Appendix 4E

PRELIMINARY FINAL REPORT

Name of Entity	**FSA Group Limited**
ABN	98 093 855 791

1. Details of the reporting period

Financial Year Ended	30 June 2021
Previous Corresponding Reporting Period	30 June 2020

2. Results for Announcement to the Market

		$'000	% Increase/decrease over corresponding period
2.1	Total Group operating income	61,434	-10%
2.2	Profit from ordinary activities after tax attributable to members of the parent	20,109	23%
2.3	Net profit for the period attributable to members	20,109	23%
2.4	Dividends – see item 7 below		
2.5	Record date – see item 7 below		
2.6	Commentary on above details – refer to Executive Directors' Review and Financial Statements		

For an explanation of the information provided above at 2.1 to 2.4, refer to the accompanying Executive Directors' Review and Financial Statements.

3. Statement of Profit or Loss and Other Comprehensive Income with notes to the statement

Refer to page 23 of the Financial Statements and the accompanying notes

4. Statement of Financial Position with notes to the statement

Refer to page 24 of the Financial Statements and the accompanying notes

5. Statement of Cash Flows with notes to the statement

Refer to page 26 of the Financial Statements and the accompanying notes

6. Statement of Changes in Equity

Refer to page 25 of the Financial Statements and the accompanying notes

7. Dividends

Fully franked final dividend for the year ended 30 June 2020 of 3.00 cents per ordinary share	$3,742,850
Fully franked interim dividend for the year ended 30 June 2021 of 3.00 cents per ordinary share	$3,742,850
	$7,485,700

Dividends payable subsequent to year end

Date payable	31-Aug-21
Record date to determine entitlement to the dividend	18-Aug-21
Amount per share (fully franked)	3.00 cents
Total dividend calculated on shares on issue as at the date of this report	$3,742,850

8. Dividends reinvestment

There is no Dividend Reinvestment Plan in place.

9. NTA Backing

	Current Period	Corresponding period
Net tangible asset backing per ordinary share after adjusting for non-controlling interests	46.8 cents	36.3 cents

10. Entities over which control has been gained or lost during the period

Not applicable.

11. Associates and joint venture entities

Not applicable.

12. Ability to make an informed assessment of the entities financial performance and financial position.

Refer to the accompanying Executive Directors' Review and Financial Statements.

13. Foreign entities

Not applicable.

14. Results for the period

Refer to the accompanying Executive Directors' Review and Financial Statements and segment commentary within, and supported by financial data contained in Note 1: Segment Information commencing at page 29 of the Financial Statements.

15. Status of audit

The financial statements have been audited and a copy of the audit report is included in the Financial Statements at pages 54 to 56. The audit report does not contain any qualification nor is there any dispute.

The Annual General Meeting is scheduled for Thursday 24 November 2021 at 2pm in Sydney.

Cellina Z Chen

Company Secretary

FSA GROUP LIMITED / ANNUAL REPORT 2021

RESHAPING OUR FUTURE

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.

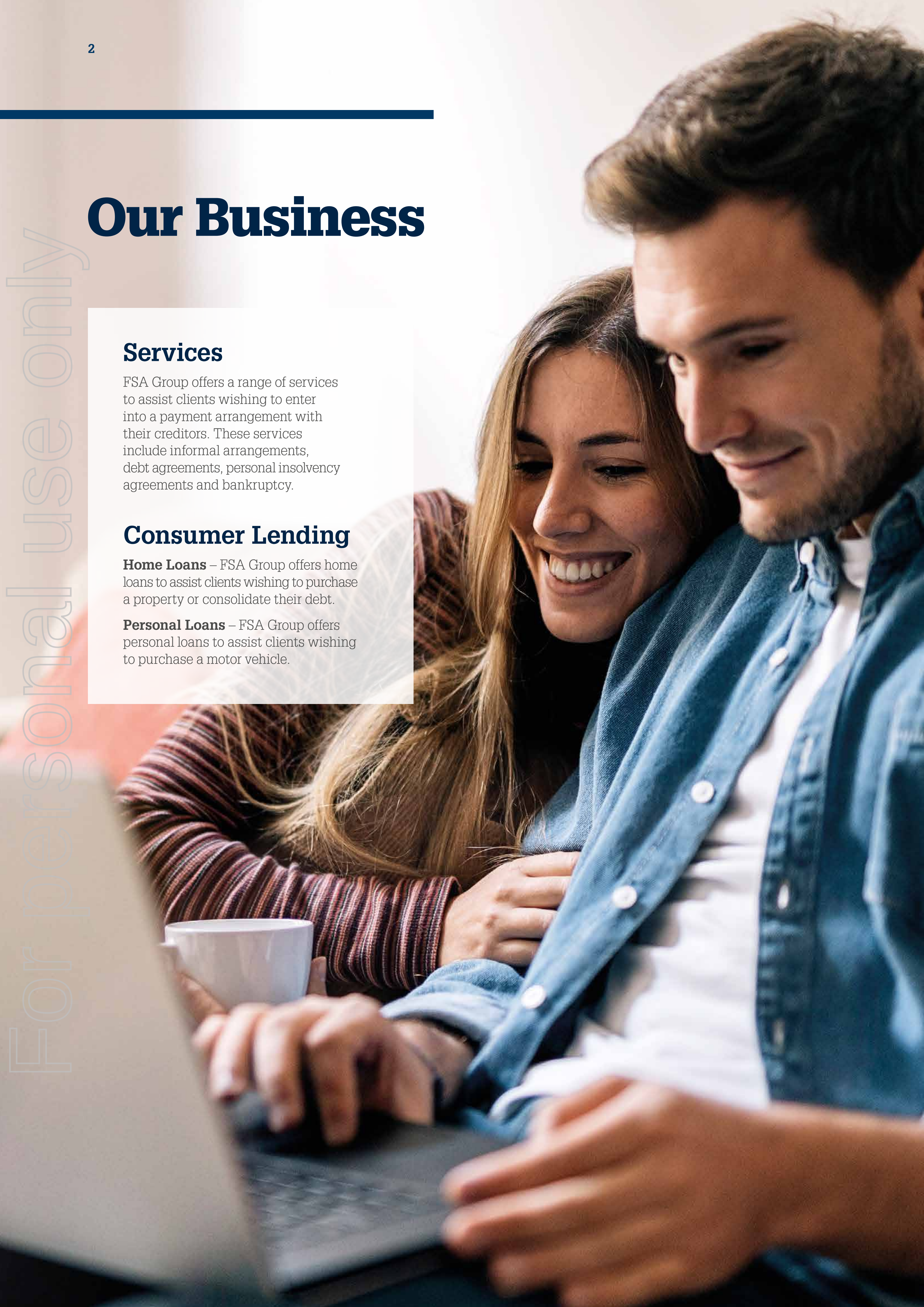
The Company disclaims any responsibility for the accuracy or completeness of any forward-looking statement to the extent permitted by law. Unless otherwise stated, the projections or forecasts included in this Annual Report have not been audited, examined or otherwise reviewed by the independent auditors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

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

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

Contents

Our Business



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.

Consumer 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 personal loans to assist clients wishing to purchase a motor vehicle.

Reshaping Our Future

COVID-19 impacted and continues to impact the number of new callers seeking our assistance for our Services segment. We are uncertain when demand will return.

Historically our Consumer Lending segment operated as a direct to consumer business. Going forward our focus will be on developing a broker channel and growing our loan pools. The addition of a broker channel will significantly enhance our Consumer Lending segment.

During the year upgrades were made to our system and procedures to accommodate brokers. These were successfully tested.

Our plan over the next 3 to 5 years:

Services

- Regrow as demand returns

Home Loans

- Develop a broker channel
- Expand our product offering
- Increase new origination from around $10m to $40m per month
- Grow our loan pool from $382m to around $1.2b

Personal Loans

- Develop a broker channel
- Expand our product offering to include personal loans to consolidate debt
- Increase new origination from around $3m to $7m per month
- Grow our loan pool from $65m to around $200m

Opportunity

- Actively look for other lending businesses to partner with or acquire
- Expand our lending offerings to assist small businesses

Chairman's Letter

Dear Shareholders,

It gives me great pleasure in my first year as Chairman to report to you. The 2021 financial year has been a year of challenges. Despite these challenges we have successfully navigated this period delivering a strong performance. The contribution and commitment of our executives and staff during this period was outstanding.

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. FSA Group is the largest provider of these services in Australia.

COVID-19 impacted and continues to impact the number of new callers seeking our assistance for our Services segment. During the year new client numbers for informal arrangements and debt agreements decreased by 66% and for personal insolvency agreements and bankruptcy decreased by 74% compared to the previous corresponding period. In response to this reduction we restructured parts of our business to materially reduce costs. We are uncertain when demand will return.

The Consumer Lending segment offers home loans and personal loans to assist clients wishing to purchase a property or consolidate their debt or to purchase a motor vehicle. During the year our home loan and personal loan pools, also impacted by COVID-19, decreased from $457m to $447m, a 2% decrease.

Historically our Consumer Lending segment operated as a direct to consumer business. Going forward our focus will be on developing a broker channel and growing our loan pools. The addition of a broker channel will significantly enhance our Consumer Lending segment. During the year upgrades were made to our system and procedures to accommodate brokers. These were successfully tested. Our plan for our Consumer Lending segment, over the next 3 to 5 years is outlined in the section titled "Reshaping Our Future".

For the 2021 financial year, FSA Group generated $61.4m in operating income, a 10% decrease, and a profit after tax attributable to members of $20.1m, a 23% increase compared to the results of 2020. Our net cash inflow from operating activities was $29.5m, a 52% increase.

I advise that the Directors have declared a fully franked final dividend of 3.00 cents per share for the 2021 financial year. This brings the full year dividend to 6.00 cents per share.

Our focus for the 2022 financial year is outlined in the Executive Directors' Review under "Strategy and Outlook".

I would like to thank my fellow Directors, all our executives and staff for their contribution. I am proud of their commitment to our business and look forward to being a part of our continued growth.

Yours sincerely,

David Bower
Chairman

Executive Directors' Review

Dear Shareholders,

The 2021 financial year has been a year of challenges. COVID-19 impacted and continues to impact the number of new callers seeking our assistance for our Services segment. We are uncertain when demand will return. Our focus in on our Consumer Lending segment, developing a broker channel and growing our loan pools.

For the 2021 financial year, FSA Group generated $61.4m in operating income, a 10% decrease, and a profit after tax attributable to members of $20.1m, a 23% increase compared to the results of 2020. Our net cash inflow from operating activities was $29.5m, a 52% increase.

We advise that the Directors have declared a fully franked final dividend of 3.00 cents per share for the 2021 financial year. This brings the full year dividend to 6.00 cents per share.

Financial Overview

Financial Overview	FY2020	FY2021	% Change
Operating income	$68.2m	$61.4m	∨ 10%
Profit before tax	$24.8m	$29.7m	∧ 20%
Profit after tax attributable to members	$16.3m	$20.1m	∧ 23%
EPS basic	13.05c	16.12c	∧ 23%
Net cash inflow from operating activities	$19.4m	$29.5m	∧ 52%
Dividend/share	6.00c	6.00c	
Shareholder equity attributable to members	$59.4m	$72.0m	∧ 21%
Return on equity	30%	31%	

Operational Performance

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

Operating income by segment	FY2020	FY2021	% Change
Services	$41.1m	$30.9m	∨ 25%
Consumer lending			
Home loans	$13.7m	$16.1m	∧ 18%
Personal loans	$13.3m	$14.4m	∧ 9%
Other/unallocated	$0.1m	$0.1m	
Operating income	$68.2m	$61.4m	∨ 10%

Profit before tax by segment	FY2020	FY2021	% Change
Services	$11.7m	$12.1m	∧ 3%
Consumer lending			
Home loans	$7.4m	$9.7m	∧ 30%
Personal loans	$5.2m	$7.5m	∧ 45%
Other/unallocated	$0.4m	$0.4m	
Operating income	$24.8m	$29.7m	∧ 20%

Executive Directors' Review

Continued

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. FSA Group is the largest provider of these services in Australia.

During the 2021 financial year we experienced a number of challenges. COVID-19 impacted and continues to impact the number of new callers seeking our assistance for our Services segment. In response to this reduction we restructured parts of our business to materially reduce costs. We are uncertain when demand will return.

During the year new client numbers for informal arrangements and debt agreements decreased by 66% and for personal insolvency agreements and bankruptcy decreased by 74% compared to the previous corresponding period.

During the year informal arrangement and debt agreement clients under administration decreased to 15,780, down 20% and for personal insolvency agreements and bankruptcy decreased to 1,025, down 21%. FSA Group manages $209m of unsecured debt under informal arrangements and debt agreements and during the 2021 financial year paid $85m in dividends to creditors.

Informals and Debt Agreements	FY2019	FY2020	FY2021	% Change
New clients	4,573	4,327	1,463	↓ 66%
Clients under administration	21,725	19,736	15,780	↓ 20%
Debt managed	$379m	$353m	$209m	↓ 41%
Dividends paid	$88m	$89m	$85m	↓ 5%

PIA's and Bankruptcy	FY2019	FY2020	FY2021	% Change
New clients	436	347	89	↓ 74%
Clients under administration	1,290	1,304	1,025	↓ 21%

The Services segment achieved a profit before tax of $12.1m, a 3% increase. Profitability was positively impacted by long term annuity income from clients under administration and a material reduction in costs.

Consumer Lending

The Consumer Lending segment offers home loans and personal loans to assist clients wishing to purchase a property or consolidate their debt or to purchase a motor vehicle.

During the year our home loan and personal loan pools, also impacted by COVID-19, decreased from $457m to $447m, a 2% decrease.

Loan Pool Data	Home Loans	Personal Loans
Weighted average loan size	$360,528	$21,462
Security type	Residential home	Motor vehicle
Weighted average loan to valuation ratio	67%	83%
Variable or fixed rate	Variable	Fixed
Geographical spread	All states	All states

Loan Pools	FY2019	FY2020	FY2021	% Change
Home loans	$382m	$394m	$382m	↓ 3%
Personal loans	$59m	$63m	$65m	↑ 3%
Total	**$441m**	**$457m**	**$447m**	↓ **2%**

Arrears > 30 day	FY2019	FY2020	FY2021
Home loans	1.42%	2.55%	1.04%
Personal loans	3.36%	2.41%	1.82%

Losses	FY2019	FY2020	FY2021
Home loans	$278,405	$171,265	$384,098
Personal loans	$564,022	*$1,155,536	$679,495

* The loss of $1,155,536 is distorted by a loss of $371,350 from the discontinued pilot product offering which we ran during the 2018 calendar year.

As our loan pools grow we expect to increase and renew our facilities as required and periodically utilise the debt capital markets. In 2019, we announced our inaugural $200m issue of non-conforming residential mortgage backed securities via sole arranger and manager Westpac. Accessing the debt capital markets is a key step in our strategy of diversifying our funding and de-risking the business. More importantly, it provides us with fresh funding capacity to pursue our home loan growth strategy.

Borrowings	Facility type	Provider	Limit	Maturity date	Drawn
Home loans	Non-recourse warehouse	Westpac	$350m	Oct 2023	$230m
	Non-recourse warehouse	Institutional	$20m	Oct 2023	$18m
	Securitised	Institutional		Mar 2051	$130m
Personal loans	Limited recourse warehouse	Westpac	$75m	Apr 2026	$42m
	Corporate	Westpac	$15m	Mar 2024	–

Historically our Consumer Lending segment operated as a direct to consumer business. Going forward our focus will be on developing a broker channel and growing our loan pools. The addition of a broker channel will significantly enhance our Consumer Lending segment. During the year upgrades were made to our system and procedures to accommodate brokers. These were successfully tested. Our plan for our Consumer Lending segment, over the next 3 to 5 years is outlined in the section titled "Reshaping Our Future".

During the 2021 financial year we rebrand our Consumer Lending segment "Azora".

The Consumer Lending segment achieved a profit before tax of $17.2m, a 36% increase. Profitability was positively impacted by a reduction in costs and a material reduction in the cost of funding.

Executive Directors' Review

Continued

Net cash inflow from operating activities

During the 2021 financial year, FSA Group maintained strong net cash inflow driven by long term annuity income from clients, a material reduction in costs and in the cost of funding. Net cash inflow from operating activities was $29.5m, a 52% increase.

	FY2019	FY2020	FY2021	% Change
Net cash inflow from operating activities	$17.1m	$19.4m	$29.5m	^ 52%

		No of clients/loan pool size	Average client life in years
Services	Informal/Debt Agreements	15,780	4.5 to 5.5
	PIA/Bankruptcy	1,025	3
Consumer Lending	Home Loans	$382m	3 to 4
	Personal Loans	$65m	4 to 5

COVID-19

We are very conscious of the impact COVID-19 has had and continues to have on our staff and clients.

We have provided a safe working environment for our people and implemented flexible work arrangements including working from home.

We work closely with clients affected by COVID-19 to ensure we achieved positive outcomes for them.

Strategy and Outlook

Our focus over the 2022 financial year will be as follows:

Services	Regrow the segment as demand returns.
Consumer Lending	Develop a broker channel and grow our loan pools.
Earnings	Earning guidance will be provided during the 2022 financial year.
Capital Management	Due to our strong net cash inflow driven by long term annuity income from clients, we expect our full year dividend to be between 6 cents to 7 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.
Preparing our business for the future	Continue with the offshoring to our Philippine and Indian offices a number of administrative tasks and automating others.

Our People

The past 12 months has been a difficult and challenging time for our team. We therefore provided our team with the support and assistance needed to ensure their well-being, which in turn allowed them to continue to deliver excellent and ethical customer service and support. Our people are our greatest asset and we acknowledge and thank them for their efforts and commitment during a challenging year.

Tim Odillo Maher
Executive Director

Deborah Southon
Executive Director

Financial Statements

for the year ended 30 June 2021

Directors' Report

For the year ended 30 June 2021

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 2021.

Directors

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

David Bower

Tim Odillo Maher

Deborah Southon

Sam Doumany (retired 2 September 2020)

Information on Directors

David Bower (Non-Executive Chairman)

Experience and Expertise

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

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 the Remuneration Committee.

Interest in shares and options

Ordinary shares	160,800

Tim Odillo Maher (Executive Director)

Experience and Expertise

Mr Odillo Maher was appointed on 30 July 2002.

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.

Directors' Report (continued)

For the year ended 30 June 2021

Interest in shares and options

Ordinary shares	42,809,231

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

Sam Doumany (Non-Executive Chairman)

Experience and Expertise

Mr Doumany was appointed on 18 December 2002 and was appointed Chairman on 30 June 2003.

Mr Doumany retired 2 September 2020.

Company Secretary

Cellina Z Chen

Mrs Cellina Z Chen was appointed joint Company Secretary on 23 April 2015 and subsequently appointed as Company Secretary on 1 July 2015. 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 Chief Financial Officer.

Principal activities

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

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 $20,108,514 (2020: $16,315,946).

Dividends declared and paid during the year

- On 11 September 2020, a fully franked final dividend relating to the year ended 30 June 2020 of $3,742,850 was paid at 3.00c per share; and
- On 26 February 2021, a fully franked interim dividend of $3,742,850 was paid at 3.00c per share.

Dividends declared after the end of year

On 12 August 2021, the Directors declared a 3.00 cent fully franked final dividend to shareholders to be paid on 31 August 2021 with a record date of 18 August 2021.

Operating and Financial Review

Detailed comments on operations are included separately in the Executive Directors' Review, on pages 5 to 9 of the Annual Report.

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.

Financial position

The net assets of the Consolidated Entity, which includes amounts attributable to non-controlling interests, have increased from $62,857,375 at 30 June 2020 to $75,652,996 at 30 June 2021.

Treasury policy

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

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 12 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 2021 except as follows:

- On 12 August 2021, the Directors declared a 3.00 cent fully franked final dividend to shareholders to be paid on 31 August 2021 with a record date of 18 August 2021.

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.

Directors' Report (continued)

For the year ended 30 June 2021

Share options

As at 30 June 2021 there were no options on issue and no shares were issued during the year.

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.

The Company has also insured all of the Directors and Officers of FSA Group Limited during the current financial year. The contract of insurance prohibits the disclosure of the nature of the liabilities covered and amount of the premium paid. The *Corporations Act 2001* does not require disclosure of the information in these circumstances.

Indemnity and insurance of auditor

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

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

Remuneration Report (Audited)

This Remuneration Report sets out the remuneration information, pertaining to the Directors and the Senior Executive. The Directors and the Senior Executive comprise the Key Management Personnel of the Consolidated Entity for the purposes of the *Corporations Act 2001* for the year ended 30 June 2021.

Key Management Personnel have the authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity 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 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 Company 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 for the Directors and the Senior Executive. 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 Directors

David Bower	Non-Executive Chairman

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 27 November 2020 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 Directors for the year ended 30 June 2021 is detailed in Table 1 of this Remuneration Report.

Executive Directors and Senior Executive Remuneration

Executive Director

Deborah Southon	Executive Director

Senior Executive

Cellina Chen	Chief Financial Officer/Company Secretary

Remuneration Report cont.

The Company aims to reward the Executive Director and Senior Executive 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 Director and Senior Executive 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 programme ("LTI") has been set to align the targets of the Consolidated Entity's five-year plan with the targets of the responsible Executives. LTI payments are granted to Executives based on specific targets and 'KPI's being achieved. KPI's include earnings growth rate; the services division market share, arrears and termination rates; home loan and personal loan portfolio growth, arrears and bad debts; client complaint levels and employee satisfaction levels.

The remuneration of the Executive Director and Senior Executive for the year ended 30 June 2021 is detailed in Table 1 of this Remuneration Report.

Directors' Report (continued)

For the year ended 30 June 2021

Executive Director

Tim Odillo Maher	Executive Director

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 2021 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), Senior Executive 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 contracts and the consultancy agreement are for no specific fixed term unless otherwise stated.

Executive Directors and Senior Executive

The employment contracts entered into with the Executive Director and Senior Executive 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 5 year plan achievement
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 Directors

David Bower	Non-Executive Chairman
Sam Doumany	Non-Executive Chairman (retired 2 September 2020)

(ii) Executive Directors

Tim Odillo Maher	Executive Director
Deborah Southon	Executive Director

(iii) Senior Executive

Cellina Chen	Chief Financial Officer/Company Secretary

The Directors and the Senior Executive 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 Directors								
David Bower								
2021	52,675	–	–	–	–	5,004	57,679	–
2020	73,513	–	–	–	–	6,984	80,497	–
Sam Doumany (retired)								
2021	19,927	–	–	–	–	1,893	21,820	–
2020	141,775	–	–	–	–	13,469	155,244	–
Stan Kalinko (retired)								
2021	–	–	–	–	–	–	–	–
2020	38,658	–	–	–	–	3,673	42,331	–
Executive Director								
Deborah Southon								
2021	422,823	*–	**4,735	–	**6,967	25,000	459,525	0%
2020	514,461	125,000	3,794	–	(18,906)	25,000	649,349	19%
Senior Executive								
Cellina Chen								
2021	212,740	* –	**41,438	^250,000	**4,167	21,694	530,040	47%
2020	224,162	100,000	26,799	–	4,167	21,002	376,130	27%
Total Remuneration								
2021	**708,165**	**–**	**46,173**	**250,000**	**11,134**	**53,591**	**1,069,064**	
2020	992,569	225,000	30,593	–	(14,739)	70,128	1,303,551	

* No bonus was paid to Key Management Personnel in relation to their performance during financial year 2020. The Board decided to defer the assessment of the 2020 bonus due to the impact of COVID-19.

^ A long term incentive bonus was paid to Cellina Chen in relation to her performance during financial year 2015 to 2019. Due to the restructuring of the business, the initial KPI's set at the commencement of the 5 year plan incentive were no longer appropriate. The bonus was approved at the Board's discretion.

** Annual leave and long service leave accrual movement has been included in the non-cash benefits above.

A 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:	$Nil
Senior Executive:	Cellina Chen:	$75,000 – $150,000

Directors' Report (continued)

For the year ended 30 June 2021

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 fee	Total Fees
	$	**$**	**$**
Executive Director			
Tim Odillo Maher			
2021	438,000	^^–	438,000
2020	538,375	125,000	663,375

^^ No success fee was paid to ATMR Ventures Pty Ltd in relation to its performance during financial year 2020. The Board decided to defer the assessment of the 2020 success fee due to the impact of COVID-19.

A success fee in relation to the current financial year performance will be paid in the subsequent financial year with an estimated range of: $Nil

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

	30 June 2021	30 June 2020	30 June 2019	30 June 2018	30 June 2017
Operating income prior to adoption of AASB 15		–	–	–	$70,630,226
Operating income after adoption of new AASB 15	61,434,416	$68,180,292	$69,742,110	$66,155,145	–
Net profit before tax prior to adoption of AASB 15		–	–	–	$23,492,625
Net profit before tax after adoption of new AASB 15	29,712,695	$24,750,627	$22,164,979	$19,670,917	–
Net profit and other comprehensive income after tax attributable to members prior to adoption of AASB 15			–	–	$15,116,886
Net profit and other comprehensive income after tax attributable to members after adoption of new AASB 15	20,108,514	16,315,946	$14,411,166	$12,606,598	-
Share price at the start of the year	$0.87	$1.02	$1.40	$1.36	$1.01
Share price at the end of the year	$1.04	$0.87	$1.02	$1.40	$1.36
Dividends declared for the year	6.00c	6.00c	5.00c	7.00c	7.00c
Basic EPS (cents) prior to adoption of AASB 15		–	–	–	12.08
Basic EPS (cents) after adoption of new AASB 15	16.12	13.05	11.52	10.08	–
Diluted EPS (cents) prior to adoption of AASB 15	–	–	–	–	12.08
Diluted EPS (cents)	16.12	13.05	11.52	10.08	–

A review of bonuses paid to the Executive Director and Senior Executive, 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 2021

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

(d) Shares issued on exercise of remuneration options

There were no shares issued on the exercise of remuneration options 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 2020	Purchased on market	Other Changes	Balance 30 June 2021
Directors				
Tim Odillo Maher	42,809,231	–	–	42,809,231
Deborah Southon	12,960,047	–	–	12,960,047
David Bower	90,800	–	–	90,800
Senior Executive				
Cellina Chen	–	–	–	–
Total	**55,860,078**	**–**	**–**	**55,860,078**

(g) Loans to Directors and Key Management Personnel

There were no loans to Directors. A loan of $110,000 was advanced to Cellina Chen during the year.

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

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

(i) Voting and comments made at the Company's 2020 Annual General Meeting ("AGM")

At the 2020 AGM, 99.57% of the votes received supported the adoption of the Remuneration Report for the year ended 30 June 2020. 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)

For the year ended 30 June 2021

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	9	9
Tim Odillo Maher	9	9
Deborah Southon	9	9
Sam Doumany (retired)	1	1
Total number of meetings held during the financial year	9	

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	3	3
Tim Odillo Maher	3	3
Deborah Southon	3	3
Sam Doumany (retired)	1	1
Total number of meetings held during the financial year	3	

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	2	2
Tim Odillo Maher	2	2
Deborah Southon	2	2
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 FSA Group Limited, nor has any application for leave been made in respect of FSA Group Limited 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 22.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of FSA Group Limited 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 2001*.

Signed in accordance with a resolution of the Directors.

Tim Odillo Maher
Executive Director

Sydney
12 August 2021

Auditor's Independence Declaration

To the Directors of FSA Group Limited and the entities it controlled during the year

Tel: +61 2 9251 4100
Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
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 2021, 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, 12 August 2021

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	Consolidated Entity 2021 $	2020 $
Revenue and other income			
Fees from services	2	**31,677,359**	41,746,293
Finance income	2	**39,941,645**	40,778,763
Finance expense	2	**(10,184,588)**	(14,344,764)
Net finance income	2	**29,757,057**	26,433,999
Total operating income		**61,434,416**	68,180,292
Employee benefit expense	2	**(16,401,277)**	(23,846,974)
Marketing expense		**(5,819,002)**	(7,585,677)
Operating expenses		**(4,776,001)**	(5,519,160)
Impairment expenses		**(2,318,376)**	(4,765,349)
Office facility expenses		**(1,821,808)**	(2,017,928)
Depreciation and amortisation expense		**(943,783)**	(643,546)
Unrealised gains on fair value movement of derivatives		**358,526**	948,969
Total expenses		**(31,721,721)**	(43,429,665)
Profit before income tax		**29,712,695**	24,750,627
Income tax expense	17	**(8,941,373)**	(7,419,410)
Profit after income tax		**20,771,322**	17,331,217
Other comprehensive income, net of tax		**–**	–
Total comprehensive income for the year		**20,771,322**	17,331,217
Total profit and comprehensive income for the year attributable to:			
Non-controlling interests		**662,808**	1,015,271
Members of the parent		**20,108,514**	16,315,946
Net profit for the year		**20,771,322**	17,331,217
Earnings per share			
Basic earnings per share (cents per share)	3	**16.12**	13.05
Diluted earnings per share (cents per share)	3	**16.12**	13.05

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 2021

		Consolidated Entity	
	Notes	2021 $	2020 $
Current Assets			
Cash and cash equivalents		**18,930,111**	7,980,442
Trade and other receivables	4	**18,361,210**	19,399,262
Other assets		**988,573**	1,320,277
Total Current Assets		**38,279,894**	28,699,981
Non-Current Assets			
Trade and other receivables	4	**4,313,128**	7,555,304
Right of use assets	8	**10,317,800**	11,451,345
Investments		**–**	385
Plant and equipment		**2,101,974**	1,491,367
Intangible assets	6	**2,169,178**	2,653,447
Deferred tax assets	17	**1,187,557**	742,248
Total Non-Current Assets		**20,089,637**	23,894,096
Financing Assets			
Personal loan cash and cash equivalents		**3,837,569**	4,010,137
Home loan cash and cash equivalents		**12,332,930**	27,915,984
Personal loan assets	5	**64,930,182**	63,159,110
Home loan assets	5	**382,471,633**	393,815,196
Total Financing Assets		**463,572,314**	488,900,427
Total Assets		**521,941,845**	541,494,504
Current Liabilities			
Trade and other payables	7	**4,745,599**	5,847,151
Contract liabilities	2	**458,909**	405,745
Lease liability	8	**813,489**	723,960
Provisions	9	**2,229,326**	2,426,822
Current tax liabilities		**3,588,265**	1,290,118
Borrowings	12	**306,647**	447,547
Derivatives		**–**	401,134
Total Current Liabilities		**12,142,235**	11,542,477
Non-Current Liabilities			
Contract liabilities	2	**496,315**	822,782
Lease liability	8	**9,789,398**	10,647,457
Provisions	9	**357,167**	432,259
Deferred tax liabilities	17	**3,155,508**	2,962,275
Total Non-Current Liabilities		**13,798,388**	14,864,773
Financing Liabilities			
Borrowings to finance personal loan assets	12	**–**	5,010,874
Limited-recourse borrowings to finance personal loan assets	12	**42,384,982**	42,393,650
Non-recourse borrowings to finance home loan assets	12	**377,963,244**	404,825,356
Total Financing Liabilities		**420,348,226**	452,229,880
Total Liabilities		**446,288,849**	478,637,130
Net Assets		**75,652,996**	62,857,375
Equity			
Share capital	10	**6,360,492**	6,360,492
Retained earnings		**65,682,158**	53,059,345
Total equity attributable to members of the parent		**72,042,650**	59,419,837
Non-controlling interests		**3,610,346**	3,437,538
Total Equity		**75,652,996**	62,857,375

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

Statement of Changes in Equity

For the year ended 30 June 2021

	Share capital	Retained earnings	Non-controlling interests	Total
	$	$	$	$
Balance at 30 June 2019	**6,707,233**	**44,247,880**	**3,157,267**	**54,112,380**
Profit after income tax for the year	–	16,315,946	1,015,271	**17,331,217**
Other comprehensive income for the year, net of tax	–	–	–	**–**
Total comprehensive income for the year	**–**	**16,315,946**	**1,015,271**	**17,331,217**
Transactions with owners in their capacity as owners:				
Dividends paid	–	(7,504,481)	–	**(7,504,481)**
Distributions to non-controlling interests	–	–	(735,000)	**(735,000)**
Share buy-back	(346,741)			**(346,741)**
Balance at 30 June 2020	**6,360,492**	**53,059,345**	**3,437,538**	**62,857,375**
Profit after income tax for the year	–	20,108,514	662,808	**20,771,322**
Other comprehensive income for the year, net of tax	–	–	–	**–**
Total comprehensive income for the year	**–**	**20,108,514**	**662,808**	**20,771,322**
Transactions with owners in their capacity as owners:				
Dividends paid	–	(7,485,701)	–	**(7,485,701)**
Distributions to non-controlling interests	–	–	(490,000)	**(490,000)**
Balance at 30 June 2021	**6,360,492**	**65,682,158**	**3,610,346**	**75,652,996**

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 2021

		Consolidated Entity	
		2021 $	2020 $
	Notes	Inflows/ (Outflows)	Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		**34,590,161**	41,863,283
Payments to suppliers and employees		**(27,854,078)**	(38,769,660)
Finance income received		**39,987,087**	40,796,691
Finance cost paid		**(10,316,724)**	(16,700,370)
Income tax paid		**(6,895,302)**	(7,756,743)
Net cash inflow from operating activities	16	**29,511,144**	19,433,201
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(986,534)**	(1,298,915)
Acquisition of intangibles	6	**(83,588)**	(270,116)
Acquisition of right of use assets		**–**	(21,069)
Net decrease/(increase) in home loan assets		**10,520,328**	(12,730,099)
Net increase in personal loan assets		**(3,111,442)**	(5,963,910)
Net decrease in other loans		**–**	312,226
Net cash inflow/(outflow) from investing activities		**6,338,764**	(19,971,883)
Cash flows from financing activities			
Net (repayment)/receipt of borrowings		**(31,890,418)**	37,016,461
Payment of lease liability		**(789,742)**	(58,859)
Payment of distributions to non-controlling interests		**(490,000)**	(735,000)
Share buy-back	10	**–**	(346,741)
Dividends paid to the Company's shareholders		**(7,485,701)**	(7,504,481)
Net cash (outflow)/inflow from financing activities		**(40,655,861)**	28,371,380
Net (decrease)/increase in cash and cash equivalents		**(4,805,953)**	27,832,698
Cash and cash equivalents at the beginning of the financial year		**39,906,563**	12,073,865
Cash and cash equivalents at the end of the financial year		**35,100,610**	39,906,563

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 2021

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 debt solutions and direct lending services to individuals.

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

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:

Page 30	Note 2	Revenue and income	Page 40	Note 13	Financial instruments
Page 33	Note 4	Trade and other receivables	Page 41	Note 14	Financial risk management
Page 34	Note 5	Financing assets			

New and amending accounting standards

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 12 August 2021.

Notes to the Financial Statements

For the year ended 30 June 2021

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

PERFORMANCE

This section focuses on the Consolidated Entity's performance and returns to shareholders for the year ended 30 June 2021.

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.
Consumer Lending	Offering non-conforming home loans and personal loans to assist clients wishing to purchase a property or consolidate their debt or to purchase a motor vehicle.
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		Consumer Lending		Other/Unallocated		Consolidated Total	
	2021 $	**2020 $**	**2021 $**	**2020 $**	**2021 $**	**2020 $**	**2021 $**	**2020 $**
Revenue and Income:								
Fees from services	31,268,536	41,170,187	378,081	528,359	30,742	47,747	31,677,359	41,746,293
Finance income	1,829	1,934	39,936,122	40,761,038	3,694	15,791	39,941,645	40,778,763
Finance expense	(404,945)	(32,291)	(9,779,643)	(14,312,496)	–	23	(10,184,588)	(14,344,764)
Net finance income	(403,116)	(30,357)	30,156,479	26,448,542	3,694	15,814	29,757,057	26,433,999
Total operating income	30,865,420	41,139,830	30,534,560	26,976,901	34,436	63,561	61,434,416	68,180,292
Results:								
Segment profit before tax	12,088,836	11,728,057	17,196,011	12,617,442	427,848	405,128	29,712,695	24,750,627
Income tax (expense)/benefit	(3,968,278)	(3,549,882)	(5,162,329)	(3,757,432)	189,234	(112,096)	(8,941,373)	(7,419,410)
Profit for the year	8,120,558	8,178,175	12,033,682	8,860,010	617,082	293,032	20,771,322	17,331,217
Segment assets	**44,642,125**	49,428,767	**469,847,265**	493,066,826	**26,475,871**	26,476,146	**540,965,261**	568,971,739
Reclassification							**(19,023,416)**	(27,477,234)
Total Assets							**521,941,845**	541,494,505

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 employee numbers as a percentage of the total head count.

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

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.

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.

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to debt agreement and informal arrangement administration services that are unsatisfied is $40,780,997 as at 30 June 2021 ($61,108,522 as at 30 June 2020) and is expected to be recognised as revenue in future periods as follows:

	Consolidated Entity	
	2021 $	**2020 $**
Within 12 months	**19,844,620**	24,714,263
12 to 24 months	**13,251,252**	19,396,213
24 to 36 months	**5,640,169**	11,655,095
36 to 60 months	**2,044,956**	5,342,951
	40,780,997	61,108,522

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.

Current contract liability	**458,909**	405,745
Non-current contract liability	**496,315**	822,782
	955,224	1,228,527
Reconciliation of the carrying amount:		
Opening balance	**1,228,527**	1,280,908
Payments received in advance	**350,687**	689,740
Transfer to revenue – included in the opening balance	**(623,990)**	(742,121)
Transfer to revenue – other balances	**–**	–
	955,224	1,228,527

Net finance income

Finance income comprises interest income and finance fee income:

- Interest income is recognised using the effective interest method.
- Finance fee income is recognised in either of two ways, either upfront where the fee represents a recovery of costs or a charge for services provided to customers or, where income relates to loan origination, income is deferred and amortised over the effective life of the loan using the effective interest method.

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

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

Job Keeper income

Job Keeper income was received by two subsidiaries within the Consolidation Entity. It has been netted against Employee benefit expense in the Statement of Profit or Loss and Other Comprehensive Income. Job Keeper income received was $2,003,600 for 2021 (2020: $852,000).

Disaggregation of revenue

	Consolidated Entity	
	2021 $	**2020 $**
Fees from services		
– Personal insolvency	**31,268,536**	41,170,186
– Refinance broking	**378,081**	528,282
– Other services	**30,742**	47,825
Total revenue	**31,677,359**	41,746,293
Finance income		
– Home loan assets	**24,471,194**	25,844,528
– Personal loan assets	**15,464,928**	14,916,509
– Other interest income	**5,523**	17,726
	39,941,645	40,778,763
Finance expense		
– Interest expense – home loan facilities	**(8,648,430)**	(12,666,597)
– Interest expense – personal loan facilities	**(1,131,213)**	(1,645,899)
– Interest expense – other lending facilities	**(404,945)**	(32,268)
	(10,184,588)	(14,344,764)
Net finance income	**29,757,057**	26,433,999
Total operating income	**61,434,416**	68,180,292

Note 3. Earnings per share

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

Total profit attributable to the members of the parent for the year ($)	**20,108,514**	16,315,946
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	**124,761,680**	124,987,712
Weighted average number of ordinary shares used in calculating diluted earnings per share	**124,761,680**	124,987,712
Basic earnings per share (cents)	**16.12**	13.05
Diluted earnings per share (cents)	**16.12**	13.05

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. 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.

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

	Consolidated Entity	
	2021 $	**2020 $**
Current		
Trade receivables	**19,409,823**	20,873,323
Provision for impairment	**(1,048,613)**	(1,474,061)
	18,361,210	19,399,262
Non-current		
Trade receivables	**4,459,305**	7,738,441
Provision for impairment	**(146,177)**	(183,137)
	4,313,128	7,555,304
Total	**22,674,338**	26,954,566
The movement in the provision for impairment		
Opening balance	**1,657,198**	2,088,529
Provision for impairment recognised	**327,109**	761,923
Unused provision reversed	**(178,106)**	(174,914)
Bad debts	**(611,411)**	(1,018,340)
Closing balance	**1,194,790**	1,657,198

Credit risk

Details of the Consolidated Entity's credit risk is included in Note 14.

The ageing profile of trade and other receivables is as follows:

	Consolidated Entity	
	2021 $	**2020 $**
Ageing analysis – Trade and other receivables		
Not past due	**16,060,095**	19,150,187
Past due	**7,809,033**	9,461,577
Total	**23,869,128**	28,611,764

Note 5. Financing assets

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. Financing assets comprise:

Loan type	Description	Type	Term	Approach to impairment
Home loan assets	Loans secured against residential property.	Secured	3-4 years	An impairment loss on an individual basis is recognised if the total expected or actual sale proceeds, resulting from enforced sale of security, in regard to an individual loan do not exceed the loan balance. In the event that expected or actual sales proceeds do not exceed the loan balance, this difference and any realisation costs would equal the impairment loss.
Personal loan assets	Loans secured against motor vehicles.	Secured	4-5 years	An impairment allowance on a collective basis is recognised with regard to the underlying equity in the security or risk grade of the debtor for the loans receivable and also with regard to the payment history and any other information available, such as forward looking information that is available without undue cost of effort.

	Consolidated Entity Home loan assets		Consolidated Entity Personal loan assets	
	2021 $	**2020 $**	**2021 $**	**2020 $**
Non-securitised financing assets	**250,920,262**	217,836,666	**68,153,032**	65,673,999
Securitised financing assets	**132,667,518**	176,622,537	**–**	
Total financing assets	**383,587,780**	394,459,203	**68,153,032**	65,673,999
Provision for impairment	**(1,116,147)**	(644,007)	**(3,222,850)**	(2,514,889)
	382,471,633	393,815,196	**64,930,182**	63,159,110
Security				
Weighted average loan to valuation ratio	**67%**	67%	**83%**	85%
Interest rate type	**Variable**	Variable	**Fixed**	Fixed
Aging analysis				
Not past due	**344,608,219**	357,759,181	**62,337,388**	61,033,969
Past due 0 – 30 days	**34,995,922**	26,683,392	**4,584,214**	3,056,345
Past due 30 days	**3,983,639**	10,016,630	**1,231,430**	1,583,685
Total	**383,587,780**	394,459,203	**68,153,032**	65,673,999
Maturity analysis				
Amounts to be received in less than 1 year	**8,178,008**	7,885,901	**17,222,100**	15,449,970
Amounts to be received in greater than 1 year	**375,409,772**	386,573,302	**50,930,932**	50,224,029
	383,587,780	394,459,203	**68,153,032**	65,673,999
The movement in the provision for impairment				
Opening balance	**644,007**	317,121	**2,514,889**	1,405,878
Increase in provision	**856,238**	498,151	**1,364,925**	2,215,805
Bad debts	**(384,098)**	(171,265)	**(656,964)**	(1,106,794)
Closing balance	**1,116,147**	644,007	**3,222,850**	2,514,889

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

Note 6. Intangible assets

Intangible assets	Intangible assets recognition	Life	Impairment
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.	Indefinite	Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses.
Software	Software is measured on the basis of the cost of acquisition or development of software less subsequent accumulated amortisation and accumulated impairment losses	2 – 5 years	Software is tested for impairment only if there is an indication that the carrying amount of the software may be impaired.

	Consolidated Entity	
	2021 $	**2020 $**
Goodwill		
Recognised on consolidation	**345,124**	345,124
Software		
Software at cost	**4,987,359**	4,903,771
Accumulated amortisation	**(3,163,305)**	(2,595,448)
	1,824,054	2,308,323
Total intangible assets	**2,169,178**	2,653,447
Movements during year (Software):		
Beginning of the year	**2,308,323**	2,344,764
Additions	**83,588**	270,116
Amortisation	**(567,857)**	(306,557)
	1,824,054	2,308,323

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	
	2021 $	2020 $
Current		
Unsecured trade payables	**754,889**	1,484,908
Employee benefits payables and accruals	**3,702,625**	4,101,672
Sundry payables and accruals	**288,085**	260,571
	4,745,599	5,847,151

Note 8. Leases

The Consolidated Entity leases its office premises. The Consolidated Entity adopted AASB 16 Leases on 1 July 2019. On that date, the existing lease of the Company's office premises had a remaining lease term of 12 months and all other operating leases were short term or low value. 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.

Right-of-use assets		
Property	**11,472,558**	11,451,345
Accumulated amortisation	**(1,154,758)**	–
	10,317,800	11,451,345
Lease liabilities		
Current	**813,489**	723,960
Non-current	**9,789,398**	10,647,457
	10,602,887	11,371,417

Additions of the right-of-use assets during the year ended 30 June 2021 were $21,213.

Amounts recognised in profit or loss

Depreciation charge of right-of-use-assets	**1,154,758**	96,230
Interest expense (included in finance cost)	**404,520**	32,291
Operating rental expense	**393,316**	498,338
Rental on previous office premises (short term)	**49,237**	1,188,374
	2,001,831	1,815,233

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

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 2021, the Consolidated Entity employed 89 full-time equivalent employees (2020: 127) plus a further 2 independent contractors (2020: 2).

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

The liability for employee benefits expected to be settled more than 12 months from the reporting date 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	
	2021 $	**2020 $**
Current		
Employee benefits	**2,229,326**	2,426,822
Non-current		
Employee benefits	**357,167**	432,259

EQUITY AND BORROWINGS

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

Note 10. Share capital

Share capital comprises:

	Consolidated Entity	
	2021 $	**2020 $**
124,761,680 (2020: 124,761,680) Fully paid ordinary shares	**6,360,492**	6,360,492
Ordinary shares	**Number**	**Number**
Balance 1 July	**124,761,680**	125,092,610
Less shares bought back during year	**–**	(330,930)
Balance 30 June	**124,761,680**	124,761,680

On 27 November 2020, the Company announced an on market buy-back in line with its capital management strategy.

Note 11. 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 2021	Value per share $	Total Amount	Franked	Date of Payment
Final – ordinary	0.03	$3,742,850	100%	11-Sep-20
Interim – ordinary	0.03	$3,742,850	100%	23-Feb-21

Financial Year 2020	Value per share $	Total Amount	Franked	Date of Payment
Final – ordinary	0.03	$3,752,778	100%	13-Sep-19
Interim – ordinary	0.03	$3,751,703	100%	13-Mar-20

12 August 2021, the Directors declared a fully franked final dividend for the year ended 30 June 2021 of 3.00 cents per ordinary share. This brings the full year dividend to 6.00 cents per ordinary share.

	Consolidated Entity	
	2021 $	**2020 $**
Franking credits		
Franking credits available at the reporting date based on a tax rate of 30%	**24,684,000**	20,865,090
Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date based on a tax rate of 30%	**3,378,857**	1,290,118
Franking credits available for subsequent financial years based on a tax rate of 30%	**28,062,857**	22,155,208

Note 12. Borrowings

Borrowings comprise:

Borrowings	Facility type	Provider	Limit	Maturity date	Drawn	Security
Home loans	Non-recourse warehouse	Westpac	$350m	Oct-23	$ 229,996,443	This facility is secured against current and future home loan assets of Azora Home Loans Warehouse Trust 1.
		Institutional	$20m	Oct-23	$ 17,581,947	
	Securitised	Institutional		Mar-51	$ 130,070,123	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	$ 42,350,000	This facility is secured against current and future personal loan assets of the Azora Personal Loans Warehouse Trust 1.
	Corporate	Westpac	$15m	Mar-24	$ –	This facility is secured by a fixed and floating charge over the assets of FSA Group Limited and its controlled entities.

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

	Consolidated Entity	
	2021 $	**2020 $**
Current – unsecured		
Credit cards	**306,647**	447,547
Financing Liabilities – secured		
Bank loan to finance personal loan assets	**–**	5,010,874
Limited recourse borrowings to finance personal loan assets	**42,384,982**	42,393,650
Non-recourse borrowings to finance home loan assets	**377,963,244**	404,825,356
	420,348,226	452,229,880
The carrying amounts of assets pledged as security are:		
Personal loan assets	**68,767,751**	67,169,247
Home loan assets	**394,804,563**	421,731,180
	463,572,314	488,900,427

Note 13. Financial instruments

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

<table>
<tr><th>Financial instrument</th><th>Type of instruments</th><th>Risks</th><th>Recognition</th></tr>
<tr><td rowspan="11">Non-derivative financial instruments</td><td>Trade and other receivables</td><td rowspan="5">Credit risk & Market risk</td><td rowspan="11">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.</td></tr>
<tr><td>Home loan assets</td></tr>
<tr><td>Personal loan assets</td></tr>
<tr><td>Cash and cash equivalents</td></tr>
<tr><td>Other financial assets</td></tr>
<tr><td>Trade and other payables</td><td rowspan="6">Liquidity risk & Market risk</td></tr>
<tr><td>Lease liabilities</td></tr>
<tr><td>Short-term loans</td></tr>
<tr><td>Bank loans</td></tr>
<tr><td>Warehouse facilities</td></tr>
<tr><td>Securitised facilities</td></tr>
<tr><td>Derivative financial instruments</td><td>Interest rate swap contracts</td><td>Market risk</td><td>Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date.</td></tr>
</table>

These financial instruments represented in the Statement of Financial Position are categorised under AASB 139 *Financial Instruments:* Recognition and Measurement as follows:

	Consolidated Entity	
	2021 $	**2020 $**
Financial Assets		
Cash and cash equivalents	**18,930,111**	7,980,442
Trade and other receivables	**22,674,338**	26,954,566
Financing assets	**463,572,314**	488,900,427
Assets and receivables at amortised cost	**505,176,763**	523,835,435
Financial Liabilities		
Payables at amortised cost	**5,052,246**	6,294,698
Financing liabilities	**420,348,226**	452,229,880
Payables at amortised cost	**425,400,472**	458,524,578
Assets and liabilities measured at fair value through profit and loss:		
Derivatives – Interest rate swap contracts	**–**	(401,134)

Note 14. 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	Impairment Assessment
Personal insolvency receivables (debt agreements, informal arrangements, personal insolvency agreements and bankruptcy)	Unsecured	Debtors are assessed for serviceability and affordability prior to inception of each agreement	Debts which are known to be uncollectable are written off by reducing the carrying amount directly. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable may be impaired.
Home loan assets	1st registered mortgage over residential property	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.	A loan is classified as being in arrears at the reporting date on the basis of "past due" amounts. Any loan with an amount that is past due is classified as being in arrears and the total amount of the loan is recorded as in arrears. Ageing of arrears is determined by dividing total arrears over instalment amount and multiplying this by the instalment frequency (i.e. weekly, fortnightly, and monthly).A loan is classified as being in hardship when a hardship application has been submitted and accepted.
Personal loan assets	Motor vehicle		

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

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 home loan or personal loan 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 2021					
	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	**4,745,599**	**4,745,599**	**4,745,599**	**–**	**–**	**–**
Leases	**10,602,887**	**12,506,039**	**1,155,775**	**1,212,635**	**4,002,272**	**6,135,357**
Other short-term loans	**306,647**	**306,647**	**306,647**	**–**	**–**	**–**
Warehouse facilities	**290,178,549**	**306,545,814**	**5,132,668**	**6,383,897**	**295,029,249**	**–**
Securitised facilities	**130,169,677**	**138,609,121**	**30,699,261**	**24,202,916**	**45,936,542**	**37,770,402**
Total	**436,003,359**	**462,713,220**	**42,039,950**	**31,799,448**	**344,968,063**	**43,905,759**
	30 June 2020					
Trade and other payables	5,847,151	5,847,151	5,847,151	–	–	–
Leases	11,371,417	13,579,770	1,098,341	1,153,015	3,809,396	7,519,018
Other short-term loans	447,547	447,547	447,547	–	–	–
Bank loans	5,010,874	5,062,658	5,062,658	–	–	–
Warehouse facilities	268,553,016	281,685,344	22,226,681	216,407,846	43,050,817	–
Securitised facilities	178,665,990	283,104,146	1,084,097	3,243,404	10,441,097	268,335,548
Total	469,895,995	589,726,616	35,766,475	220,804,265	57,301,310	275,854,566

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.
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.	

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 15. 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-21 Book value $	Jun-21 Fair value $
Financial assets		
Current receivables net of deferred tax	4,924,871	4,924,871
Non-current receivables net of deferred tax	3,918,453	3,883,165
Financing assets		
Personal loan assets	64,930,182	76,064,981
Home loan assets	382,471,633	406,696,899

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

OTHER

Note 16. Cash flow information

	Consolidated Entity	
	2021 $	2020 $
Reconciliation of cash flows from operations to profit after tax		
Profit after tax	**20,771,322**	17,331,217
Non-cash flows in profit/(loss):		
Depreciation and amortisation	**2,098,541**	643,546
Unrealised gain on derivatives	**(401,134)**	(948,969)
Loss on write off investments	**1,041,447**	1,278,059
Increase/decrease in assets and liabilities:		
Trade and other receivables	**5,402,771**	5,065,686
Other current assets	**58,401**	(706,355)
Tax assets/liabilities	**2,046,071**	(337,334)
Trade and other payables	**(1,233,689)**	(3,013,885)
Provisions	**(272,586)**	121,236
Cash flows from operating activities	**29,511,144**	19,433,201

Note 17. 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	
	2021 $	2020 $
(a) Income tax expense		
Current tax expense	**9,504,511**	6,921,216
Deferred tax expense	**(252,075)**	502,182
Over provision for current tax payable in a prior period	**(311,063)**	(3,988)
	8,941,373	7,419,410
Deferred income tax expense included in income tax expense comprises:		
Increase/(decrease) in deferred tax assets	**28,391**	(2,893,685)
(Decrease)/increase in deferred tax liabilities	**(280,466)**	3,395,867
	(252,075)	502,182
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	**29,712,695**	24,750,627
Tax at the Australian tax rate of 30% (2020: 30%)	**8,913,808**	7,425,188
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Non-deductible expenses	**31,856**	38,297
Adjustment for overseas tax rates	**(3,597)**	(1,286)
	8,942,067	7,462,199
Under provision in the prior year	**15,630**	69,578
Tax Offsets	**(16,324)**	(112,367)
Income tax expense	**8,941,373**	7,419,410
(c) Deferred tax assets		
Provisions	**2,317,659**	2,173,736
Capital legal expenses	**38,644**	25,140
Accrued expenditure	**873,462**	764,137
Lease liability	**3,180,866**	3,411,425
Other	**20,008**	84,592
	6,430,639	6,459,030
Deferred tax liability offset on tax consolidation	**(5,243,082)**	(5,716,782)
Total deferred tax assets	**1,187,557**	742,248
(d) Deferred tax liabilities		
Temporary difference on assessable income	**5,303,251**	5,243,653
Temporary difference on lease	**3,095,340**	3,435,404
Deferred tax liability offset on tax consolidation	**(5,243,083)**	(5,716,782)
Total deferred tax liabilities	**3,155,508**	2,962,275

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

Note 18. Auditor's remuneration

	Consolidated Entity	
Auditors of the Consolidated Entity – BDO and related network forms	**2021 $**	**2020 $**
Audit and review of financial statements		
Consolidated Entity	**144,000**	159,000
Controlled entities and joint operations	**25,950**	28,500
Total audit and review of financial statements	**169,950**	187,500
Other statutory assurance services	**4,500**	9,000
Non-audit services		
Taxation compliance services	**91,594**	63,280
Taxation advice and consulting	**15,662**	76,405
Other training and consulting	**3,650**	4,000
Total non-audit services	**110,906**	143,685
Total services provided by BDO	**280,856**	340,185

Note 19. Key Management Personnel disclosures

Remuneration of Directors and Key Management Personnel		
Short-term employee benefits	**754,339**	1,248,162
Long-term employee benefits	**261,134**	(14,739)
Post-employment benefits	**53,591**	70,128
Consultancy fees	**438,000**	663,375
	1,507,064	1,966,926

Note 20. 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.

The following entities are subsidiaries of FSA Group Limited

		Percentage of equity interest held	
Name	**Country of Incorporation**	**2021 %**	**2020 %**
FSA Australia Pty Ltd	Australia	**100**	100
Azora Finance Group Pty Ltd (formerly Fox Symes Home Loans Pty Ltd)	Australia	**100**	100
Azora Personal Loans Pty Ltd[(1)] (formerly Fox Symes Personal Loans Pty Ltd)	Australia	**100**	–
104 880 088 Group Holdings Pty Ltd	Australia	**100**	100

(1) Azora Personal Loans Pty Ltd (formerly Fox Symes Personal Loans Pty Ltd) was previously owned by Azora Finance Group Pty Ltd (formerly Fox Symes Home Loans Pty Ltd), it was acquired by FSA Group Ltd during the period.

The following entities are subsidiaries of FSA Australia Pty Ltd

		Percentage of equity interest held	
Name	**Country of Incorporation**	**2021 %**	**2020 %**
Fox Symes & Associates Pty Ltd	Australia	**100**	100
Fox Symes Debt Relief Services Pty Ltd	Australia	**100**	100
Easy Bill Pay 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 (formerly Fox Symes Home Loans Pty Ltd)

		Percentage of equity interest held	
Name	**Country of Incorporation**	**2021 %**	**2020 %**
Azora Finance (Services) Pty Ltd (formerly Fox Symes Home Loans (Services) Pty Ltd)	Australia	**100**	100
Azora Finance (Management) Pty Ltd (formerly Fox Symes Home Loans (Management) Pty Ltd)	Australia	**100**	100
Fox Symes Home Loans (Mortgage Management) Pty Ltd	Australia	**100**	100
Azora Direct Pty Ltd (formerly Fox Symes Financial Pty Ltd)	Australia	**100**	100
Azora Personal Loans Pty Ltd (formerly Fox Symes Personal Loans Pty Ltd)	Australia	**–**	100
Azora Home Loans Warehouse Trust 1 (formerly Fox Symes Home Loans Warehouse Trust 1)	Australia	**100**	100
FSHL Prime Warehouse Trust 1	Australia	**–**	100
Fox Symes Home Loans 2019-1 PP Trust	Australia	**100**	100

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

The following entity is a subsidiary of Azora Personal Loans Pty Ltd (formerly Fox Symes Personal Loans Pty Ltd)

		Percentage of equity interest held	
Name	Country of Incorporation	2021 %	2020 %
Azora Personal Loans Warehouse Trust 1 (formerly Fox Symes Personal Loans Warehouse Trust 1)	Australia	**100**	**100**

The following entities are subsidiaries of 104 880 088 Group Holdings Pty Limited

		Percentage of equity interest held	
Name	Country of Incorporation	2021 %	2020 %
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

The following entity is a subsidiary of Aravanis Insolvency Pty Limited

		Percentage of equity interest held	
Name	Country of Incorporation	2021 %	2020 %
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:

			Parent		Non-controlling interests	
Name	Principal place of business/ Country of incorporation	Principal activities	Ownership interest 2021	Ownership interest 2020	Ownership interest 2021	Ownership interest 2020
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%

	Aravanis Insolvency Pty Limited	
	2021 $	**2020 $**
Summarised Statement of Financial Position		
Current assets	**14,462,535**	13,500,429
Non-current assets	**317,046**	413,900
Total assets	**14,779,581**	13,914,329
Current liabilities	**1,157,635**	825,804
Non-current liabilities	**3,503,153**	3,375,664
Total liabilities	**4,660,788**	4,201,468
Net assets	**10,118,793**	9,712,861
Summarised Statement of Profit or Loss and Other Comprehensive Income		
Revenue	**6,628,712**	9,800,157
Expenses	**(3,900,802)**	(5,651,347)
Profit before income tax expense	**2,727,910**	4,148,810
Income tax expense	**(837,478)**	(1,248,691)
Profit after income tax expense	**1,890,432**	2,900,119
Other comprehensive income	**–**	–
Total comprehensive income	**1,890,432**	2,900,119
Summarised Statement of Cash Flows		
Cash flows from operating activities	**2,198,232**	3,038,354
Cash flows from investing activities	**(9,706)**	(20,410)
Cash flows from financing activities	**(1,403,120)**	(2,099,382)
Net increase in cash and cash equivalents	**785,406**	918,562
Other financial information		
Profit attributable to non-controlling interests	**661,653**	1,015,044
Accumulated non-controlling interests at the end of reporting period	**3,601,015**	3,429,362

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

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

Note 21. 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.

	2021 $	2020 $
Financial position		
Total current assets	**23,046,698**	13,008,119
Total non-current assets	**8,465,084**	8,465,084
Total assets	**31,511,782**	21,473,203
Total current liabilities	**3,344,977**	1,596,886
Total liabilities	**3,344,977**	1,596,886
Net assets	**28,166,805**	19,876,317
Equity		
Share capital	**6,360,492**	6,360,492
Retained earnings	**21,806,313**	13,515,825
Total equity	**28,166,805**	19,876,317
Financial performance		
Profit after income tax	**15,776,188**	8,603,876
Other comprehensive income	**–**	–
Total comprehensive income for the year	**15,776,188**	8,603,876

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 22 for further details.

There are no contingent liabilities or commitments in the parent entity (2020: $Nil).

Note 22. 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'.

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

	2021 $	2020 $
Statement of Profit or Loss and Other Comprehensive Income		
Revenue and other income		
Fees from services	**22,256,808**	26,389,609
Finance income	**8,120**	15,756
Finance expense	**(4,851)**	23
Net finance income	**3,269**	15,779
Other income	**16,535,242**	–
Total operating income	**38,795,319**	26,405,388
Total expenses	**(336,245)**	(492,235)
Profit before income tax	**38,459,074**	25,913,153
Income tax expense	**(6,367,120)**	(8,049,194)
Profit after income tax	**32,091,954**	17,863,959
Other comprehensive income	**–**	–
Total comprehensive income for the year	**32,091,954**	17,863,959
Statement of Financial Position		
Current Assets		
Cash and cash equivalents	**12,777,758**	4,528,647
Trade and other receivables	**13,136,401**	11,278,360
Other assets	**6,433**	2
Total Current Assets	**25,920,592**	15,807,009
Non-Current Assets		
Trade and other receivables	**1,315,585**	1,648,222
Investments	**8,465,084**	8,465,084
Total Non-Current Assets	**9,780,669**	10,113,306
Total Assets	**35,701,261**	25,920,315
Current Liabilities		
Trade and other payables	**120,171**	210,547
Contract liabilities	**458,909**	405,745
Tax liabilities	**3,378,857**	1,607,155
Total Current Liabilities	**3,957,937**	2,223,447
Non-Current Liabilities		
Contract liabilities	**496,315**	822,782
Deferred tax liabilities	**1,148,910**	1,279,263
Total Non-Current Liabilities	**1,645,225**	2,102,045
Total Liabilities	**5,603,162**	4,325,492
Net Assets	**30,098,099**	21,594,823
Equity		
Share capital	**6,360,496**	6,360,496
Retained earnings	**23,737,603**	15,234,327
Total Equity	**30,098,099**	21,594,823

Notes to the Financial Statements (continued)

For the year ended 30 June 2021

Note 23. Contingent liabilities

There were no contingent liabilities relating to the Consolidated Entity at reporting date except the following:

Home loans

At reporting date, home loan applications that had been accepted by the Consolidated Entity but not yet settled amount to $11,589,250 (2020: $8,188,250). Home loans are usually settled within 4 weeks of acceptance.

Personal loans

At reporting date, all personal loan applications that had been accepted by the Consolidated Entity were settled. Personal loans are usually settled within one week of acceptance.

Note 24. 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 2021 except as follows:

- On 12 August 2021, the Directors declared a 3.00 cent fully franked final dividend to shareholders to be paid on 31 August 2021 with a record date of 18 August 2021.

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 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 2021 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 in Note 22 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 22.

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 Director

Sydney
12 August 2021

Deborah Southon
Executive Director

Sydney
12 August 2021

Independent Auditor's Report

To the members of FSA Group Limited

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Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
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 statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 2021 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

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

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

Key audit matters

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

Recoverability of receivable balances

Key audit matter	*How the matter was addressed in our audit*
As disclosed in the Statement of Profit or Loss and Other Comprehensive Income, impairment expenses of $2,318,376 relating to the Group's trade and other receivables and financing assets which have been recognised as at 30 June 2021. The Group summarises the trade and other receivables and financing assets balances and the provision applied in notes 4 and 5 of the financial statements. Given the quantum of the assets and the judgement exercised by the Group in determining the recoverable amount of each of the classes of asset and calculating the impairment charges, we considered this area to be significant for our audit.	Our audit procedures included, among others; • Review of the provisioning methodology applied, ensuring compliance with AASB 9 *Financial Instruments* through comparison to historical cash collections data and consideration of trends into the future; • Verification of key inputs to supporting data and re-computation of the balance date provisions to ensure mathematical accuracy; • Ensured the impact of COVID-19 has been considered in the forward-looking estimates; and • Review of the disclosures relating to the provisioning methodology to ensure appropriate and complete disclosures are presented in the financial report.

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 2021, 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.

Independent Auditor's Report (continued)

To the members of FSA Group Limited

Auditor's responsibilities for the audit of the Financial Report

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

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

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

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 14 to 19 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of FSA Group Limited, for the year ended 30 June 2021, 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, 12 August 2021

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 26 July 2021.

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	312	117,911
1,001 – 5,000	455	1,465,196
5,001 – 10,000	253	2,155,563
10,001 – 100,000	369	11,104,573
100,001 and over	82	109,918,437
Total	**1,471**	**124,761,680**

The number of security investors holding less than a marketable parcel of 476 securities ($1.05 on 26 July 2021) is 176 and they hold 10,578 securities.

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	20.84%
2	Mazamand Group Pty Ltd	16,809,231	13.47%
3	ADST Pty Ltd	12,960,047	10.39%
4	BJR Investment Holdings Pty Ltd	11,111,111	8.91%
5	J P Morgan Nominees Australia Pty Limited	6,413,553	5.14%
6	UBS Nominees Pty Ltd	4,425,256	3.55%
7	Ruminator Pty Limited	3,491,440	2.80%
8	Contemplator Pty Limited	2,597,622	2.08%
9	Bulwarra Pty Ltd	1,773,775	1.42%
10	Dundas Ritchie Investments Pty Ltd	1,500,000	1.20%
11	Microequities Asset Management Pty Ltd	1,160,207	0.93%
12	HSBC Custody Nominees (Australia) Limited	1,147,887	0.92%
13	National Nominees Limited	1,030,000	0.83%
14	Karia Investment Pty Ltd	966,666	0.77%
15	Maramindi Pty Ltd	900,000	0.72%
16	Fernane Pty Ltd	877,168	0.70%
17	Garrett Smythe Ltd	768,878	0.62%
18	Harold Cripps Holdings Pty Ltd	700,541	0.56%
19	Investment Custodial Services Limited	689,660	0.55%
20	Gattenside Pty Ltd	590,541	0.47%
	Top 20	**95,913,583**	**76.88%**
	Total	**124,761,680**	**100%**

Shareholder Information (continued)

To the members of FSA Group Limited

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 no ordinary shares subject to voluntary restriction agreements.

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 Information

Directors

David Bower – Non-Executive Chairman

Tim Odillo Maher – Executive Director

Deborah Southon – Executive Director

Chief Financial Officer

Cellina Chen

Company Secretary

Cellina Chen

Registered Office and Corporate Office

Level 13
1 Oxford Street
Darlinghurst NSW 2010

Phone: +61 (02) 8985 5565
Fax: +61 (02) 8985 5358

Solicitors

Hopgood Ganim

Level 8, Waterfront Place
1 Eagle Street
Brisbane QLD 4000

Share Register

Automic

Level 5, 126 Phillip Street
Sydney NSW 2000
GPO Box 5193
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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