
Current liabilities	(54,947)	(41,959)
Non-current liabilities	(5)	(5)
Net Assets	**3,145**	**9,935**
Issued capital	46,107	46,107
Dividend reserve	(1,096)	832
Accumulated loss	(41,866)	(37,004)
Total Shareholder Equity	**3,145**	**9,935**
Net loss after tax of the parent entity	**(9,067)**	**(7,312)**
Total comprehensive loss of the parent entity	**(9,067)**	**(7,312)**

At reporting date, the Parent has given nil guarantees to external parties (30 June 2022: nil).

20. Related party disclosures

a. Information relating to investments

Name	Country of Incorporation	Ownership Interest		Principal Activity
		2023	2022	
Licensee and Advice Services				
Centrepoint Alliance Lending Pty Ltd	Australia	100%	100%	Mortgage broker/aggregator
Alliance Wealth Pty Ltd	Australia	100%	100%	Financial advice
Professional Investment Services Pty Ltd	Australia	100%	100%	Financial advice
Associated Advisory Practices Pty Ltd	Australia	100%	100%	Support services AFSL licensee
xseedwealth Pty Ltd	Australia	100%	100%	Salaried advice
A.C.N. 133 593 012 Pty Ltd	Australia	100%	100%	Financial advice
Matrix Planning Solutions Ltd	Australia	100%	100%	Financial advice
LaVista Licensee Solutions Pty Ltd	Australia	100%	100%	Financial advice
Funds Management and Administration				
Investment Diversity Pty Ltd	Australia	100%	100%	Packages investment platforms
Ventura Investment Management Limited	Australia	100%	100%	Packages managed funds
Corporate				
Centrepoint Alliance Services Pty Ltd	Australia	100%	100%	Trustee – employee share plan
Centrepoint Services Pty Ltd	Australia	100%	100%	Service company
Centrepoint Wealth Pty Ltd	Australia	100%	100%	Holding company
De Run Securities Pty Ltd[1]	Australia	56%	56%	Financial services
Presidium Research and Investment Management Pty Ltd (formerly Imagine Your Lifestyle Pty Ltd)	Australia	100%	100%	Dormant
Professional Accountants Pty Ltd	Australia	100%	100%	Loans to advisers
Ginger Group Financial Services Limited[2]	New Zealand	50%	50%	Financial advice
Enzumo Corporation Pty Ltd	Australia	100%	100%	Service company
Enzumo Consulting Pty Ltd	Australia	100%	100%	Consulting services

[1] De Run Securities Pty Ltd is in the process of being deregistered.
[2] Ginger Group Financial Services Limited is intended to be liquidated. Refer to Note 7.1.5 Investment in unlisted shares

b. Ultimate parent

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

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

As part of the acquisition of the ClearView Advice business, ClearView Wealth Ltd was issued 48,000,000 shares equating to a 24.5% interest in the Group. As such, the Group is an associate of ClearView Wealth Ltd. A number of agreements were entered into with ClearView Wealth Ltd on arm's length terms and conditions that pertain to the 2023 financial year, most notably:

- Trademark license agreement in which ClearView grants to ClearView Financial Advice Pty Ltd a non-exclusive, royalty-free, transferrable and sublicensable license to use the 'ClearView Financial Advice' trademark until 31 December 2022;
- Agreement for Centrepoint to provide educational services to ClearView at a cost of $500,000 GST exclusive; and
- Agreement for Centrepoint to pay ClearView Director fees to Mr Simon Swanson totalling $60,000.

Sales to, and purchases from, related parties within the Group are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at financial 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 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (30 June 2022: 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. There are no other transactions with related parties other than those disclosed in this Note.

d. Transactions with Key Management Personnel

The aggregate compensation paid to Directors and other members of KMP of the Company and the Group is set out below:

	2023 $	2022 $
Short-term employee benefits	1,444,428	1,334,539
Post-employment benefits	71,490	74,991
Share-based payment expense	354,072	1,368,195
Total compensation	**1,869,990**	**2,777,725**

21. Share-based payment plans

a. Share-based payment plans

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.

b. Recognised share-based payment expenses

	2023 $	2022 $
Expense arising from performance rights	441,750	1,560,181
Total	**441,750**	**1,560,181**

For the period ended 30 June 2023, the Board approved revision in the terms of the CESP23 awards due to change in the CEO's assessment date from 30 June to 30 September to align with the year-end reporting cycle. Further, the vesting period for CESP22 ended on 1 December 2022. These resulted in the reduction of share-based payment expense for the period.

Key accounting policies

i) Equity-settled transactions:

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

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

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

At each subsequent reporting date until vesting, the cumulative charge to the Statement of Profit or Loss and Other Comprehensive Income is the product of:

- the grant date fair value of the award;
- 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
- the expired portion of the vesting period.

The charge to the profit or loss for the financial year is the cumulative amount as calculated above, less the amounts already charged in previous years. 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 Company 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 Company'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 profit or loss on the purchase, sale, issue, or cancellation of the Company's own equity instruments.

Movements during the year

There are 18,697,881 performance rights existing at 30 June 2023 issued in the current and previous financial years. 4,000,000 FY20 performance rights met vesting conditions on 1 December 2022. On 22 February 2023, 1,000,000 FY20 performance rights were subsequently exercised and converted to ordinary shares.

On 16 December 2022, the Board of Directors approved the issuance of 4,697,881 FY23 performance rights to senior leaders with a vesting date of 1 November 2025. The amortisation expense for the financial year was $89k.

Performance rights pricing model

The fair value of the performance rights issued are calculated as at the date of grant using the Monte Carlo Model. This model takes into account the terms and conditions upon which they were granted and market-based inputs as at the grant date.

	2023		2022	
	No	WAEP[1]	No	WAEP[1]
Performance rights under the CESP				
Outstanding at beginning of year	15,000,000	-	9,150,000	-
Granted during the financial year	4,697,881	0.270	11,000,000	0.403
Vested during the financial year	(1,000,000)	-	(3,598,920)	-
Lapsed during the financial year	-	-	(1,551,080)	-
Outstanding at end of the financial year	**18,697,881**	**0.270**	**15,000,000**	**0.403**

22. Events subsequent to the balance sheet date

On 9 August 2023, 1,000,000 FY20 performance rights were exercised and converted to ordinary shares.

The Group has received indicative approval from NAB for a debt facility of $10m to fund acquisitions. The Board has approved the term sheet proposed and management are in the process of working with NAB to establish this facility. Details of the term sheet and purpose of the funding will be announced once the facility is established.

Other than the above and the dividend declaration in Note 8, there are no other matters or events which have arisen since the end of the financial year 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.

[1] WAEP is weighted average exercise price

Directors' Declaration

30 June 2023

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

1. In the opinion of the Directors:

   (a) The consolidated financial statements and notes of Centrepoint Alliance Limited for the financial year ended 30 June 2023 are in accordance with the Corporations Act 2001, including:

      i) giving a true and fair view of its financial position as at 30 June 2023 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 ended 30 June 2023.

On behalf of the Directors:

A. D. Fisher
Chair

22 August 2023

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INDEPENDENT AUDITOR'S REPORT

To the members of Centrepoint Alliance Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Centrepoint Alliance Limited (the 'Company') and its subsidiaries (the 'Group'), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment assessment of intangible assets and goodwill

Key audit matter	*How the matter was addressed in our audit*
The Group's disclosures in respect to goodwill and intangible assets, including their impairment assessment, are included Note 15 of the consolidated financial report. Impairment assessment of intangible assets requires a significant amount of judgment and estimation by management in the determination of cash generating units (CGU), projected cash flows, discount rates and growth rates. The critical assumptions used by Management are disclosed in Note 15. The assumptions and complexity of the calculations have made the impairment assessment of intangible assets and goodwill a Key Audit Matter.	Our procedures included, among others: - Obtained an understanding of the key controls associated with the preparation of the value in use models and critically evaluated management's methodologies and their documented basis for key assumptions which are described in Note 15 of the financial report; - Challenged key assumptions including forecast growth rates by comparing them to historical results, business trends, economic and industry forecasts and comparable organisations; and discount rates by analysing against the cost of capital for the Group and comparable organisations through market data and industry research; - Working with our valuation specialists, obtained revenue multiples for comparable companies to establish an independent range to compare against those used in the discounted cash flow calculation; - Assessed whether the division of the Group into CGUs at a segment level was consistent with our knowledge of the Group's operations and internal Group reporting; - Evaluated the methodology applied by the Group in allocating corporate assets and costs across CGUs; - Performed tests over the mathematical accuracy of the model and underlying calculations; - Applied sensitivity analyses to management's key assumptions; - Evaluated the useful life of definite-life intangible assets and checked the amortisation expense for to ensure that the amortisation expense is calculated consistently with the Group's stated amortisation rates.

Provision for claims

Key audit matter	*How the matter was addressed in our audit*
The Group has recognised a provision in respect to claims for a total of $971k as disclosed in Note 16 of the consolidated financial report. The claims provision is for financial advice provided by authorised representatives of the Group, along with claims from external parties that the Group has become aware of and assess that payment is probable. The complexity of the estimation of the claims require management to apply significant judgement to determine the value of the liable position.	Our procedures included, among others: - Reviewed claims and risk committee minutes and inquired management directly to assess the basis for claims provision recognised; - Inspected evidence claimant and Australian Financial Complaints Authority (AFCA) correspondences to support the accuracy and completeness of the provision recognised; - Obtained solicitor representations and assessed these against open claims provided for; - Obtained and assessed the impact to claims provision of any new information up to date of signing of the financial report in relation to developments in claims existing claims and any new claims; and - Assessed the appropriateness of the disclosure note in relation to the claims provision.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in Pages 11 to 20 of the Directors' Report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Centrepoint Alliance Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.

BDO Audit Pty Ltd

BDO

Tim Aman
Partner

Sydney, 22 August 2023

ASX Additional Information

Additional information required by the Australian Securities Exchange (ASX) and not shown elsewhere in this report is as follows. The information is current as at 4 August 2023.

1. Class of securities and voting rights

a. Ordinary shares

Ordinary shares of the Company are listed (quoted) on the ASX. There are 1,524 holders of ordinary shares, holding 196,881,889 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	290	-
1,001–5,000	422	-
5,001–10,000	211	-
10,001–100,000	470	-
100,001 and over	131	12

The number of shareholders with less than a marketable parcel is 471.

3. Substantial shareholders

The names of substantial holders in the Company, who have notified the Company in accordance with section 671B of the Corporations Act 2001 are set out below:

Ordinary Shareholders	Fully paid No. of Shares
Thorney Investment Group	53,418,564
ClearView Wealth Limited	48,000,000

4. 20 largest holders of quoted equity securities

	Ordinary Shareholders	Fully paid No. of shares	% Held
1	UBS NOMINEES PTY LTD	55,468,564	28.17
2	CLEARVIEW WEALTH LIMITED	48,000,000	24.38
3	MR ALEXANDER BEARD + MRS PASCALE MARIE BEARD <AD & MP BEARD SUPER FUND A/C>	7,008,019	3.56
4	H&G HIGH CONVICTION LIMITED	6,327,072	3.21
5	BONDIA INVESTMENTS PTY LTD	5,450,000	2.77
6	NATIONAL NOMINEES LIMITED	4,915,676	2.50
7	SUPERTCO PTY LTD <TAG SMALL CAP FUND A/C>	3,000,000	1.52
8	MR RICHARD JOHN NELSON + KAYE MARIE NELSON <NELSON PENSION FUND A/C>	2,729,660	1.39
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAIL CLIENT DRP>	2,592,470	1.32
10	H&G HIGH CONVICTION LIMITED	1,862,478	0.95
11	WAYLEX PTY LTD <NELSON INVESTMENT A/C>	1,418,051	0.72
12	MR JASON MAXWELL YU	1,340,000	0.68
13	MS FIONA ROWEENA WILLIAMS	1,327,140	0.67
14	PROF ALAN JONATHAN BERRICK	1,290,100	0.66
15	CATHAYS PTY LTD <A & D GRIFFITHS S/F A/C>	1,100,000	0.56
16	CULLOCK PTY LTD <CULLEN FAMILY SUPER FUND A/C>	1,000,000	0.51
16	MR DANIEL BARON DROGA + MRS LYNDELL DROGA <DROGA FAMILY SUPERFUND A/C>	1,000,000	0.51
16	FETTERPARK PTY LTD <O'REILLY FAMILY SF A/C>	1,000,000	0.51
19	MR PAUL CULLEN	999,700	0.51
20	MRS CHRISTINE ANN MOSSMAN	829,600	0.42
		148,658,530	**75.52**

Corporate Directory

Securities Exchange Listing

Centrepoint Alliance Limited's shares are listed on the Australian Securities Exchange (ASX) and are traded under the ASX ticker code CAF.

Share Registry

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Website:
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Auditor

BDO Audit Pty Ltd

ABN 33 134 022 870

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