PROGRESS, AUTOMATION AND GROWTH

FSA Group Limited
Annual Report 2023

Contents

2023 At a Glance

Developed and enhanced our broker channels

New origination increased to $314m, a 38% increase

FSA Group has helped thousands of Australians for more than 20 years. Our large and experienced team of professionals offer a range of lending products and debt solutions, which we tailor to suit individual circumstances to achieve successful outcomes for our clients.

Loan pools increased to $639m, an 18% increase

Increase and renewed warehouse facilities

Invested in our systems, developed end-to-end automation

Moved Services out of “hibernation”

Our Business

Lending

Home Loans

FSA Group offers home loans to assist clients wishing to purchase a property or consolidate their debt.

Personal Loans

FSA Group offers secured personal loans to assist clients wishing to purchase a motor vehicle and unsecured personal loans for any approved purpose.

Asset Finance

FSA Group offers asset finance to assist SMEs wishing to purchase a vehicle and business-critical equipment.

Services

FSA Group offers a range of services to assist clients wishing to enter into a payment arrangement with their creditors. These services include informal arrangements, debt agreements, personal insolvency agreements and bankruptcy.

Chairman’s Letter

Dear Shareholders,

It gives me great pleasure to present my first Chairman’s report. The 2023 financial year has been a year of progress, automation and growth.

We made significant progress in our Lending segment. We developed and enhanced our broker channels and the benefits are evident. For 2023, annual new origination increased to $314m, a 38% increase, and our loan pools increased to $639m, an 18% increase compared to the results of 2022.

System automation, coupled with our proven credit and arrears management expertise, is critical to delivering and ensuring low cost, profitable growth. Over the past 2 years, we invested in our systems and we developed end-to-end automation. We commenced the roll out of these systems only recently, and therefore the real benefits will be realised in future years.

We have two Australian banks providing warehousing facilities. As our loan pools grow, we expect to increase and renew these facilities. In addition, we plan to use the debt capital markets, as we did in 2019, to diversify our funding from time to time.

Our focus is to double annual new origination, through our broker channels, from our current $300m to over $600m per annum. This will see our loan pools grow to around $1.5b. This forecast is dependant on broker take up of our product offering and funding, both of which are potential risks. We believe we have the skills, experience and now the systems to achieve this outcome.

As we grow our loan pools, our business will benefit from higher incremental margins due to operating leverage. Subject to the cash interest rate, which materially impacted our margin on our fixed rate lending products during 2023, we will start to see this positively impact profit during the 2024 financial year.

During the year we restructured our funding facilities to provide greater access to liquidity. This will allow us to execute our capital management strategy. Firstly, to invest in the growth of our loan pools where we see the highest risk adjusted return on capital. Secondly, to return capital to shareholders in the form of an on market buy-back when price to value opportunities arise. Thirdly, subject to business performance, a minimum annual dividend of 7c to 8c per share. We expect our dividend to grow in line with growing profits.

The long tail of COVID-19 continued to impact the number of individuals seeking assistance through our Services segment. Over the last year, financial institutions and government entities gradually eased COVID-19 related measures. These changes, coupled with growing consumer stress due to cost of living pressures and increasing interest rates, resulted in an increase in Services enquiries. We moved Services out of “hibernation” in June 2023.

The last few years we experienced headwinds across certain parts of our business. With the tightening of monetary policy, we are seeing tailwinds emerge.

I would like to thank our team for their continued commitment and contribution. Collectively we will continue to deliver progress, automation and growth.

Yours sincerely,

Tim Odillo Maher
Chairman

Executive Directors' Review

Dear Shareholders,

The 2023 financial year has been a year of progress, automation and growth.

For the 2023 financial year, FSA Group generated $54.6m in operating income, a 2% decrease, and a profit after tax attributable to members of $13.0m, a 25% decrease compared to the results of 2022. Our net cash inflow from operating activities was $22.3m, a 15% decrease.

We advise that the Directors have declared a fully franked final dividend of 3.50 cents per share for the 2023 financial year. This brings the full year dividend to 7.00 cents per share.

Financial Overview

	FY2021	FY2022	FY2023	% Change
Operating income	$61.4m	$55.6m	$54.6m	↓ 2%
Profit before tax	$29.7m	$26.9m	$21.0m	↓ 22%
Profit after tax attributable to members	$20.1m	$17.2m	$13.0m	↓ 25%
EPS basic	16.12c	13.72c	10.63c	↓ 23%
Net cash inflow from operating activities	$29.5m	$26.2m	$22.3m	↓ 15%
Dividend/share	6.00c	7.00c	7.00c	
Shareholder equity attributable to members	$72.0m	$84.4m	$88.0m	↑ 4%
Return on equity	31%	22%	15%	

Operational Performance

Our business operates across the following key segments, Lending and Services. The operating income and profitability of each segment is as follows:

Operating income by segment	FY2021	FY2022	FY2023	% Change
Lending				
Home loans and Asset finance	$16.1m	$18.6m	$21.9m	↑ 17%
Personal loans	$14.4m	$15.4m	$16.7m	↑ 9%
Services	$30.9m	$21.5m	$16.3m	↓ 24%
Other/unallocated	$0.1m	$0.1m	($0.3m)	
Operating income	$61.4m	$55.6m	$54.6m	↓ 2%

Profit before tax by segment	FY2021	FY2022	FY2023	% Change
Lending				
Home loans and Asset finance	$9.7m	$10.0m	$9.2m	↓ 7%
Personal loans	$7.5m	$9.9m	$9.0m	↓ 5%
Services	$12.1m	$7.3m	$2.8m	↓ 64%
Other/unallocated	$0.4m	($0.2m)	($0.1m)	
Profit before tax	$29.7m	$26.9m	$21.0m	↓ 22%

Lending

The Lending segment offers home loans to purchase a property or consolidate debt, secured personal loans to purchase a motor vehicle, unsecured personal loans for any approved purpose and asset finance to SMEs to purchase a vehicle and business-critical equipment.

Loan Pool Data	Home loans	Personal loans secured	Personal loans unsecured	Asset finance
Weighted average loan size	$440,068	$26,928	$15,347	$28,473
Security type	Residential home	Motor vehicle	Unsecured	Vehicles and equipment
Weighted average loan to valuation ratio	65%	100%+ on settlement	Unsecured	100%+ on settlement
Variable or fixed rate	Variable	Fixed	Fixed	Fixed
Geographical spread	All states	All states	All states	All states

We made significant progress in our Lending segment. We developed and enhanced our broker channels and the benefits are evident. For 2023, annual new origination increased to $314m, a 38% increase, and our loan pools increased to $639m, an 18% increase compared to the results of 2022.

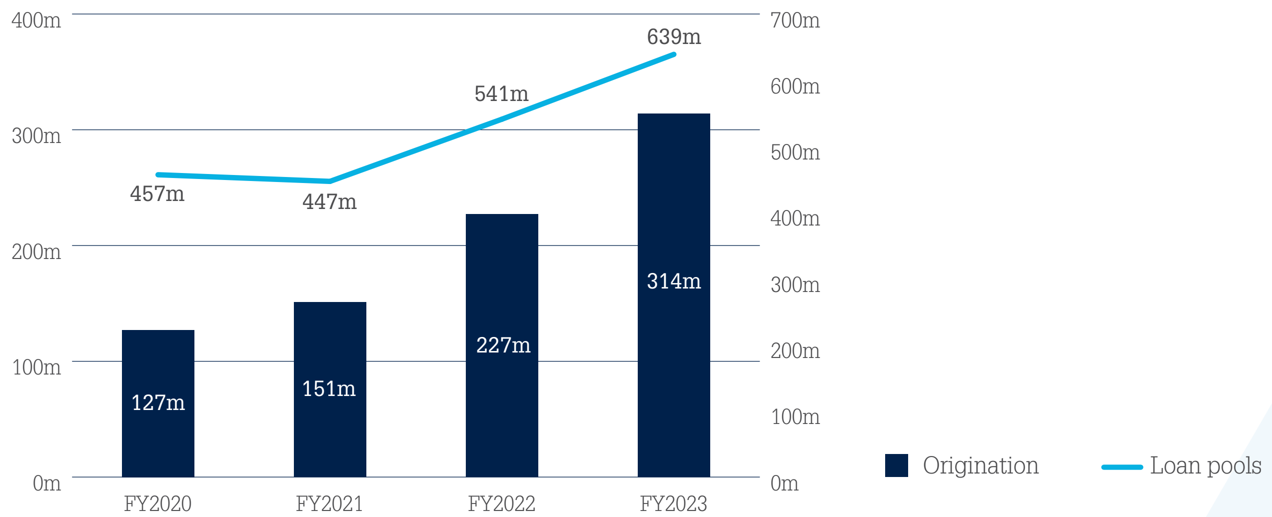
System automation coupled with our proven credit and arrears management expertise, is critical to delivering and ensuring low cost, profitable growth. Over the past 2 years, we invested in our systems and we developed end-to-end automation. We commenced the roll out of these systems only recently, and therefore the real benefits will be realised in future years.

We have two Australian banks providing warehousing facilities. As our loan pools grow, we expect to increase and renew these facilities. In addition, we plan to use the debt capital markets, as we did in 2019, to diversify our funding from time to time.

Our focus is to double annual new origination, through our broker channels, from our current $300m to over $600m per annum. This will see our loan pools grow to around $1.5b. This forecast is dependent on broker take up of our product offering and funding, both of which are potential risks. We believe we have the skills, experience and now the systems to achieve this outcome.

As we grow our loan pools, our business will benefit from higher incremental margins due to operating leverage. Subject to the cash interest rate, which materially impacted our margin on our fixed rate lending products during 2023, we will start to see this positively impact profit during the 2024 financial year.

New Origination and Loan Pools



Executive Directors' Review

Continued

Loan Pools	FY2021	FY2022	FY2023	% Change
Home loans	$382m	$389m	$377m	3%
Personal loans secured	$64m	$68m	$98m	44%
Personal loans unsecured	$1m	$4m	$6m	42%
Asset finance		$81m	$158m	95%
Total	**$447m**	**$541m**	**$639m**	**18%**

Arrears > 30 day	FY2021	FY2022	FY2023
Home loans	1.04%	1.95%	3.66%
Personal loans secured	1.82%	1.91%	2.94%
Personal loans unsecured	0.00%	0.25%	6.92%
Asset finance		2.55%	2.62%

Losses	FY2021	FY2022	FY2023
Home loans	$384,098	$198,805	$190,021
Personal loans secured	$656,964	$550,831	$887,205
Personal loans unsecured	$22,531	$36,971	$171,054
Asset finance		$580,009	$1,810,167

During the year we restructured our funding facilities to provide greater access to liquidity. This will allow us to execute our capital management strategy. Firstly, to invest in the growth of our loan pools where we see the highest risk adjusted return on capital. Secondly, to return capital to shareholders in the form of an on market buy-back when price to value opportunities arise. Thirdly, subject to business performance, a minimum annual dividend of 7c to 8c per share. We expect our dividend to grow in line with growing profits.

Borrowings	Facility type	Provider	Limit	Maturity date	Drawn
Home loans	Non-recourse warehouse	Westpac	$350m	Oct-24	$293m
	Securitised	Institutional	–	Mar-51	$57m
Personal loans	Limited recourse warehouse	Westpac	$75m	Apr-26	$54m
	Corporate	Westpac	$15m	Mar-24	–
Asset finance	Non-recourse warehouse	Bank	$200m	May-24	$116m

* This senior non-recourse and limited recourse warehouse and securitised facilities are supported by mezzanine non-recourse facilities provided by institutional fund managers.

The Lending segment achieved a profit before tax of $18.2m, a 6% decrease. The upfront investment required to grow our loan pools and the increase in the cost of funding materially impacted the margin on our fixed rate lending products during 2023. This has resulted in a decline in earnings for this segment. As we grow our loan pools, our business will benefit from higher incremental margins due to operating leverage. Subject to the cash interest rate, we will start to see this positive impact to profit during the 2024 financial year.

Services

The Services segment offers a range of services to assist clients wishing to enter into a payment arrangement with their creditors. These include informal arrangements, debt agreements, personal insolvency agreements and bankruptcy.

The long tail of COVID-19 continued to impact the number of individuals seeking assistance through our Services segment. Over the last year, financial institutions and government entities gradually eased COVID-19 related measures. These changes, coupled with growing consumer stress due to cost of living pressures and increasing interest rates, resulted in an increase in Services enquiries. We moved Services out of "hibernation" in June 2023.

Informal and Debt agreements	FY2021	FY2022	FY2023	% Change
New clients	1,463	620	568	∨ 8%
Clients under administration	15,780	11,252	6,316	∨ 44%
Debt managed	$209m	$109m	$52m	∨ 52%
Dividends paid	$85m	$65m	$41m	∨ 36%

PIA's and Bankruptcy	FY2021	FY2022	FY2023	% Change
New clients	89	97	100	∧ 3%
Clients under administration	1,025	844	633	∨ 24%

The Services segment achieved a profit before tax of $2.8m, a 64% decrease. The decrease in the number of clients under administration has resulted in a decline in earnings for this segment.

Net cash inflow from operating activities

During the 2023 financial year, FSA Group maintained steady cash inflow driven by long term annuity income from clients. Net cash inflow was negatively impacted by the upfront investment required to grow our loan pools, an increase in the cost of funding which materially impacted our margin on our fixed rate lending products and, a decrease in the number of clients under administration in the Services segment. Net cash inflow from operating activities $22.3m, a 15% decrease.

	FY2021	FY2022	FY2023	% Change
Net cash inflow from operating activities	$29.5m	$26.2m	$22.3m	∨ 15%

Executive Directors' Review

Continued

Environmental, social, and governance

Environmental

We deliberately and consciously foster and encourage good environmental practices. We do this by reflecting on the way we operate, the equipment we use to run the business, the type of products and services we source, where we source them from and the impact these have on the environment. We understand the importance of our team being aware of how we impact the environment. We want our team to actively participate in identifying ways we can further improve our environmental footprint and to actively embrace environmental awareness.

Social

We encourage and support diversity in the workplace and celebrate its value. We have an Employee Code of Conduct which critiques how we aim to manage workplace relations and behaviours. We regularly run training sessions to explore and educate our team on key subjects such as cultural diversity, dealing with vulnerability and self-care. We engage in ongoing productive relationships with key stakeholders, consumer advocates and consumers groups in which we share critical information while improving our working relationship with key customer representatives. We learn from these engagements and use the knowledge to identify social risks while improving the financial well-being of our customers.

Governance

We are committed to ensuring our corporate governance practices are aligned with our business and customer needs. We have policies and procedures in place which enable us to meet our staff, customer and stakeholder needs and objectives. However we recognise that we operate in a constantly changing environment and as such, we continually review and reflect on our policies and practices to ensure they remain relevant.

Strategy and Outlook

The last few years we experienced headwinds across certain parts of our business. With the tightening of monetary policy we are seeing a number of tailwinds emerge.

Our focus over the 2024 financial year will be as follows:

Lending	Grow new origination and our loan pools.
Services	Regrow as demand returns.
Earnings	Earning guidance will be provided during the 2024 financial year.
Capital Management	Expect our full year dividend to be 7 to 8 cents per share with the balance of earnings to be re-invested to support the growing loan pools. We plan to continue with our on market share buy-back as opportunities arise.

Our People

Our team are committed to working with and helping our customers in a work environment that fosters diversity, equal employment opportunities, fairness and embraces and supports personal growth, continuous learning and training opportunities. We acknowledge their efforts during the year. We also thank the Board for their guidance and support.

Tim Odillo Maher
Executive Chairman

Deborah Southon
Executive Director

Cautionary Statements and Disclaimer Regarding Forward-Looking Information

This Annual Report may contain forward-looking statements, including statements about FSA Group Limited's (Company) financial condition, results of operations, earnings outlook and prospects. Forward-looking statements are typically identified by words such as "plan," "aim", "focus", "target", "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project" and other similar words and expressions.

The forward-looking statements contained in this Annual Report are predictive in character and not guarantees or assurances of future performance. These forward-looking statements involve and are subject to known and unknown risks and uncertainties many of which are beyond the control of the Company. Our ability to predict results or the actual effects of our plans and strategies is subject to inherent uncertainty.

Factors that may cause actual results or earnings to differ materially from these forward-looking statements include general economic conditions in Australia, interest rates, competition in the markets in which the Company does and will operate, and the inherent regulatory risks in the businesses of the Company, along with the credit, liquidity and market risks affecting the Company's financial instruments described in the Annual Report.

Forward-looking statements are based on assumptions regarding the Company's financial position, business strategies, plans and objectives of management for future operations and development and the environment in which the Company will operate. Those assumptions may not be correct or exhaustive.

Because these forward-looking statements are subject to assumptions and uncertainties, actual results may differ materially from those expressed or implied by these forward-looking statements.

You are cautioned not to place undue reliance on any forward-looking statements.

Forward-looking statements are based on current views, expectations and beliefs as at the date they are expressed.

The Company disclaims any responsibility to and undertakes no obligation to update or revise any forward-looking statement to reflect any change in the Company's circumstances or the circumstances on which a statement is based, except as required by law.

The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement to the extent permitted by law. Unless otherwise stated, the projections or forecasts included in this Annual Report have not been audited, examined or otherwise reviewed by the independent auditors of the Company.

This Annual Report is not an offer or invitation for subscription or purchase of, or a recommendation of securities.

Financial Statements

For the year ended 30 June 2023

Directors' Report

For the year ended 30 June 2023

The Directors present their report, together with the Financial Statements, on the Consolidated Entity consisting of FSA Group Limited ("Company" or "parent entity") and the entities controlled and its interests in associates at the end of, and during, the year ended 30 June 2023.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Tim Odillo Maher

Deborah Southon

Cellina Chen (appointed 24 November 2022)

David Bower (retired 24 November 2022)

Information on Directors

Tim Odillo Maher (Executive Chairman)

Experience and Expertise

Mr Odillo Maher was appointed on 30 July 2002 and was appointed Chairman on 24 November 2022.

Mr Odillo Maher holds a Bachelor of Business Degree (majoring in Accounting and Finance) from Australian Catholic University and is a Certified Practising Accountant.

Other current (listed company) directorships

Nil

Former (listed company) directorships in last 3 years

Nil

Special responsibilities

Member of the Audit & Risk Management Committee and the Remuneration Committee.

Interest in shares and options

Ordinary shares 42,809,231

Directors' Report

Continued

Deborah Southon (Executive Director)

Experience and Expertise

Ms Southon was appointed on 30 July 2002.

Ms Southon has attained a wealth of experience in the government and community services sectors having worked for the Commonwealth Department of Health and Family Services, the former Department of Community Services, and the Smith Family.

Ms Southon has an Executive Certificate in Leadership & Management (University of Technology, Sydney) and a Bachelor of Arts Degree (Sydney University).

Other current (listed company) directorships

Nil

Former (listed company) directorships in last 3 years

Nil

Special responsibilities

Member of the Audit & Risk Management Committee and the Remuneration Committee.

Interest in shares and options

Ordinary shares 12,960,047

Cellina Chen (Executive Director)

Experience and Expertise

Mrs Cellina Chen was appointed on 24 November 2022.

Mrs Chen holds a Master of Commerce Degree (majoring in Accounting and Finance) from the University of Sydney and is a Fellow of CPA Australia. Mrs Chen has also completed the Australian Institute of Company Directors courses and holds a Graduate Diploma of Applied Corporate Governance from the Governance Institute of Australia. Mrs Chen joined the Company in 2001 and is the Company Secretary and Chief Financial Officer.

Other current (listed company) directorships

Nil

Former (listed company) directorships in last 3 years

Nil

Special responsibilities

Member of the Audit & Risk Management Committee and the Remuneration Committee.

Interest in shares and options

Ordinary shares 1,250,000

David Bower (Non-Executive Chairman) – retired 24 November 2022

Experience and Expertise

Mr David Bower was appointed on 23 April 2015 and was appointed Chairman on 2 September 2020.

Mr Bower retired on 24 November 2022.

Mr Bower has over 30 years of executive experience in financial services in Australia. He spent 26 years with Westpac Banking Corporation running business units in Corporate Banking, Commercial Bank, Retail Bank and Financial Markets. He also worked with ANZ and St George Bank. He is a graduate of the Australian Institute of Company Directors and holds a Bachelor of Economics degree.

Other current (listed company) directorships

Nil

Former (listed company) directorships in last 3 years

Nil

Special Responsibilities

Chairperson of the Audit & Risk Management Committee and Member of the Remuneration Committee.

Interest in shares and options

Ordinary shares 160,800

Principal activities

The Consolidated Entity provides direct lending services and debt solutions to individuals and businesses.

Operating results

Total profit for the year and total comprehensive income for the year for the Consolidated Entity after providing for income tax and eliminating non-controlling interests was $12,996,146 (2022: $17,219,773).

Dividends declared and paid during the year

- On 30 August 2022, a fully franked final dividend relating to the year ended 30 June 2022 of $4,281,791 was paid at 3.50 cents per share; and
- On 9 March 2023, a fully franked interim dividend of $4,281,791 was paid at 3.50 cents per share.

Dividends declared after the end of year

On 17 August 2023, the Directors declared a 3.50 cent fully franked final dividend to shareholders to be paid on 31 August 2023 with a record date of 24 August 2023.

Operating and Financial Review

Detailed comments on operations are included separately in the Executive Directors' Review, on pages 04 to 08 of the Annual Report.

Directors' Report

Continued

Review of financial condition

Capital structure

There have been no changes to the Company's share structure during or since the end of the financial year except as follows:

- Buy back 991,236 shares under an on market share buy-back.

Financial position

The net assets of the Consolidated Entity, which includes amounts attributable to non-controlling interests, have increased from $96,077,968 at 30 June 2022 to $101,303,886 at 30 June 2023.

Treasury policy

The Consolidated Entity does not have a formally established treasury function. The Board is responsible for managing the Consolidated Entity's treasury function.

Liquidity and funding

The Consolidated Entity has sufficient funds to finance its operations, and also to allow the Consolidated Entity to take advantage of favourable business opportunities. Further details of the Consolidated Entities' access to facilities are included in Note 13 of the Financial Statements.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Consolidated Entity during the financial year.

Matters subsequent to the end of the financial year

There have been no events since the end of the financial year that impact upon the financial performance or position of the Consolidated Entity as at 30 June 2023 except as follows:

- On 17 August 2023, the Directors declared a 3.50 cent fully franked final dividend to shareholders to be paid on 31 August 2023 with a record date of 24 August 2023.

Likely developments and expected results of operations

Likely developments in the operations of the Consolidated Entity and the expected results of those operations in subsequent financial years have been discussed where appropriate in the Annual Report in the Executive Directors' Review.

There are no further developments that the Directors are aware of which could be expected to affect the results of the Consolidated Entity's operations in subsequent financial years other than the information contained in the Executive Directors' Review.

Environmental regulations

There are no matters that have arisen in relation to environmental issues up to the date of this report. The operations of the Consolidated Entity are not subject to any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Share options

As at 30 June 2023 there were no options on issue.

Indemnification and insurance of directors and officers

Each of the Directors and the Officers of the Company has entered into an agreement with the Company whereby the Company has provided certain contractual rights of access to books and records of the Company to those Directors and Officers; and indemnifies those Directors and Officers against liabilities suffered in the discharge of their duties as Directors or Officers of the Company.

Indemnity and insurance of auditor

The Company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the Consolidated Entity or any related entity against a liability incurred by the auditor.

During the financial year, the Consolidated Entity has not paid a premium in respect of a contract to insure the auditor of the Consolidated Entity or any related entity.

Remuneration Report (Audited)

For the year ended 30 June 2023

This Remuneration Report sets out the remuneration information, pertaining to the Directors. The Directors comprise the Key Management Personnel of the Company for the purposes of the *Corporations Act 2001* for the year ended 30 June 2023.

Key Management Personnel have the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

Remuneration policy

The performance of the Consolidated Entity depends upon the quality of its personnel. To prosper, the Consolidated Entity must attract, motivate and retain highly skilled people. To that end, the Consolidated Entity embodies the following principles in its remuneration framework:

- provide competitive rewards to attract and retaining high calibre executives;
- focus on creating sustained shareholder value;
- significant portion of executive remuneration at risk, and aligned with shareholder interests; and
- differentiation of individual rewards commensurate with contribution to overall results and according to individual accountability, performance and potential.

The Company has a Remuneration Committee but does not have a Nominations Committee. The Directors consider that the Consolidated Entity is not of a size, nor are its affairs of such complexity, as to justify the formation of a Nominations Committee. All matters which might be dealt with by that Committee are reviewed by the Directors in meetings as a Board. The Remuneration Committee is responsible for determining and reviewing compensation arrangements. The Remuneration Committee assesses the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum shareholder benefit from the retention of highly skilled people.

Non-Executive Director Remuneration

Non-Executive Director

David Bower
Non-Executive Chairman – retired on 24 November 2022

The Board seeks to set aggregate remuneration at a level which provides the Consolidated Entity with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The Constitution of the Company and the ASX Listing Rules specify that the Non-Executive Directors are entitled to remuneration as determined by the Company in General Meeting. The total aggregate annual remuneration payable to Non-Executive Directors of the Company was determined at the Annual General Meeting held on 24 November 2022 to be no more than $500,000.

If a Non-Executive Director performs extra services, which in the opinion of the Directors are outside the scope of the ordinary duties of the Non-Executive Director, the Company may remunerate that Non-Executive Director by payment of a fixed sum determined by the Directors in addition to the remuneration referred to above. A Non-Executive Director is entitled to be paid travel and other expenses properly incurred by them in attending Directors' or General Meetings of the Company or otherwise in connection with the business of the Consolidated Entity.

The remuneration of Non-Executive Director for the year ended 30 June 2023 is detailed in Table 1 of this Remuneration Report.

Executive Directors Remuneration

Executive Directors

Deborah Southon
Executive Director

Cellina Chen
Executive Director

The Company aims to reward the Executive Directors with a level and mix of remuneration commensurate with their position and responsibilities within the Consolidated Entity and so as to:

- reward Executives for company and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of Executives with those of shareholders;
- link reward with the strategic goals and performance of the Consolidated Entity; and
- ensure total remuneration is competitive by market standards.

The remuneration of the Executive Directors is agreed by the Remuneration Committee. The remuneration will comprise a fixed remuneration component and also may include offering specific short and long-term incentives, in the form of:

- base pay and non-monetary benefits;
- short-term performance incentives;
- long-term performance incentives; and
- other remuneration such as superannuation and long service leave.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits are reviewed annually by the Remuneration Committee, based on individual and business unit performance, the overall performance of the Consolidated Entity and comparable market remunerations. Executives may receive their fixed remuneration in the form of cash or other fringe benefits where it does not create any additional costs to the Consolidated Entity and provides additional value to the Executive.

The short-term incentives program ("STI") has been set to align the targets of the operating segments with the targets of the responsible Executives. STI payments are granted to Executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and portfolio management.

The long-term incentives program ("LTI") has been set to attract, motivate and retain eligible participants and to provide them with an incentive to deliver growth and value to all shareholders. LTI payment will also be used to attract and retain Non-Executive Directors and Executives in a market place that is experiencing increased competition for talented personnel who bring value to the Board and the Company.

The LTI allows for the issue of performance rights, options or shares in the Company (each a type of incentive security), or potentially a combination of each of them. The Board proposes to issue incentive securities as determined by the Board from time to time under the LTI.

Under the LTI, the Board may offer eligible participants the opportunity to subscribe for such number of incentive securities in the Company as the Board may decide, on the terms and conditions set out in the rules of the Long Term Incentive Plan. The Company may make an advance to an eligible participant to assist in the acquisition of incentive securities.

Further details of the Long Term Incentive Plan, which was approved at the AGM on 25 November 2021, are set out in Note 20 to the Financial Statements.

The remuneration of the Executive Directors for the year ended 30 June 2023 is detailed in Table 1 of this Remuneration Report.

Remuneration Report (Audited)

Continued

Executive Chairman

Tim Odillo Maher
Executive Chairman

The Consolidated Entity has entered into a consultancy agreement with ATMR Ventures Pty Ltd. Tim Odillo Maher is one of the key personnel of ATMR Ventures Pty Ltd.

The remuneration paid to ATMR Ventures Pty Ltd for the year ended 30 June 2023 is detailed in Table 2 of this Remuneration Report.

A Securities Trading Policy has been adopted for Directors' and employees' dealings in the Company's securities.

Employment contracts and consultancy agreement

It is the Board's policy that employment agreements are entered into with the Executive Directors (with the exception of Tim Odillo Maher) and employees. The Consolidated Entity has entered into a consultancy agreement with ATMR Ventures Pty Ltd. Tim Odillo Maher is one of the key personnel of ATMR Ventures Pty Ltd. Employment agreements and the consultancy agreement are for no specific fixed term unless otherwise stated.

Executive Directors

The employment contracts entered into with the Executive Directors contain the following key terms:

Event	Company Policy
Performance based salary increases and/or bonuses	Board assessment based on KPI achievement
Short-term incentives	Board assessment based on KPI achievement
Long-term incentives	Board assessment based on Long Term Incentive Plan terms and conditions
Resignation/notice period	Three months
Serious misconduct	Company may terminate at any time
Payouts upon resignation or termination, outside industrial regulations	Board discretion

The consultancy agreement entered into with ATMR Ventures Pty Ltd of which Tim Odillo Maher is one of the key personnel contain the following key terms:

Event	Company Policy
Success fee	Board assessment based on outcomes
Material breaches period	Company may terminate at any time
Termination for convenience period	Three months

(a) Details of Directors and Key Management Personnel

(i) Non-Executive Director

David Bower, Non-Executive Chairman (retired on 24 November 2022)

(ii) Executive Directors

Tim Odillo Maher, Executive Chairman

Deborah Southon, Executive Director

Cellina Chen, Executive Director

The Directors comprise the Key Management Personnel of the Consolidated Entity.

(b) Remuneration of Directors and Key Management Personnel

Table 1

	Short-term			Long-term		Post-Employment	Total	Performance based
	Salary & Fees $	Cash Bonus $	Non-cash benefits $	Cash Bonus $	Non-cash benefits $	Superannuation and other benefits $	$	%
Non-Executive Director								
David Bower – retired								
2023	**22,691**	**–**	**–**	**–**	**–**	**2,383**	**25,074**	**–**
2022	52,675	–	–	–	–	5,268	57,943	–
Executive Director	–	–	–	–	–	–		
Deborah Southon	–	–	–	–	–	–		
2023	**401,414**	**200,000**	***26,154**	**–**	***6,667**	**40,000**	**674,235**	**30%**
2022	406,596	–	4,142	–	1,612	40,000	452,350	–
Executive Director	–	–	–	–	–	–		
Cellina Chen	–	–	–	–	–	–		
2023	**345,619**	**140,000**	***9,317**	**–**	***21,522**	**23,568**	**540,026**	**26%**
2022	275,883	150,000	36,600	–	29,319	23,568	515,370	29%
Total Remuneration								
2023	**769,724**	**340,000**	**35,471**	**–**	**28,189**	**65,951**	**1,239,335**	
2022	735,154	150,000	40,742	–	30,931	68,836	1,025,663	

* Annual leave, long service leave accrual movement, together with LTIP share benefit has been included in the non-cash benefits above.

Bonus in relation to current financial year performance will be paid in the subsequent financial year with an estimated range of:

Executive Director – Deborah Southon: $200,000 – $350,000

Executive Director – Cellina Chen: $120,000 – $160,000

Remuneration Report (Audited)

Continued

Table 2

Consultancy fees excluding GST paid to ATMR Ventures Pty Ltd of which Tim Odillo Maher is one of the key personnel.

	Fees $	Success fees $	Total Fees $
Executive Chairman			
Tim Odillo Maher			
2023	**438,000**	**^200,000**	**638,000**
2022	438,000	–	438,000

^ Success fees in relation to current financial year performance will be paid in the subsequent financial year with an estimated range of: $200,000 – $350,000.

Consolidated Entity's earnings and movement in shareholder's wealth for the last five years is as follows:

	30 June 2023	30 June 2022	30 June 2021	30 June 2020	30 June 2019
Operating income	54,620,505	55,587,051	61,434,416	68,180,292	69,742,110
Net profit before tax	20,976,145	26,944,113	29,712,695	24,750,627	22,164,979
Net profit and other comprehensive income after tax attributable to members	12,996,146	17,219,773	20,108,514	16,315,946	14,411,166
Share price at the start of the year	$1.14	$1.04	$0.87	$1.02	$1.40
Share price at the end of the year	$0.99	$1.14	$1.04	$0.87	$1.02
Dividends declared for the year	7.00c	7.00c	6.00c	6.00c	5.00c
Basic EPS (cents)	10.63	13.72	16.12	13.05	11.52
Diluted EPS (cents)	10.63	13.72	16.12	13.05	11.52

A review of bonuses paid to the Executive Directors, and the success fee paid to ATMR Ventures Pty Ltd of which Tim Odillo Maher is one of the key personnel, over the previous five years is consistent with the operational performance of the Consolidated Entity in those periods.

(c) Options issued as part of remuneration for the year ended 30 June 2023

There were no options issued as part of remuneration during or since the end of the financial year.

(d) Shares issued as part of the Long Term Incentive Plan for the year ended 30 June 2023

There were no shares issued as part of the Long Term Incentive Plan during or since the end of the financial year.

(e) Option holdings of Directors and Key Management Personnel

There were no options held by Directors or Key Management Personnel.

(f) Shareholdings of Directors and Key Management Personnel

Shares held in FSA Group Ltd	Balance 1 July 2022	Purchased on market	Other Changes	Balance 30 June 2023
Directors				
Tim Odillo Maher	42,809,231	–	–	42,809,231
Deborah Southon	12,960,047	–	–	12,960,047
Cellina Chen	1,250,000	–	–	1,250,000
Total	**57,019,278**	**–**	**–**	**57,019,278**

(g) Loans to Directors and Key Management Personnel

	LTI shares acquired during the year number	Opening loan balance $	Loans made $	Loans repaid $	Closing loan balance $
Executive Director					
Cellina Chen					
2023	–	**1,300,000**	–	–	**1,300,000**
2022	1,250,000	110,000	1,300,000	(110,000)	1,300,000

(h) Other transactions with Directors and Key Management Personnel and related parties

There were no other transactions with Directors and Key Management Personnel and related parties.

(i) Voting and comments made at the Company's 2022 Annual General Meeting ("AGM")

At the 2022 AGM, 99.41% of the votes received supported the adoption of the Remuneration Report for the year ended 30 June 2022. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

This concludes the Remuneration Report which has been audited.

Directors' Report

Continued

Directors' Meetings

The number of meetings held and attended by each Director during the year is as follows:

	Number of meetings held while in office	Meetings attended
David Bower – retired on 24 November 2022	4	4
Tim Odillo Maher	7	7
Deborah Southon	7	7
Cellina Chen – appointed on 24 November 2022	4	4
Total number of meetings held during the financial year	7	

Audit & Risk Management Committee Meetings

The number of meetings held and attended by each member during the year is as follows:

	Number of meetings held while in office	Meetings attended
David Bower – retired on 24 November 2022	1	1
Tim Odillo Maher	2	2
Deborah Southon	2	2
Cellina Chen – appointed on 24 November 2022	1	1
Total number of meetings held during the financial year	2	

Remuneration Committee Meetings

The number of meetings held and attended by each member during the year is as follows:

	Number of meetings held while in office	Meetings attended
David Bower – retired on 24 November 2022	1	1
Tim Odillo Maher	2	2
Deborah Southon	2	2
Cellina Chen – appointed on 24 November 2022	1	1
Total number of meetings held during the financial year	2	

Proceedings on behalf of the Company

No proceedings have been brought, or intervened in, on behalf of the Company, nor has any application for leave been made in respect of the Company under section 237 of the *Corporations Act 2001*.

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* forms part of the Directors Report and can be found on page 24.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in Note 19 to the financial statements.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services as disclosed in Note 19 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 200*1 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company are committed to achieving and demonstrating the highest standards of corporate governance. The Board endorses the 4th edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles). The Company's Corporate Governance Charter and a statement of Corporate Governance are available on the Company website www.fsagroup.com.au.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 200*1.

Signed in accordance with a resolution of the Directors.

Tim Odillo Maher
Executive Chairman

Sydney
17 August 2023

Auditor's Independence Declaration

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www.bdo.com.au

Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY RYAN POLLETT TO THE DIRECTORS OF FSA GROUP LIMITED

As lead auditor of FSA Group 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 FSA Group Limited and the entities it controlled during the period.

Ryan Pollett

Ryan Pollett
Director

BDO Audit Pty Ltd

Sydney

17 August 2023

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Notes	Consolidated Entity 2023 $	2022 $
Revenue and other income			
Fees from services	2	**16,434,486**	22,195,338
Finance income	2	**67,399,058**	45,393,332
Finance expense	2	**(29,116,567)**	(12,001,619)
Net finance income	2	**38,282,491**	33,391,713
Other income/(losses)	2	**(96,472)**	–
Total operating income		**54,620,505**	55,587,051
Employee benefit expense		**(20,595,792)**	(18,752,840)
Marketing expense		**(3,491,292)**	(3,419,977)
Operating expenses		**(2,939,320)**	(2,661,420)
Impairment expenses		**(3,653,757)**	(903,609)
Office facility expenses		**(1,715,231)**	(1,651,781)
Depreciation and amortisation expense		**(1,248,968)**	(1,253,311)
Total expenses		**(33,644,360)**	(28,642,938)
Profit before income tax		**20,976,145**	26,944,113
Income tax expense	18	**(6,170,306)**	(8,220,582)
Profit after income tax		**14,805,839**	18,723,531
Other comprehensive income, net of tax		**–**	–
Total comprehensive income for the year		**14,805,839**	18,723,531
Total profit and comprehensive income for the year attributable to:			
Non-controlling interests		**1,809,693**	1,503,758
Members of the parent	3	**12,996,146**	17,219,773
Net profit for the year		**14,805,839**	18,723,531
Earnings per share			
Basic earnings per share (cents per share)	3	**10.63**	13.72
Diluted earnings per share (cents per share)	3	**10.63**	13.72

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

Statement of Financial Position

AS at 30 June 2023

	Notes	2023 $	2022 $
Assets			
Cash and cash equivalents	14	**16,404,282**	16,587,684
Restricted cash	14	**20,045,421**	19,336,929
Trade and other receivables	4, 14	**14,769,434**	17,396,372
Loans and advances	5, 14, 15	**638,697,386**	541,486,166
Other assets		**319,634**	621,349
Right of use assets	8	**8,176,043**	9,241,234
Plant and equipment		**1,795,058**	1,917,121
Intangible assets	6	**14,601,068**	14,279,844
Deferred tax assets	18	**2,410,202**	1,576,521
Total Assets		**717,218,528**	622,443,220
Liabilities			
Trade and other payables	7	**3,708,800**	3,519,804
Current tax liabilities		**5,382,588**	4,153,626
Financing liabilities	13	**591,018,637**	501,738,291
Lease liabilities	8	**9,065,182**	9,871,417
Contract liabilities	2	**286,197**	673,307
Provisions	9	**3,218,683**	2,954,624
Deferred tax liabilities	18	**3,234,555**	3,454,183
Total Liabilities		**615,914,642**	526,365,252
Net Assets		**101,303,886**	96,077,968
Equity			
Share capital	10	**2,493,454**	3,502,630
Reserves	11	**8,707,901**	8,477,064
Retained earnings		**76,816,975**	72,384,411
Total equity attributable to members of the parent		**88,018,330**	84,364,105
Non-controlling interests		**13,285,556**	11,713,863
Total Equity		**101,303,886**	96,077,968

The Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

Refer to Note 1 for the change to liquidity base presentation of the Statement of Financial Position.

Statement of Changes in Equity

For the year ended 30 June 2023

	Note	Share capital $	Reserves $	Retained earnings $	Non-controlling interests $	Total $
Balance at 30 June 2021		**6,360,492**	**–**	**65,682,158**	**3,610,346**	**75,652,996**
Profit after income tax for the year		–	–	17,219,773	1,503,758	**18,723,531**
Other comprehensive income for the year, net of tax		–	–	–	–	**–**
Total comprehensive income for the year		**–**	**–**	**17,219,773**	**1,503,758**	**18,723,531**
Transactions with owners in their capacity as owners:						
Dividends paid		–	–	(8,177,761)	–	**(8,177,761)**
Distributions to non-controlling interests		–	–	–	(420,000)	**(420,000)**
Share buy-back		(4,885,862)	–	–	–	**(4,885,862)**
Long term incentive plan		2,028,000	(2,001,920)	–	–	**26,080**
Business combination		–	10,320,000	(2,339,759)	7,019,759	**15,000,000**
Class shares		–	158,984	–	–	**158,984**
Balance at 30 June 2022		**3,502,630**	**8,477,064**	**72,384,411**	**11,713,863**	**96,077,968**
Profit after income tax for the year		–	–	12,996,146	1,809,693	**14,805,839**
Other comprehensive income for the year, net of tax		–	–	–	–	**–**
Total comprehensive income for the year		**–**	**–**	**12,996,146**	**1,809,693**	**14,805,839**
Transactions with owners in their capacity as owners:						
Dividends paid		–	–	(8,563,582)	–	**(8,563,582)**
Distributions to non-controlling interests		–	–	–	(238,000)	**(238,000)**
Share buy-back	10	(1,009,176)	–	–	–	**(1,009,176)**
Long term incentive plan	11	–	40,059	–	–	**40,059**
Class shares	11, 22	–	190,778	–	–	**190,778**
Balance at 30 June 2023		**2,493,454**	**8,707,901**	**76,816,975**	**13,285,556**	**101,303,886**

The Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

Statement of Cash Flows

For the year ended 30 June 2023

	Notes	Consolidated Entity 2023 $ Inflows/ (Outflows)	2022 $ Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		**15,371,250**	25,723,989
Payments to suppliers and employees		**(28,308,061)**	(27,559,864)
Finance income received		**69,476,459**	47,959,056
Finance cost paid		**(28,222,304)**	(11,740,940)
Income tax paid		**(5,994,653)**	(8,190,122)
Net cash inflow from operating activities	17	**22,322,691**	26,192,119
Cash flows from investing activities			
Cash and cash equivalent from acquisition		**–**	2,355,482
Acquisition of property, plant and equipment		**(175,880)**	(68,567)
Acquisition of intangibles		**(1,272,250)**	(356,668)
Net decrease/(increase) in home loan assets		**11,715,589**	(6,337,249)
Net increase in personal loan assets		**(31,869,701)**	(6,315,178)
Net increase in asset finance assets		**(78,191,689)**	(39,545,524)
Net decrease in other loans		**28,000**	17,500
Net cash outflow from investing activities		**(99,765,931)**	(50,250,204)
Cash flows from financing activities			
Net receipt of borrowings		**88,748,924**	39,199,071
Payment of lease liability		**(969,836)**	(833,360)
Payment of distributions to non-controlling interests		**(238,000)**	(420,000)
Share buy-back	10	**(1,009,176)**	(4,885,862)
Dividends paid to the Company's shareholders	12	**(8,563,582)**	(8,177,761)
Net cash inflow from financing activities		**77,968,330**	24,882,088
Net increase in cash and cash equivalents		**525,090**	824,003
Cash and cash equivalents at the beginning of the period		**35,924,613**	35,100,610
Cash and cash equivalents at the end of the period	17	**36,449,703**	35,924,613

The Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements.

General Information

For the year ended 30 June 2023

Consolidated entity

FSA Group Limited is a for-profit listed public company (ASX: FSA), incorporated and domiciled in Australia.

The consolidated Financial Statements incorporate the financial information of FSA Group Limited ("Company" or "parent entity') and the entities controlled and its interests in associates together referred to as the "Consolidated Entity".

Principal activities

The Consolidated Entity provides direct lending services and debt solutions to individuals and businesses.

Basis of preparation

The Financial Statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations other authoritative pronouncements of the Australian Accounting Standards Board ("accounting standards"), and the *Corporations Act 2001*.

The Financial Statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, certain classes of property, plant and equipment and derivative financial instruments. The Statement of Financial Position is presented on a liquidity basis.

The Financial Statements are presented in Australian dollars and rounded to the nearest dollar.

The Consolidated Entity has restated its 30 June 2022 consolidated statement of profit and loss. This is in accordance with AASB 9 which requires all fees and transaction costs, which are integral to the creation of a loan, to be included in the effective interest rate calculation. The Consolidated Entity has previously amortised any integral transactions costs through the operating expenses these have been reclassified to interest income in the consolidated statement of profit and loss. The change to the consolidated statement of profit and loss is a reclassification between revenue and cost and does not change the overall profitability of the Consolidated Entity in the prior year.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of FSA Group Limited ("Company" or "parent entity") as at 30 June 2023 and the results of all subsidiaries for the year then ended. FSA Group Limited and its subsidiaries together are referred to in these financial statements as the "Consolidated Entity".

Subsidiaries are all those entities over which the Consolidated Entity has control. The Consolidated Entity controls an entity when the Consolidated Entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated Entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Consolidated Entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated Entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity of the Consolidated Entity.

General Information

Continued

Judgements and estimates

In the process of applying the Consolidated Entity's accounting policies, management have made a number of judgements and applied estimates of future events.

Accounting policy – depreciation

Plant and equipment are depreciated on a straight-line basis over their useful lives. The useful lives used for each class of asset are:

Class of Asset	Useful life
Plant and equipment	2 to 5 years
Computers and office equipment	2 to 5 years
Furniture and fittings	2 to 5 years

Judgements and estimates that are material to the Financial Statements are disclosed in the following Notes:

Note 2	Revenue and income
Note 4	Trade and other receivables
Note 5	Loans and advances
Note 6	Intangible assets
Note 14	Financial instruments
Note 15	Financial risk management
Note 22	Share-based compensation

New and amending accounting standards

The Consolidated Entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

New and amending accounting standards that are not yet mandatory have not been early adopted.

The accounting policies of the Consolidated Entity have been consistently applied.

Enhanced communication

The Financial Statements have been prepared using principles of enhanced communication, including using simple descriptions and sentence structures, avoiding the use of boilerplate narratives, ranking information that highlights its importance, and presenting information in a suitable format to make it easier to understand.

Authorisation

The Financial Statements are authorised for issue by the Directors on 17 August 2023.

Notes to the Financial Statements

For the year ended 30 June 2023

The Notes to the Financial Statements are arranged in five sections:

Notes to the Financial Statements

Continued

PERFORMANCE

This section focuses on the Consolidated Entity's performance and returns to shareholders for the year ended 30 June 2023.

Note 1: Segment information

Reportable segments

The Consolidated Entity's operating segments are distinguished and presented based on the differences in providing services and providing finance products. From this information, the Consolidated Entity's chief operating decision makers have identified reportable segments that are subject to different regulatory environments and legislation:

Reportable segment	Description
Services	Offering a range of services to assist clients wishing to enter into a payment arrangement with their creditors, including informal arrangements, debt agreements, personal insolvency agreements and bankruptcy.
Lending	Offering home loans and personal loans to assist clients wishing to purchase a property or consolidate their debt or to purchase a motor vehicle and asset finance to SMEs wishing to purchase a vehicle and business-critical equipment.
Other/unallocated	Including unrealised gain or loss on fair value movement of derivatives, parent entity services and intercompany investments, balances and transactions, which are eliminated upon consolidation.

Segment information

The results of the reportable segments are reconciled to the Consolidated Entity's financial information as follows:

Operating Segment

	Services		Lending		Other/Unallocated		Consolidated Total	
	2023 $	**2022 $**	**2023 $**	**2022 $**	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Revenue and Income:								
Fees from services	16,159,182	21,845,648	502,082	324,894	(323,250)	24,796	16,434,486	22,195,338
Finance income	132,705	3,956	67,117,400	45,382,925	148,953	6,451	67,399,058	45,393,332
Finance expense	32,067	(347,116)	(29,053,428)	(11,538,199)	(95,206)	(116,304)	(29,116,567)	(12,001,619)
Net finance income	164,772	(343,160)	38,063,972	33,844,726	53,747	(109,853)	38,282,491	33,391,713
Total operating income	16,323,954	21,502,488	38,566,054	34,169,620	(269,503)	(85,057)	54,620,505	55,587,051
Results:								
Segment profit before tax	2,820,900	7,331,520	18,207,469	19,834,377	(52,224)	(221,784)	20,976,145	26,944,113
Income tax (expense)/benefit	(893,620)	(2,209,747)	(5,376,754)	(6,079,789)	100,068	68,954	(6,170,306)	(8,220,582)
Profit for the year	1,927,280	5,121,773	12,830,715	13,754,588	47,844	(152,830)	14,805,839	18,723,531
Segment assets	**31,456,488**	37,411,345	**681,861,229**	580,596,599	**20,816,079**	22,644,849	**734,133,796**	640,652,793
Reclassification							**(16,915,268)***	(18,209,573)*
Total Assets							**717,218,528**	622,443,220

*Eliminations are related to intercompany balances.

Each reportable segment accounts for transactions consistently with the Consolidated Entity's accounting policies.

Centrally incurred costs for shared services are allocated between segments based on operating income.

Note 2: Revenue and income

Fees from services

Fees from services comprise fees from contracts with customers for personal insolvency services.

Revenue is recognised at an amount that reflects the consideration to which the Consolidated Entity is expected to be entitled ("the transaction price") in exchange for transferring distinct performance obligations to clients as follows:

Service	Fees	Performance obligations	Revenue recognition
Debt agreements and informal arrangements	Application fees and administration fees	Performance obligations comprises two distinct services: (1) Initial service to prepare debt proposal for consideration by the creditors and the Australia Financial Security Authority, and (2) Monthly or periodic activities that include setting up the debt agreement or informal arrangement, managing and collecting debtor payments and agreement variations, calculating and distributing dividends to creditors and periodic reporting to creditors and the Australian Financial Security Authority.	Revenue is recognised as follows: (1) The initial service at a point in time when the debt proposal is completed, and (2) Over time when the monthly or periodic activities are delivered. The total consideration in the contract is collected over the contract term.
Bankruptcy and personal insolvency agreements	Trustee fees	Estate administration	Recognised over time as work progresses and time is billed.

Application of accounting policy

For each contract with a customer, the Consolidated Entity identifies the contract with a customer, identifies the performance obligations in the contract, determines the transaction price including an estimate of any variable consideration, allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct 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 services promised.

Judgements

When applying the revenue recognition accounting policy to debt agreements and informal arrangements, management have determined that:

- The stand-alone selling price of the initial service is based on the Consolidated Entity's set up costs using a gross-plus margin approach.
- The monthly or periodic activities represent a series of distinct services that are substantially the same – revenue is recognised using an output method based on the numbers of time periods (e.g. months) to be provided over the term of the contract. Revenue for these services is recognised substantially in line with the pattern of collection of cash from the debtor's monthly or periodic cash payments.

Notes to the Financial Statements

Continued

Goods & Services Tax (GST)

The Consolidated Entity is liable for GST when the consideration for the application and administration service provided is received, and recognises the GST liability at this point.

Fees from services continue

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to debt agreement and informal arrangement administration services that are unsatisfied is $8,684,911 as at 30 June 2023 ($19,640,318 as at 30 June 2022) and is expected to be recognised as revenue in future periods as follows:

	Consolidated Entity	
	2023 $	**2022 $**
Within 12 months	**3,029,752**	7,095,762
12 to 24 months	**2,381,313**	6,258,090
24 to 36 months	**891,861**	3,182,056
36 to 60 months	**2,381,985**	3,104,410
	8,684,911	19,640,318

Unrecoverable payments

When a debtor is behind in their monthly or periodic payments, the Consolidated Entity continues to recognise the revenue that it is entitled to collect for services transferred, but that may not be recoverable. Impairment is assessed as outlined in Note 4.

Contract liability

When a debtor pays in advance of their monthly payment, the Consolidated Entity recognises a Contract Liability in the Statement of Financial Position to recognise the collection of an amount that represents the obligation to provide the future services associated with the advance collection.

	Consolidated Entity	
	2023 $	**2022 $**
Current contract liability	**242,973**	466,700
Non-current contract liability	**43,224**	206,607
Contract liability	**286,197**	673,307
Reconciliation of the carrying amount:		
Opening balance	**673,307**	955,224
Payments received in advance	**(40,899)**	169,957
Transfer to revenue – included in the opening balance	**(346,211)**	(451,874)
	286,197	673,307

Net finance income

Finance income comprises interest income and finance fee income:

- Interest income is recognised using the effective interest method over the life of the loan, taking into account all income and expenditure directly attributable to the origination of the loan.
- Finance fee income include fees other than those that are an integral part of effective interest method and include loan fees paid by the customer such as application fee, settlement fee, discharge fee and post-settlement fees. The performance obligation for these fees is met at a point in time when the fee is charged to the customer and revenue is recognised.

Net finance income is presented net of finance costs, which comprise interest expense on borrowings using the effective interest method.

Disaggregation of revenue

	Consolidated Entity	
	2023 $	**2022 $**
Fees from services		
– Personal insolvency	**16,230,009**	21,845,648
– Refinance broking	**527,727**	324,894
– Other services	**(323,250)**	24,796
Total revenue	**16,434,486**	22,195,338
Finance income		
– Home loan assets	**29,850,855**	22,082,322
– Personal loan assets	**19,963,161**	16,377,813
– Asset finance assets	**17,303,385**	6,922,791
– Other interest income	**281,657**	10,406
	67,399,058	45,393,332
Finance expense		
– Interest expense – home loan facilities	**(18,395,562)**	(8,180,629)
– Interest expense – personal loan facilities	**(3,282,140)**	(1,056,320)
– Interest expense – asset finance facilities	**(7,375,727)**	(2,301,251)
– Interest expense – other lending facilities	**(63,138)**	(463,419)
	(29,116,567)	(12,001,619)
Net finance income	**38,282,491**	33,391,713
Other income/(loss)		
– Profit/(Loss) on impairment of intangible assets	**(96,472)**	–
Total operating income	**54,620,505**	55,587,051

Notes to the Financial Statements

Continued

Note 3. Earnings per share

The Consolidated Entity calculated basic and diluted earnings per share as follows:

	Consolidated Entity	
	2023 **$**	**2022** **$**
Total profit attributable to the members of the parent for the year ($)	**12,996,146**	17,219,773
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	**122,300,942**	125,483,612
Weighted average number of ordinary shares used in calculating diluted earnings per share	**122,300,942**	125,483,612
Basic earnings per share (cents)	**10.63**	13.72
Diluted earnings per share (cents)	**10.63**	13.72

ASSETS

This section focuses on the financial assets that the Consolidated Entity requires to operate its business.

Note 4. Trade and other receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment using the expected credit loss method. Details of the Consolidated Entity's credit risk is included in Note 15.

Trade and other receivables comprise:

Receivable type	Description	Approach to impairment
Debt agreement and Informal arrangement receivables	Receivables are receipted on a pro rata basis, in parity with other parties to the debt proposal throughout the debt proposal administration period (contract term), which is generally 2 to 5 years.	Debts which are known to be uncollectable are written off by reducing the carrying amount directly. Impairment allowances are estimated through an assessment of the receivables on a collective (portfolio) basis based on historical collections data and losses incurred.
Bankruptcy and personal insolvency agreement receivables	Receivables are receipted on a pro rata basis, in accordance with statutory approval of trustee remuneration, throughout the administration period, which is generally 3 years.	Debts which are known to be uncollectable are written off by reducing the carrying amount directly. Impairment allowances are estimated through an assessment of the receivables on both collective (portfolio) basis based on historical loss incurred, and also adjusted by individual matter assessment on an ongoing basis.
Sundry receivables	Other receivables.	Impairment of other trade and sundry receivables is assessed on an individual basis with regard to the credit quality of the debtor, payment history and any other information available. These debtors are assessed as being in arrears where they do not pay on their invoice terms and where the terms of this payment have not been re-negotiated.

	Consolidated Entity	
	2023 **$**	**2022** **$**
Current		
Trade receivables	**15,415,386**	16,731,674
Provision for impairment	**(1,317,953)**	(1,004,088)
	14,097,433	15,727,586
Non-current		
Trade receivables	**751,950**	1,815,394
Provision for impairment	**(79,949)**	(146,608)
	672,001	1,668,786
Total	**14,769,434**	17,396,372
The movement in the provision for impairment		
Opening balance	**1,150,696**	1,194,790
Provision for impairment recognised	**674,796**	803,219
Unused provision reversed	**(195,210)**	(438,590)
Bad debts	**(232,380)**	(408,723)
Closing balance	**1,397,902**	**1,150,696**
Aging analysis – Trade and other receivables		
Not past due	**11,941,426**	12,681,862
Past due	**4,225,910**	5,865,206
Total	**16,167,336**	18,547,068

Notes to the Financial Statements

Continued

Note 5. Loans and advances

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of profit and loss and other comprehensive income when the loans and advances are derecognised or impaired.

The Company has adopted AASB 9 and adopted a forward looking "expected credit loss (ECL)" model to determine the potential future impairment of loans and advances. Impairment policy of loans and advances are included in Note 15.

Loans and advances comprise:

	Consolidated Entity							
	Home loan assets		Personal loan assets		Asset finance assets		Total	
	2023 $	**2022 $**	**2023 $**	**2022 $**	**2023 $**	**2022 $**	**2023 $**	**2022 $**
Non-securitised financing assets	**317,986,348**	296,205,553	**105,020,530**	73,963,022	**160,648,188**	82,164,180	**583,655,066**	452,332,755
Securitised financing assets	**60,123,016**	93,465,210	**–**	–	**–**	–	**60,123,016**	93,465,210
Total financing assets	**378,109,364**	389,670,763	**105,020,530**	73,963,022	**160,648,188**	82,164,180	**643,778,082**	545,797,965
Provision for impairment	**(872,840)**	(798,604)	**(1,505,397)**	(2,136,195)	**(2,702,459)**	(1,377,000)	**(5,080,696)**	(4,311,799)
	377,236,524	388,872,159	**103,515,133**	71,826,827	**157,945,729**	80,787,180	**638,697,386**	541,486,166
Security								
Weighted average loan to valuation ratio	**65%**	65%	**n/a**	n/a	**n/a**	n/a		
Interest rate type	**Variable**	Variable	**Fixed**	Fixed	**Fixed**	Fixed		
Aging analysis								
Not past due	**322,224,293**	355,816,411	**93,434,475**	65,496,372	**149,763,958**	75,882,787	**565,422,726**	497,195,570
Past due 0 – 30 days	**42,114,125**	26,270,308	**8,286,112**	7,151,429	**6,732,262**	4,060,705	**57,132,499**	37,482,442
Past due 30 days	**13,770,946**	7,584,044	**3,299,943**	1,315,221	**5,151,968**	2,220,688	**21,222,857**	11,119,953
Total	**378,109,364**	389,670,763	**105,020,530**	73,963,022	**160,648,188**	82,164,180	**643,778,082**	545,797,965
Maturity analysis								
Amounts to be received in less than 1 year	**5,987,514**	8,123,901	**23,450,722**	18,900,838	**39,108,062**	21,275,647	**68,546,298**	48,300,386
Amounts to be received in greater than 1 year	**372,121,850**	381,546,862	**81,569,808**	55,062,184	**121,540,126**	60,888,533	**575,231,784**	497,497,579
	378,109,364	389,670,763	**105,020,530**	73,963,022	**160,648,188**	82,164,180	**643,778,082**	545,797,965
The movement in the provision for impairment								
Opening balance	**798,604**	1,116,147	**2,136,195**	3,222,850	**1,377,000**	634,914	**4,311,799**	4,973,911
Increase in provision	**264,257**	(118,739)	**256,408**	(535,824)	**3,135,626**	1,314,619	**3,656,291**	660,056
Bad debts	**(190,021)**	(198,804)	**(887,206)**	(550,831)	**(1,810,167)**	(572,533)	**(2,887,394)**	(1,322,168)
Closing balance	**872,840**	798,604	**1,505,397**	2,136,195	**2,702,459**	1,377,000	**5,080,696**	4,311,799

Note 6. Intangible assets

Goodwill

Goodwill comprises an amount of $345,124 that is the amount by which the purchase price for the business of FSA Australia Pty Ltd and its controlled entities exceeded the fair value attributed to its net assets at date of acquisition by the parent company.

Goodwill comprises an amount of $10,421,199 that is the amount by which the purchase price for the business of Azora Finance Pty Ltd and its controlled entities exceeded the fair value attributed to its net assets and separately identifiable intangible assets at date of acquisition by Azora Finance Group Pty Ltd.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill has indefinite life therefore no amortisation was recorded.

Software

Software is measured on the basis of the cost of acquisition or development of software less subsequent accumulated amortisation and accumulated impairment losses.

Software is tested for impairment only if there is an indication that the carrying amount of the software may be impaired. Software is amortised over 2-5 years in accordance with the effective life of the software.

Customer relationships

Customer relationships were recognised for the future economic benefits expected from the use of existing customers through the operation of the wholesale rental finance business. Customer relationships are measured by using the multi period excess earnings methodology from the cash flow that can be generated by the existing customer relationships, less subsequent accumulated amortisation and accumulated impairment losses.

Customer relationships are tested for impairment annually and carried at fair value less accumulated amortisation and impairment losses. Customer relationships are amortised over 5 years in accordance with the business strategy.

Broker network

Broker network were recognised for the future economic benefits expected from the use of the broker network in the operation of the asset finance business. Broker network are measured by using the multi period excess earnings methodology from the loans that are expected to be referred by the broker network. Broker network are amortised over 6 years.

Notes to the Financial Statements

Continued

	Consolidated Entity	
	2023 $	**2022 $**
Goodwill	**10,766,323**	10,766,323
Less: Impairment	**–**	–
	10,766,323	10,766,323
Software at cost	**6,712,749**	5,344,027
Less: Accumulated impairment losses	**(96,472)**	–
Less: Accumulated amortisation	**(4,469,582)**	(3,941,256)
	2,146,695	1,402,771
Customer relationships at cost	**366,000**	366,000
Less: Accumulated amortisation	**(134,200)**	(61,000)
	231,800	305,000
Broker network at cost	**2,097,000**	2,097,000
Less: Accumulated amortisation	**(640,750)**	(291,250)
	1,456,250	1,805,750
	14,601,068	14,279,844

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill	Software	Customer relationships	Broker network	Total
Balance at cost	**10,766,323**	**5,344,027**	**366,000**	**2,097,000**	**18,573,350**
Amortisation expense	–	(3,941,256)	(61,000)	(291,250)	**(4,293,506)**
Balance at 1 July 2022	**10,766,323**	**1,402,771**	**305,000**	**1,805,750**	**14,279,844**
Additions	–	1,368,722	–	–	**1,368,722**
Impairment of assets	–	(96,472)	–	–	**(96,472)**
Amortisation expense	–	(528,326)	(73,200)	(349,500)	**(951,026)**
Balance at 30 June 2023	**10,766,323**	**2,146,695**	**231,800**	**1,456,250**	**14,601,068**

Impairment testing

Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	Consolidated Entity	
	2023 $	**2022 $**
FSA Australia Pty Ltd	**345,124**	345,124
Azora Finance Pty Ltd	**10,421,199**	10,421,199
	10,766,323	10,766,323

The recoverable amount of goodwill attributable to the Asset Finance CGU, is determined based on a value-in-use calculation using a discounted cash flow modal, based on a 2 year projection period approved by management and extrapolated for a further 3 years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of CGU is most sensitive. The following key assumptions were used in the discounted cash flow model for the Asset Finance CGU:

- 12% (2022: 8%) after-tax discount rate;
- 6% (2022: 6%) per annum projected revenue growth rate; and
- 3% (2022: 3%) per annum increase in operating costs and overheads.

The discount rate of 12% pre-tax reflects management's estimate of the time value of money and the Consolidated Entity's weighted average cost of capital adjusted for the Asset Finance division, the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected 6% revenue growth rate is prudent and justified, based on the growth of the asset finance market.

The Directors have assessed that, the carrying value of goodwill attributable to the original investment by the parent company in FSA Australia CGU and its controlled entities does not exceed the recoverable amount of this balance at reporting date.

The Directors have determined that there are no reasonable changes in the key assumptions on which the recoverable amounts of goodwill are based, for either Asset Finance CGU or FSA Australia CGU, which would cause the carrying amount to exceed the recoverable amount.

LIABILITIES

This section focuses on the Consolidated Entity's financial liabilities.

Note 7. Trade and other payables

Trade payables and other payables are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Consolidated Entity.

	Consolidated Entity	
	2023 $	**2022 $**
Unsecured trade payables	**644,434**	809,414
Employee benefits payables and accruals	**2,755,846**	2,536,027
Sundry payables and accruals	**308,520**	174,363
	3,708,800	3,519,804

Notes to the Financial Statements

Continued

Note 8. Leases

The Consolidated Entity leases its office premises. The Consolidated Entity adopted AASB 16 *Leases* on 1 July 2019. The Company entered into a new lease of office premises on 17 February 2020 and the lease has been capitalised as a right of use asset addition during the current year. The lease liability on initial recognition is measured at the present value of the contractual payments due to the lessor over the lease term of 10 years, with the discount rate determined at the Consolidated Entity's incremental borrowing rate on the commencement of the lease.

The right-of-use asset is depreciated over the lease term. The lease liability is accounted for using an effective interest method.

	Consolidated Entity	
	2023 $	**2022 $**
Right-of-use assets		
Property	**11,738,049**	11,574,448
Accumulated amortisation	**(3,562,006)**	(2,333,214)
	8,176,043	9,241,234
Lease liabilities		
Current	**1,041,212**	948,179
Non-current	**8,023,970**	8,923,238
	9,065,182	9,871,417

Additions of the right-of-use assets during the year ended 30 June 2023 were $163,601.

Amounts recognised in profit or loss

	Consolidated Entity	
	2023 $	**2022 $**
Depreciation charge of right-of-use-assets	**1,228,793**	1,178,457
Interest expense (included in finance cost)	**329,876**	350,751
Operating rental expense	**326,623**	328,506
Rental on previous office premises (short term)	**19,055**	33,198
	1,904,347	1,890,912

Note 9. Provisions

Provisions are recognised when the Consolidated Entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Employee benefits

A provision has been recognised for employee benefits relating to annual leave and long service leave.

As at 30 June 2023, the Consolidated Entity employed 106 full-time equivalent employees (2022: 104) plus a further 6 independent contractors (2022: 6).

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave with no rights to defer settlements within 12 months of the reporting date are recognised in current liabilities.

Long-term employee benefits

The amount presented as non-current liabilities have an unconditional right to defer settlement. For amounts due more than 12 months after the reporting date; these are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

	Consolidated Entity	
	2023 $	**2022 $**
Employee benefits – current	**2,831,750**	2,531,627
Employee benefits – non-current	**386,933**	422,997
Total	**3,218,683**	**2,954,624**

Notes to the Financial Statements

Continued

EQUITY AND BORROWINGS

This section focuses on the Consolidated Entity's capital structure and borrowing activities.

Note 10. Share capital

	Consolidated Entity	
	2023 $	**2022 $**
Share capital		
Balance 1 July	**3,502,630**	6,360,492
Add shares issued during year	**–**	2,028,000
Less shares bought back during year	**(1,009,176)**	(4,885,862)
Balance 30 June	**2,493,454**	3,502,630
Ordinary shares	**Number**	**Number**
Balance 1 July	**122,336,824**	124,761,680
Add shares issued during year		1,950,000
Less shares bought back during year	**(991,236)**	(4,374,856)
Balance 30 June	**121,345,588**	122,336,824

Note 11. Reserves

	Consolidated Entity	
	2023 $	**2022 $**
Other reserve – business combination	**10,320,000**	10,320,000
Class share reserve	**349,762**	158,984
Long Term Incentive Plan share reserve	**(2,028,000)**	(2,028,000)
Long Term Incentive Plan share valuation reserve	**66,139**	26,080
Balance 30 June	**8,707,901**	8,477,064

Note 12. Dividends

Dividends are recognised when declared during the financial year and at the discretion of the Company. Dividends recognised in the current financial period by FSA Group Limited are:

Financial Year 2023	Value per share $	Total Amount	Franked	Date of Payment
Final – ordinary	0.035	$4,281,791	100%	30-Aug-22
Interim – ordinary	0.035	$4,281,791	100%	9-Mar-23

Financial Year 2022	Value per share $	Total Amount	Franked	Date of Payment
Final – ordinary	0.03	$3,742,850	100%	31-Aug-21
Interim – ordinary	0.035	$4,434,911	100%	10-Mar-22

On 17 August 2023, the Directors declared a fully franked final dividend for the year ended 30 June 2023 of 3.50 cents per ordinary share. This brings the full year dividend to 7.00 cents per ordinary share.

	Consolidated Entity	
	2023 $	2022 $
Franking credits		
Franking credits available at the reporting date based on a tax rate of 30%	**28,570,451**	26,973,557
Franking credits that will arise from the (expected refund)/payment of the amount of the provision for income tax at the reporting date based on a tax rate of 30%	**(107,031)**	1,374,029
Franking credits available for subsequent financial years based on a tax rate of 30%	**28,463,420**	28,347,586

Notes to the Financial Statements

Continued

Note 13. Borrowings

Borrowings comprise:

Borrowings	Facility type	Provider	Limit	Maturity date	Drawn	Security
Home loans	Non-recourse warehouse	Westpac	$350m	Oct-24	$293m	This facility is secured against current and future home loan assets of Azora Home Loans Warehouse Trust 1.
		Institutional	$27m	Oct-24	$22m	
	Securitised	Institutional		Mar-51	$57m	This facility is secured against current and future home loan assets of the Fox Symes Home Loans 2019-1 PP Trust.
Personal loans	Limited recourse warehouse	Westpac	$75m	Apr-26	$54m	This facility is secured against current and future personal loan assets of the Azora Personal Loans Warehouse Trust 1.
		Institutional	$21m	Apr-26	$11m	
	Corporate	Westpac	$15m	Mar-24	$0m	This facility is secured by a fixed and floating charge over the assets of FSA Group Limited and its controlled entities
Asset Finance	Non-recourse warehouse	Australian Bank	$200m	May-24	$116m	This facility is secured against current and future asset finance assets of the Azora Warehouse Trust No. 1.
		Institutional		May-24	$36m	

	Consolidated Entity	
	2023 $	2022 $
Unsecured		
Credit cards	**348,211**	300,247
Secured		
Limited recourse borrowings to finance personal loan assets	**65,887,477**	43,804,531
Non-recourse borrowings to finance home loan assets	**372,832,754**	382,388,979
Non-recourse borrowings to finance asset finance assets	**151,950,195**	72,024,674
Other loan	**–**	3,219,860
	590,670,426	501,438,044
	591,018,637	501,738,291
The carrying amounts of assets including restricted cash pledged as security are:		
Personal loan assets	**102,696,219**	78,547,520
Home loan assets	**390,893,300**	398,984,824
Asset finance assets	**162,487,526**	83,290,750
	656,077,045	560,823,094

Note 14. Financial instruments

The Consolidated Entity undertakes transactions in a range of financial instruments, the risks associated with those financial instruments and recognition are as follows:

Financial instrument	Type of instruments	Risks	Recognition
Non-derivative financial instruments	Cash and cash equivalents Trade and other receivables Loans and advances Other financial assets	Credit risk & Market risk	Non-derivative financial instruments (other than lease liabilities reported in Note 8) are recognised initially at fair value plus adjusted for any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured at amortised cost using the effective interest rate method. Financial assets are reduced by the estimated of expected credit losses.
	Trade and other payables Lease liabilities Short-term loans Bank loans Warehouse facilities Securitised facilities	Liquidity risk & Market risk	

Notes to the Financial Statements

Continued

These financial instruments represented in the Statement of Financial Position are categorised under AASB 9 *Financial Instruments: Recognition and Measurement* as follows:

	Consolidated Entity	
	2023 $	**2022 $**
Financial Assets		
Cash and cash equivalents	**16,404,282**	16,587,684
Restricted cash	**20,045,421**	19,336,929
Trade and other receivables	**14,769,434**	17,396,372
Loans and advances	**638,697,386**	541,486,166
Assets and receivables at amortised cost	**689,916,523**	594,807,151
Financial Liabilities		
Payables at amortised cost	**3,708,800**	3,820,051
Financing liabilities	**591,018,637**	501,438,044
Payables at amortised cost	**594,727,437**	505,258,095

The Consolidated Entity retains substantially all the risks and rewards of ownership of the securitised home loan assets.

Note 15. Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework through the work of the Audit & Risk Management Committee. The Audit & Risk Management Committee is responsible for developing and monitoring risk management policies. The Chairman of the Audit & Risk Management Committee reports to the Board of Directors on its activities. Risk management procedures are established by the Audit & Risk Management Committee and carried out by management to identify and analyse the risks faced by the Consolidated Entity and to set controls and monitor risks.

Credit risk

Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Consolidated Entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Consolidated Entity.

Type of instruments	Security	Risk Management
Personal insolvency receivables	Unsecured	Debtors are assessed for serviceability and affordability prior to inception of each agreement
Personal loan assets	Unsecured	Credit and lending policies have been established for all lending operations whereby each new borrower is analysed individually for creditworthiness and serviceability prior to the Consolidated Entity doing business with them. This includes where applicable credit history checks and affordability assessment and, in the case of lending activities, confirming the existence and title of the security, and assessing the value of the security provided.
	Motor vehicle	
Home loan assets	Residential property	
Asset finance assets	Vehicle and business equipment	

Impairment of financial assets

The Consolidated Entity adopted a "expected credit loss (ECL)" model to determine the potential future impairment of loans and advances.

The Consolidated entity's credit risk assessment process is designed to be dynamic and responsive, adjusting ECL estimates to reflect shifts in the economic environment, credit policy modifications, and recovery processes.

The ECL model for loans and advances measured at amortised cost is determined with reference to three stages of the assets:

Asset Stage	Stage 1	Stage 2	Stage 3	Stage 3
Method	**Collective**	**Collective**	**Collective**	**Specific**
Staging criteria	In order or less than 30 days past due	30 days past due	90 days past due	Formal recovery
Impairment assessment	No increase in credit risk	Increase in credit risk	Credit impaired	Credit impaired
Impairment recognition	12 months ECL	Life time ECL	Life time ECL	Life time ECL

ECLs are a probability-weighted estimate of credit losses. The key inputs used in measuring the ECL include:

a) Probability of default is the likelihood of default, applied to each underlying exposure;

b) Expected loss is the cumulative loss with reference to the historical loss performance of the loans and advances, overlaid by the Consolidated Entity's assessment of current macro-economic factors, historical experience and informed credit assessment.

Notes to the Financial Statements

Continued

The following table summarises the loans and advances and the expected credit loss by stage and risk category:

	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Specific	Total
Maximum exposure to credit risk					
Balance as at 30 June 2023					
Loans and advances					
Home loan lending	**362,521,478**	**10,716,097**	**4,775,068**	**96,721**	**378,109,364**
Personal loan lending	**101,868,847**	**2,325,357**	**628,106**	**198,220**	**105,020,530**
Asset finance lending	**154,707,554**	**3,248,771**	**631,659**	**2,060,204**	**160,648,188**
Total	**619,097,879**	**16,290,225**	**6,034,833**	**2,355,145**	**643,778,082**
Balance as at 30 June 2022					
Loans and advances					
Home loan lending	384,615,132	3,317,014	1,738,617	–	389,670,763
Personal loan lending	72,138,435	1,398,275	128,412	297,900	73,963,022
Asset finance lending	79,924,800	1,340,394	401,907	497,079	82,164,180
Total	**536,678,367**	**6,055,683**	**2,268,936**	**794,979**	**545,797,965**

	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Specific	Total
Expected credit loss					
Balance as at 30 June 2023					
Loans and advances					
Home loan lending	**736,677**	**96,983**	**39,180**	**–**	**872,840**
Personal loan lending	**725,334**	**407,366**	**219,268**	**153,429**	**1,505,397**
Asset finance lending	**1,078,682**	**85,564**	**188,462**	**1,349,751**	**2,702,459**
Total	**2,540,693**	**589,913**	**446,910**	**1,503,180**	**5,080,696**
Balance as at 30 June 2022					
Loans and advances					
Home loan lending	757,098	27,290	14,216	–	798,604
Personal loan lending	2,001,110	41,948	29,754	63,383	2,136,195
Asset finance lending	1,159,687	15,407	1,906	200,000	1,377,000
Total	**3,917,895**	**84,645**	**45,876**	**263,383**	**4,311,799**

Credit risk concentration

The following table summarises the credit risk concentration on loans and advances across the different states:

Concentration by region	2023		2022	
Loan balances	$	%	$	%
New South Wales	**190,677,578**	**29.6%**	167,395,670	30.7%
Victoria	**157,585,596**	**24.5%**	140,898,548	25.8%
Queensland	**163,456,721**	**25.4%**	135,254,147	24.8%
Western Australia	**62,537,864**	**9.7%**	43,829,815	8.0%
South Australia	**38,623,241**	**6.0%**	28,123,007	5.2%
Tasmania	**13,434,093**	**2.1%**	13,659,384	2.5%
Northern Territory	**4,059,144**	**0.6%**	5,868,817	1.0%
ACT	**13,403,845**	**2.1%**	10,768,577	2.0%
Total	**643,778,082**	**100%**	545,797,965	100.0%

Concentration by region	2023		2022	
Expected credit loss	$	%	$	%
New South Wales	**1,821,102**	**35.8%**	1,274,849	29.6%
Victoria	**1,266,463**	**24.8%**	974,471	22.6%
Queensland	**1,117,938**	**21.9%**	1,200,120	27.8%
Western Australia	**502,636**	**9.8%**	444,955	10.3%
South Australia	**186,203**	**3.6%**	206,440	4.8%
Tasmania	**64,944**	**1.3%**	101,343	2.4%
Northern Territory	**13,729**	**0.3%**	47,447	1.1%
ACT	**107,681**	**2.1%**	62,174	1.4%
Total	**5,080,696**	**100%**	4,311,799	100.0%

The Consolidated Entity monitors the collection and performance of the loans and advances closely. The Consolidated Entity adopted the AASB 9 presumption that there is significant increase in credit risk when contractual payments are more than 30 days past due, and a receivable is credit impaired when contractual payments are more than 90 days past due.

Notes to the Financial Statements

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The loans and advances balances under each past due status is illustrated below:

Analysis of loans and advances by past due date

	Consolidated Entity	
	2023 $	**2022 $**
Loan and advance balances		
Loans 0 day and less than 30 days in arrears	**622,555,225**	536,459,466
Loans 30 days and less than 90 days in arrears	**14,168,518**	6,289,686
Loans great than 90 days in arrears	**7,054,339**	3,048,813
Total	**643,778,082**	**545,797,965**
Expected credit loss		
Loans 0 day and less than 30 days in arrears	**2,530,831**	3,858,113
Loans 30 days and less than 90 days in arrears	**675,490**	161,305
Loans great than 90 days in arrears	**1,874,375**	292,381
Total	**5,080,696**	**4,311,799**

Movement in credit exposures and provision for impairment

Provision for impairment losses	**Stage 1 Collective $**	**Stage 2 Collective $**	**Stage 3 Collective $**	**Stage 3 Specific $**	**Total $**
Balance as at 1 July 2022	**3,917,895**	**84,645**	**45,876**	**263,383**	**4,311,799**
Transfer to stage 1	128,472	(52,234)	(517)	(75,721)	–
Transfer to stage 2	(91,243)	97,514	(137)	(6,134)	–
Transfer to stage 3	(25,970)	(1,824)	27,794	0	–
Transfer to stage 3 specific	(18,105)	(2,749)	(4,466)	25,320	–
Net transfer between stages	(6,846)	40,707	22,674	(56,535)	–
Net re-measurement on transfer between stages	(176,667)	254,938	304,051	915,104	1,297,426
Impact from net repayment & interest for the period	(1,948,248)	18,828	197	27,760	(1,901,463)
New loans originated	1,567,366	211,252	110,789	500,467	2,389,874
Impact from financial assets that have been de-recognised during the period	(812,807)	(20,457)	(36,677)	(146,999)	(1,016,940)
Balance as at 30 June 2023	**2,540,693**	**589,913**	**446,910**	**1,503,180**	**5,080,696**
Credit exposure					
Balance as at 1 July 2022	**536,678,367**	**6,055,683**	**2,268,936**	**794,979**	**545,797,965**
Net receivables transfer between stages	(14,127,176)	7,220,126	4,645,850	1,179,338	(1,081,862)
Net repayments & interest for the period	(28,973,325)	(83,678)	16,144	3,854	(29,037,005)
New loans originated	281,612,078	4,396,478	778,063	760,829	287,547,448
Financial assets that have been de-recognised during the period	(156,092,065)	(1,298,384)	(1,674,160)	(383,855)	(159,448,464)
Balance as at 30 June 2023	**619,097,879**	**16,290,225**	**6,034,833**	**2,355,145**	**643,778,082**

Liquidity risk

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due.

Type of instruments	Risk Management	Assessment
Trade and other payables Lease liabilities Short-term loans	The Consolidated Entity's approach in managing liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation. The Consolidated Entity's liquidity risk management policies include cash flow forecasting, which is reviewed and monitored monthly by management as part of the Consolidated Entity's master budget and having access to funding through facilities.	The Directors are satisfied that The Consolidated Entity will be able to meet its financial obligations as they fall due.
Bank loans Warehouse facilities Securitised facilities	The Consolidated Entity is reliant on the renewal of existing facilities, the negotiation of new facilities, or the issuance of residential mortgage backed securities. Each facility is structured so that if it is not renewed or otherwise defaults there is only limited recourse to the Consolidated Entity.	The Directors are satisfied that an event of default in relation to the Consolidated Entity's facilities will not affect the Consolidated Entity's ability to continue as a going concern.

The contractual maturity of the Consolidated Entity's fixed and floating rate financial liabilities are as follows. The amounts represent the future undiscounted principal and interest cash flows.

	Consolidated Entity					
	30 June 2023					
	Carrying amount $	**Contractual Cash flows $**	**12 months or less $**	**1 to 2 years $**	**2 to 5 years $**	**5 to 10 years $**
Trade and other payables	**3,708,800**	**3,708,800**	**3,708,800**	**–**	**–**	**–**
Leases	**9,065,182**	**10,336,881**	**1,333,768**	**1,396,487**	**4,440,695**	**3,165,932**
Other short-term loans	**348,211**	**348,211**	**348,211**	**–**	**–**	**–**
Warehouse facilities	**533,263,082**	**581,014,615**	**187,838,876**	**323,973,592**	**69,202,147**	**–**
Securitised facilities	**57,407,344**	**70,629,095**	**16,243,579**	**12,692,116**	**23,661,042**	**18,032,358**
Total	**603,792,619**	**1,006,403,612**	**230,215,387**	**657,686,053**	**97,303,884**	**21,198,290**
	30 June 2022					
Trade and other payables	3,519,804	3,519,804	3,519,804	–	–	–
Leases	9,871,418	11,441,191	1,265,780	1,277,233	4,210,639	4,687,539
Other short-term loans	3,520,106	3,520,106	3,520,106	–	–	–
Warehouse facilities	408,313,592	432,960,366	80,342,615	305,401,627	47,216,124	–
Securitised facilities	89,904,592	97,021,241	21,740,277	17,059,801	32,108,611	26,112,551
Total	515,129,512	548,462,708	110,388,582	323,738,661	83,535,375	30,800,090

Notes to the Financial Statements

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Market risk

Market risk is the risk that changes in market prices will affect the Consolidated Entity's income or the value of holdings in its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Market risk of the Consolidated Entity is concentrated in interest rate risk.

Type of instruments	Risk Management	Assessment
Home loans	Home loan assets are lent on variable interest rates and are financed by variable rate borrowings, which mitigate the Consolidated Entity's exposure to interest rate risk on these borrowings to an acceptable level. These borrowings are on a non-recourse basis to the Consolidated Entity.	The Consolidated Entity performs interest rate sensitivity analysis to assess the effect on profit after tax if interest rates had been 50 basis points (bps) higher or lower at reporting date on the Consolidated Entity's floating rate financial instruments. The impact of the interest rate movement by 50 basis points were immaterial.
Asset finance	Asset finance assets are lent on fixed interest rates and are financed by variable rate borrowings. Asset finance terms average around 3 to 5 years which mitigate the Consolidated Entity's exposure to interest rate risk on there borrowings. These borrowings are on a non-recourse basis to the Consolidated Entity.	
Personal loans	Personal loan assets are lent on fixed interest rates and are financed by variable rate borrowings. Personal loan terms average around 4 to 5 years which mitigate the Consolidated Entity's exposure to interest rate risk on these borrowings. These borrowings are on a limited-recourse basis to the Consolidated Entity.	

Interest rate sensitivity analysis

The tables below show the effect on profit after tax if interest rates had been 50 basis points (bps) higher or lower at reporting date on the Consolidated Entity's floating rate financial instruments (2022: 50 bps). A 50 bps sensitivity is considered reasonable given the current level of both short-term and long-term Australian interest rates. This would represent approximately two rate increases/decreases. The analysis is based on interest rate risk exposures at reporting date on both financial assets and liabilities.

	Consolidated Entity Profit after tax	
	2023 $	**2022 $**
If interate rates increased by 50bps (2022: 50bps)	761,873	405,074
If interate rates decreased by 50bps (2022: 50bps)	(761,873)	(405,074)

Capital management

The Consolidated Entity's objectives in managing its capital is the safeguard of the Consolidated Entity's ability to continue as a going concern, maintain the support of its investors and other business partners, support the future growth initiatives of the Consolidated Entity and maintain an optimal capital structure to reduce the costs of capital. These objectives are reviewed periodically by the Board.

Note 16. Fair value measurements

Fair value measurement hierarchy

The Consolidated Entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as Level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs. Except as detailed in the following table, the Directors consider that due to their short-term nature the carrying amounts of financial assets and financial liabilities, which include cash, current trade receivables, current payables and current borrowings, are assumed to approximate their fair values. For the majority of the borrowings, the fair values are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

	Jun-23	Jun-23
	Book value $	**Fair value $**
Financial assets		
Current receivables net of deferred tax	2,903,965	2,897,255
Loans and advances		
Personal loan assets	103,515,133	117,428,247
Home loan assets	377,236,524	388,815,728
Asset finance assets	157,945,729	165,273,000

	Jun-22	Jun-22
	Book value $	**Fair value $**
Financial assets		
Receivables net of deferred tax	5,443,959	5,432,893
Loans and advances		
Personal loan assets	71,826,827	83,938,317
Home loan assets	388,872,159	407,876,761
Asset finance assets	80,787,180	86,541,796

Notes to the Financial Statements

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OTHER

Note 17. Cash flow information

	Consolidated Entity	
	2023 $	**2022 $**
Cash and cash equivalents	**16,404,282**	16,587,684
Restricted cash	**20,045,421**	19,336,929
Cash and cash equivalents at the end of the period	**36,449,703**	35,924,613
Reconciliation of cash flows from operations to profit after tax		
Profit after tax	**14,805,839**	18,723,531
Non-cash flows in profit/(loss):		
Depreciation and amortisation	**2,477,761**	2,431,767
Loss on write off investments	**1,077,226**	749,635
Increase/decrease in assets and liabilities:		
Trade and other receivables	**2,347,828**	4,818,726
Other current assets	**(85,397)**	85,509
Tax assets/liabilities	**175,653**	30,461
Trade and other payables	**1,219,664**	(873,680)
Provisions	**304,117**	226,170
Cash flows from operating activities	**22,322,691**	26,192,119

Note 18. Income tax

Income tax

The Consolidated Entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Consolidated Entity recognises liabilities for anticipated tax audit issues based on the Consolidated Entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or non-deductible items. It is calculated using the tax rates that have been enacted or are substantially enacted by the reporting date.

Tax consolidation

FSA Group Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the Tax Consolidation Regime. As the head entity of the consolidated group and the controlled entities, FSA Group Limited continues to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

The tax consolidated group has entered into a tax sharing agreement whereby each company in the group contributes to the income tax payable of the consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries, nor a distribution by the subsidiaries to the head entity.

	Consolidated Entity	
	2023 $	**2022 $**
(a) Income tax expense		
Current tax expense	**7,174,503**	8,716,951
Deferred tax expense	**(1,053,307)**	(472,654)
Over provision for current tax payable in a prior period	**49,110**	(23,715)
	6,170,306	8,220,582
Deferred income tax expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	**(141,230)**	585,905
Increase in deferred tax liabilities	**(912,077)**	(1,058,560)
	(1,053,307)	(472,655)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	**20,976,145**	26,944,113
Tax at the Australian tax rate of 30% (2022: 30%)	**6,292,844**	8,083,234
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Non-deductible expenses	**236,358**	162,004
Adjustment for overseas tax rates	**4,597**	(4,331)
	6,533,799	8,240,907
Under provision in the prior year	**(363,493)**	(20,325)
Tax Offsets	**–**	–
Income tax expense	**6,170,306**	8,220,582
(c) Deferred tax assets		
Provisions	**2,909,184**	2,525,136
Capital legal expenses	**98,015**	80,287
Accrued expenditure	**579,133**	567,576
Lease liability	**2,719,555**	2,961,425
Other	**36,613**	66,847
	6,342,500	6,201,271
Deferred tax liability offset on tax consolidation	**(3,932,298)**	(4,624,750)
Total deferred tax assets	**2,410,202**	1,576,521
(d) Deferred tax liabilities		
Temporary difference on assessable income	**4,207,626**	4,567,661
Temporary difference on lease	**2,452,813**	2,772,371
Temporary difference on intangibles	**506,415**	738,900
Deferred tax liability offset on tax consolidation	**(3,932,299)**	(4,624,749)
Total deferred tax liabilities	**3,234,555**	3,454,183

Notes to the Financial Statements

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Note 19. Auditor's remuneration

Auditors of the Consolidated Entity – BDO and related network firms	Consolidated Entity 2023 $	2022 $
Audit and review of financial statements		
Consolidated Entity	**173,500**	156,000
Controlled entities and joint operations	**36,450**	34,400
Total audit and review of financial statements	**209,950**	190,400
Other statutory assurance services	**30,250**	29,000
Non-audit services		
Taxation compliance services	**67,375**	57,700
Taxation advice and consulting	**36,123**	42,330
Other training and consulting	**3,336**	4,000
Total non-audit services	**106,834**	104,030
Total services provided by BDO	**316,784**	294,430

Note 20. Key Management Personnel disclosures

On 3 December 2021, 1,250,000 shares were issued under the Long Term Incentive Plan to Cellina Chen at a price of $1.04 per share with a transactional value of $1,300,000.

The shares were issued through a limited recourse loan arrangement whereby the holder has the option to repay the loan or sell the shares at agreed dates: at 3 years 50% (625,000 shares), at 4 years 25% (312,500 shares) and at 5 years 25% (312,500 shares).

If the option to sell the shares is taken at any point, the loan is only repayable to the value reimbursed through that sale. This arrangement has resulted in a share-based payment being recorded, with $27,803 (2022: $16,403) expensed in the financial year. The fair value of the share based payment was 18.9 cents.

Set out below is a summary of the shares issued and the limited recourse loan balance:

	LTI shares acquired during the year number	Opening loan balance $	Loans made $	Loans repaid $	Closing loan balance $
Executive Director					
Cellina Chen					
2023	**–**	**1,300,000**	**–**	**–**	**1,300,000**
2022	1,250,000	110,000	1,300,000	(110,000)	1,300,000

Remuneration of Directors and Key Management Personnel	$	$
Short-term employee benefits	**1,145,195**	925,896
Long-term employee benefits	**28,189**	30,931
Post-employment benefits	**65,951**	68,836
Consultancy fees	**638,000**	438,000
	1,877,335	1,463,663

Note 21. Interests in subsidiaries

Investments in subsidiaries

Investments are brought to account on the cost basis in the parent entity's Financial Statements. The carrying amount of investments is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the shares' current market value or the underlying net assets in the particular entities. The expected net cash flow from investments has not been discounted to their present value in determining the recoverable amounts, except where stated.

Name	Country of Incorporation	Percentage of equity interest held 2023 %	2022 %
The following entities are subsidiaries of FSA Group Limited			
FSA Australia Pty Ltd	Australia	**100**	100
Azora Finance Group Pty Ltd	Australia	**76**	76
Azora Personal Loans Pty Ltd	Australia	**100**	100
104 880 088 Group Holdings Pty Ltd	Australia	**100**	100
The following entities are subsidiaries of FSA Australia Pty Ltd			
Fox Symes & Associates Pty Ltd	Australia	**100**	100
Fox Symes Debt Relief Services Pty Ltd	Australia	**100**	100
EBP Money Pty Ltd	Australia	**100**	100
Aravanis Insolvency Pty Ltd	Australia	**65**	65
Fox Symes Business Services Pty Ltd	Australia	**75**	75
The following entities are subsidiaries of Azora Finance Group Pty Ltd			
Azora Finance (Services) Pty Ltd	Australia	**100**	100
Azora Finance (Management) Pty Ltd	Australia	**100**	100
Fox Symes Home Loans (Mortgage Management) Pty Ltd	Australia	**100**	100
Azora Direct Pty Ltd	Australia	**100**	100
Azora Home Loans Warehouse Trust 1	Australia	**100**	100
Fox Symes Home Loans 2019-1 PP Trust	Australia	**100**	100
Azora Finance Pty Ltd	Australia	**100**	100
Azora Asset Finance Pty Ltd	Australia	**100**	100
Wholesale Rental Finance Trust No.1	Australia	**100**	100
Azora Warehouse Trust No.1	Australia	**100**	100
The following entity is a subsidiary of Azora Personal Loans Pty Ltd			
Azora Personal Loans Warehouse Trust 1	Australia	**100**	100
The following entities are subsidiaries of 104 880 088 Group Holdings Pty Limited			
110 294 767 Capital Finance Pty Limited	Australia	**100**	100
102 333 111 Corporate Pty Limited	Australia	**100**	100
111 044 510 Equity Partners Pty Limited	Australia	**100**	100
One Financial Corporation Pty Ltd	Australia	**100**	100

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The following entity is a subsidiary of Aravanis Insolvency Pty Limited.

Name	Country of Incorporation	Percentage of equity interest held 2023 %	2022 %
Aravanis Advisory Limited	India	**99.99**	99.99

The consolidated Financial Statements incorporate the assets, liabilities and results of the following subsidiaries with non-controlling interests in accordance with the accounting policy described in Note 1 of the Financial Statements:

	Principal place of business/Country of incorporation	Principal activities	Parent		Non-controlling interests	
Name			Ownership interest 2023	Ownership interest 2022	Ownership interest 2023	Ownership interest 2022
Aravanis Insolvency Pty Limited	Australia	Personal insolvency agreements and Bankruptcies	**65%**	65%	**35%**	35%
Fox Symes Business Services Pty Limited	Australia	Accounting and taxation	**75%**	75%	**25%**	25%
Azora Finance Group Pty Limited	Australia	Lending	**76%**	76%	**24%**	24%

	Aravanis Insolvency Pty Limited	
	2023 $	**2022 $**
Summarised Statement of Financial Position		
Current assets	**12,665,584**	12,939,435
Non-current assets	**523,911**	423,963
Total assets	**13,189,495**	13,363,398
Current liabilities	**589,270**	874,233
Non-current liabilities	**3,254,544**	3,144,906
Total liabilities	**3,843,814**	4,019,139
Net assets	**9,345,681**	9,344,259
Summarised Statement of Profit or Loss and Other Comprehensive Income		
Revenue	**5,817,912**	4,862,883
Expenses	**(4,178,740)**	(4,398,487)
Profit before income tax expense	**1,639,172**	464,396
Income tax expense	**(314,843)**	(123,430)
Profit after income tax expense	**1,324,329**	340,966
Other comprehensive income	**–**	–
Total comprehensive income	**1,324,329**	340,966
Summarised Statement of Cash Flows		
Cash flows from operating activities	**43,245**	1,272,526
Cash flows from investing activities	**19,308**	15,855
Cash flows from financing activities	**(583,470)**	(1,165,459)
Net increase/(decrease) in cash and cash equivalents	**(520,917)**	122,922
Other financial information		
Profit attributable to non-controlling interests	**238,499**	119,340
Accumulated non-controlling interests at the end of reporting period	**3,300,856**	3,300,356

Notes to the Financial Statements

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	Azora Finance Group Pty Limited	
	2023 $	2022 $
Summarised Statement of Financial Position		
Current assets	**6,107,827**	5,059,665
Non-current assets	**15,040,077**	13,793,104
Financing assets	**553,931,640**	482,275,575
Total assets	**575,079,544**	501,128,344
Current liabilities	**7,665,108**	7,464,945
Non-current liabilities	**703,680**	844,311
Financing liabilities	**524,782,950**	457,633,513
Total liabilities	**533,151,738**	465,942,769
Net assets	**41,927,806**	35,185,575
Summarised Statement of Profit or Loss and Other Comprehensive Income		
Revenue	**49,585,336**	30,982,624
Expenses	**(39,353,874)**	(21,021,395)
Profit before income tax expense	**10,231,462**	9,961,229
Income tax expense	**(2,684,273)**	(3,118,180)
Profit after income tax expense	**7,547,189**	6,843,049
Other comprehensive income	**–**	–
Total comprehensive income	**7,547,189**	6,843,049
Summarised Statement of Cash Flows		
Cash flows from operating activities	**11,900,583**	11,176,562
Cash flows from investing activities	**(46,856,143)**	(46,144,140)
Cash flows from financing activities	**33,685,168**	33,685,168
Net decrease in cash and cash equivalents	**(1,270,392)**	(1,282,410)
Other financial information		
Profit attributable to non-controlling interests	**1,572,349**	1,386,623
Accumulated non-controlling interests at the end of reporting period	**4,979,105**	5,456,425

The non-controlling interest of Fox Symes Business Services Pty Limited was insignificant and therefore information has not been provided.

Note 22. Share-based compensation

Issue of Class Shares

On 31 August 2021, Azora Finance Group Pty Limited (AFG), a subsidiary of the Company, issued 12,000,000 Class B shares and 12,000,000 Class C shares (Class Shares) to the former shareholders of Azora Finance Pty Ltd ("AF") and its controlled entities. The maximum conversion of Class Shares into ordinary shares is 12,000,000.

On 1 September 2021, AFG acquired 100% of the ordinary shares from the former shareholders of AF in exchange for the issue of new AFG ordinary shares. Following completion, the previous shareholders of AF now hold 24% of the ordinary shares in AFG.

If all Class Shares convert into ordinary shares, the former shareholders of AF will own 32% of the ordinary shares of AFG.

The former shareholders of AF are not classified as Key Management Personnel of the Company.

Conversion of Class Shares

Details of the terms and conditions of the conversion of the Class Shares are set out below:

FY2024 PBT Outcome	Class B Share Conversion
PBT >= $30m	12m Class B shares convert, 12m Class C shares are forfeited
$15m <= PBT < $30m	Proportionate number of Class B shares convert, balance are forfeited
PBT < $15m	Nil Class B shares convert, 12m Class B shares are forfeited

FY2026 PBT Outcome	Class C Share Conversion
PBT >= $30m	12m Class C shares (less any Class B shares already converted) convert, balance are forfeited
$15m <= PBT < $30m	Proportionate Class C shares (less any Class B shares already converted) convert, balance are forfeited
PBT < $15m	Nil Class C shares convert, 12m Class C shares are forfeited

PBT means profit before tax of AFG, as determined in accordance with the Accounting Standards. The conversion will occur 10 days after the audited PBT outcome is determined.

Each Class Share in AFG will confer the following rights and privileges and have been issued subject to the following conditions:

Repayment of capital and surplus assets and profits

Class Shares will rank equally with each ordinary share, in terms of the entitlement to:

(a) any repayment of capital, whether in a winding up, upon a reduction of capital or otherwise; and

(b) participate in any surplus assets or profits of AFG upon a winding up.

Dividends

Class Shares will not confer any right to any dividends;

Voting

Class Shares will not confer any right to cast any vote at any meeting of the members of AFG;

Transfer

Class Shares are not transferable;

Notes to the Financial Statements

Continued

Participation in new issues

Class Shares will not confer any right to participate in new issues of securities; and

Conversion

Class Shares will convert to an ordinary share on the earlier of the following events:

(a) on the occurrence of an Acceleration Event; or

(b) as described above.

Upon the conversion into an ordinary share that share will have the same rights as, and rank pari passu with, all other ordinary shares.

Acceleration Event means a change in control event or insolvency event occurs in relation to AFG or the Company.

Value of Class Shares

The Class Shares were valued at $953,904 by using the capitalisation of future maintainable earnings method. The valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Fair value per AFG shares	Minority interest discount	Liquidity discount	Fair value at the grant date	Probability of conversion
31/08/2021	$0.53	25%	15%	$0.32	25%

Additional information

The Class shares arrangement has resulted in a share-based payment being recorded, with $190,778 (2022: $158,984) expensed in the financial year.

The earnings of AFG for the years to 30 June 2023 are summarised below:

	Azora Finance Group consolidated	
	FY2023 $	FY2022 $
Profit before tax	9,235,727	9,961,229

Issue of Ordinary Shares under the Long Term Incentive Plan

On 3 December 2021, the Company issued 1,950,000 ordinary shares under the Long Term Incentive Plan with limited recourse loans provided to the eligible participants. This arrangement has resulted in a share-based payment being recorded, with $27,803 (2022: $16,403) expensed in the financial year.

Value of shares under Long Term Incentive Plan with limited recourse loans

The Company treated the ordinary shares issued under the LTI with limited recourse loans as share-based compensation. The share-based compensation to the eligible participants was valued at $219,328 by utilising the Black-Scholes model. The valuation model inputs used to determine the value of the LTI are as follows:

Grant date	Expiry Date	Underlying price	Exercise price	Volatility	Risk free rate	Dividend yield	Fair value at the grant date
3/12/2021	2/12/2026	1.04	1.04	25%	1.31%	5.65%	$0.11

Note 23. Parent entity information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated Financial Statements. Refer to Note 1 and other relevant notes within these Financial Statements for a summary of the significant accounting policies relating to the Consolidated Entity.

	2023 $	2022 $
Financial position		
Total current assets	**15,600,265**	17,877,055
Total non-current assets	**8,516,182**	8,465,084
Total assets	**24,116,447**	26,342,139
Total current liabilities	**5,286**	1,378,185
Total liabilities	**5,286**	1,378,185
Net assets	**24,111,161**	24,963,954
Equity		
Share capital	**2,493,454**	3,502,630
Retained earnings	**21,617,707**	21,461,324
Total equity	**24,111,161**	24,963,954
Financial performance		
Profit after income tax	**8,679,905**	9,834,692
Other comprehensive Income	**–**	–
Total comprehensive income/(loss)for the year	**8,679,905**	9,834,692

During the financial year, the parent entity received distribution income from its subsidiaries.

Guarantees entered into by the parent entity relation to the debts of its subsidiaries

FSA Group Limited has entered into a deed of cross guarantee with two of its wholly owned subsidiaries, FSA Australia Pty Ltd and Fox Symes Debt Relief Services Pty Ltd. Refer to Note 24 for further details.

There are no contingent liabilities or commitments in the parent entity (2022: $Nil).

Note 24. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others: FSA Group Limited, FSA Australia Pty Ltd and Fox Symes Debt Relief Services Pty Ltd.

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare a financial report and directors' report under ASIC Corporation (Wholly owned companies) Instrument 2017/785 (as amended) issued by the Australian Securities and Investments Commission ('ASIC'). The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by FSA Group Limited, they also represent the 'Extended Closed Group'.

Notes to the Financial Statements

Continued

Set out below is a consolidated Statement of Profit or Loss and Other Comprehensive Income and Statement of Financial Position of the 'Closed Group'.

Statement of Profit or Loss and Other Comprehensive Income	2023 $	2022 $
Revenue and other income		
Fees from services	**9,201,611**	15,455,939
Finance income	**363,702**	212,997
Finance expense	**(235,183)**	(320,548)
Net finance income	**128,519**	(107,551)
Other income	**10,784,000**	10,780,000
Total revenue and other income net of finance expense	**20,114,130**	26,128,388
Total expense	**(288,742)**	30,895
Profit before income tax	**19,825,388**	26,159,283
Income tax expense	**(2,628,016)**	(4,611,366)
Profit after income tax	**17,197,372**	21,547,917
Other Comprehensive Income	**–**	–
Total comprehensive income for the year	**17,197,372**	21,547,917
Statement of Financial Position		
Current Assets		
Cash and cash equivalents	**8,031,304**	9,229,529
Trade and other receivables	**9,305,212**	11,370,956
Other assets	**162,573**	6,487
Total Current Assets	**17,499,089**	20,606,972
Non-Current Assets		
Trade and other receivables	**266,577**	708,301
Investments	**8,465,084**	8,465,084
Total Non-Current Assets	**8,731,661**	9,173,385
Total Assets	**26,230,750**	29,780,357
Current Liabilities		
Trade and other payables	**109,973**	124,923
Contract liability	**242,973**	466,700
Tax Liabilities	**–**	1,374,029
Total Current Liabilities	**352,946**	1,965,652
Non-Current Liabilities		
Contract liability	**43,224**	206,607
Deferred tax liabilities	**593,834**	936,172
Total Non-Current Liabilities	**637,058**	1,142,779
Total Liabilities	**990,004**	3,108,431
Net Assets	**25,240,746**	26,671,926
Equity		
Share capital	**2,493,458**	3,502,634
Retained earnings	**22,747,288**	23,169,292
Total Equity	**25,240,746**	26,671,926

Note 25. Contingent liabilities

There were no contingent liabilities relating to the Consolidated Entity at reporting date except those incurred in the ordinary course of business as follows:

Home loans

At reporting date, home loan applications that had been accepted by the Consolidated Entity but not yet settled amount to $8,293,100 (2022: $12,481,675). Home loans are usually settled within 4 weeks of acceptance.

Personal loans

At reporting date, personal loan applications that had been accepted by the Consolidated Entity but not yet settled amount to $366,757 (2022: $43,640). Personal loans are usually settled within one week of acceptance.

Asset finance

At reporting date, asset finance applications that had been accepted by the Consolidated Entity but not yet settled amount to $5,102,562. Asset finance are usually settled within one week of acceptance.

Note 26. Events occurring after reporting date

There have been no events since the end of the financial year that impact upon the financial performance or position of the Consolidated Entity as at 30 June 2023 except as follows:

- On 17 August 2023, Directors declared a 3.50 cent fully franked final dividend to shareholders to be paid on 31 August 2023 with a record date of 24 August 2023.

Note 27. Related party disclosures

(a) Key Management Personnel

Disclosures relating to Key Management Personnel are set out in the Remuneration Report.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 21 of the Financial Statements.

(c) Transactions with related parties

Transactions with related parties of Directors or Key Management Personnel are as disclosed in the Remuneration Report.

Directors' Declaration

In the Directors' opinion:

- The Financial Statements, comprising the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity, accompanying Notes, are in accordance with the *Corporations Act 2001* and:
  a. comply with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  b. give a true and fair view of the Consolidated Entity's financial position as at 30 June 2023 and of its performance for the year ended on that date.
- The Company has included in the Notes to the Financial Statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
- In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- The Directors have been given the declarations by the Executive Directors and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

FSA Group Limited, FSA Australia Pty Ltd and Fox Symes Debt Relief Services Pty Ltd identified are parties to the deed of cross guarantee under which each company guarantees the debts of the others. At the date of this declaration there are reasonable grounds to believe that the companies which are parties to this deed of cross guarantee will as a Consolidated Entity be able to meet any obligations or liabilities to which they are, or may become, subject to, by virtue of the deed of cross guarantee described in Note 24.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Tim Odillo Maher
Executive Chairman

Sydney
17 August 2023

Deborah Southon
Executive Director

Sydney
17 August 2023

Independent Auditor's Report

To the members of FSA Group Limited

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of FSA Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of FSA Group 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.

Independent Auditor's Report

Continued

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.

Key audit matter	*How the matter was addressed in our audit*
Expected credit loss provisioning: The Group's accounting policies are disclosed in notes 4, 5 and 15. The Group has disclosed expected credit loss provisions of $5,080,695 (2022: $4,311,799) against loans and advances and $1,397,902 (2022: $1,150,696) against trade receivables. The Group has recognised total impairment expenses of $3,653,757 (2022: $903,609) in the Statement of Profit or Loss and Other Comprehensive Income. Commensurate with the activities of the Group, the total expected credit loss provision is a material balance subject to management judgement and estimation. Key judgements and estimates in respect of the timing and measurement of expected credit losses include: - Determination of the appropriate methodology and determination of what constitutes a Significant Increase in Credit Risk (SICR). - The incorporation of forward-looking assumptions into the models. Expected credit loss provisioning was considered a key audit matter due to the potential for management bias in key judgements, estimates, modelling assumptions and accounting interpretations applied.	Our audit procedures included, but where not limited to: • We assessed the provisioning methodology applied, evaluating compliance with AASB 9 Financial Instruments. • We evaluated the Group's determination of what constitutes a SICR and staging allocations with reference to requirements of applicable accounting standards and industry practices. We then verified a sample of the Group's loans, to determine if staging and SICR assessment has been applied in line with the Group's methodology. • We assessed the completeness and accuracy of data and key model inputs feeding into the Expected credit loss models through reconciliation to underlying record and verification of key inputs to supporting data. • We performed sensitivity analysis over key assumptions. • We evaluated management key assumptions applied in the models through comparison to historical loss data and consideration of forward-looking expectations. • We reviewed the disclosures relating to the provisioning methodology to ensure appropriate and complete disclosures are presented in the financial report in accordance with Australian Accounting Standards.

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.

Independent Auditor's Report

Continued

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 21 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of FSA Group 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

Ryan Pollett

Ryan Pollett
Director

Sydney, 17 August 2023

Shareholder Information

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 3 August 2023.

Distribution of equity securities

The number of holders, by size of holding, in each class of security are:

	Quoted Ordinary shares	
	Number of holders	**Number of shares**
1 – 1,000	290	88,848
1,001 – 5,000	369	1,188,946
5,001 – 10,000	213	1,851,439
10,001 – 100,000	315	10,002,640
100,001 and over	81	108,213,715
Total	**1,268**	**121,345,588**

The number of security investors holding less than a marketable parcel ($1.00 on 3 August 2023) is 190 and they hold 11,330 securities.

Shareholder Information

Continued

Twenty largest holders

The names of the twenty largest holders, in each class of quoted security are (ordinary shares):

1	Capital Management Corporation Pty Ltd	26,000,000	21.43%
2	Mazamand Group Pty Ltd	16,809,231	13.85%
3	ADST PTY LTD	12,960,047	10.68%
4	BJR Investment Holdings Pty Ltd	11,111,111	9.16%
5	Anacacia Pty Ltd	5,585,283	4.60%
6	UBS Nominees Pty Ltd	4,797,363	3.95%
7	Ruminator Pty Limited	3,591,440	2.96%
8	Contemplator Pty Limited	2,597,622	2.14%
9	Dundas Ritchie Investments Pty Ltd	1,500,000	1.24%
10	Wycl Holdings Pty Ltd	1,250,000	1.03%
11	Hsbc Custody Nominees (Australia) Limited	1,172,703	0.97%
12	Karia Investment Pty Ltd	966,666	0.80%
13	Garrett Smythe Ltd	942,978	0.78%
14	Vanward Investments Limited	932,583	0.77%
15	Fernane Pty Ltd	877,168	0.72%
16	Maramindi Pty Ltd	875,000	0.72%
17	Microequities Asset Management Pty Ltd	706,062	0.58%
18	Harold Cripps Holdings Pty Ltd	700,541	0.58%
19	Taurus Sun Trading Pty Ltd	700,000	0.58%
20	Gattenside Pty Ltd	590,541	0.49%
	Top 20	**94,666,339**	**77.89%**
	Total	**121,345,588**	**100%**

Substantial shareholders

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

Number of shares	
Mazamand Group Pty Ltd	16,559,026
ADST Pty Ltd	11,888,514
BJR Investment Holdings Pty Ltd	11,111,111

Voting rights

All ordinary shares carry one vote per share without restriction.

Restricted securities

As at the date of this report there were 1,950,000 ordinary shares subject to restrictions under the Long Term Incentive Plan terms and conditions.

Business objectives

The Consolidated Entity has used its cash and assets that are readily convertible to cash in a way consistent with its business objectives.

Corporate Directory

Directors

Tim Odillo Maher – Executive Chairman

Deborah Southon – Executive Director

Cellina Chen – Executive Director

Chief Financial Officer

Cellina Chen

Company Secretary

Cellina Chen

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Sydney NSW 2001

Auditors

BDO Audit Pty Ltd
Level 11, 1 Margaret Street
Sydney NSW 2000

Country of Incorporation

Australia

Securities Exchange Listing

Australian Securities Exchange Ltd
ASX Code: FSA

Internet Address

www.fsagroup.com.au

Australian Business Number

ABN 98 093 855 791

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