APPENDIX 4E

PRELIMINARY FINAL REPORT

FINANCIAL YEAR ENDING 30 JUNE 2009

ASF Group Limited

A.B.N. 50 008 924 570

APPENDIX 4E

Preliminary Final Report

ASF Group Limited	
A.B.N 50 008 924 570	**Financial Year ended 30 June 2009**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

				$A
Revenues from ordinary activities	Down	**99.43%**	**To**	**113,834**
Loss from ordinary activities after tax attributable to members	Up	**24.74%**	**To**	**5,328,110**
Net loss for the period attributable to members	Up	**24.74%**	**To**	**5,328,110**

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	No final dividend proposed	
Previous corresponding period	Nil	Nil

Comment on figures reported:

The significant change in operating revenue from FY08has arisen through ASF relinquishing control of the Group's 40% owned Macau based travel business, Macau Multinational Youth Travel Agency Limited (MYTA) as part of a streamlining of management arrangements. Accordingly the Group is equity accounting its investment in MYTA effective from 1 July 2008 as advised in the Annual Report for financial year 2008. As a result of this decision by directors, the substantial revenue of MYTA which was previously included in consolidated revenue, is no longer included in the Group's consolidated revenue. However following recognition of MYTA as an associate the Group's share of profit from this associate of $105,160 has been taken up for the period from 1 July 2008 to 30 June 2009. ASF retains its 40% ownership of MYTA.

The net loss attributable to members of the consolidated entity after income tax (NLAT) for the financial year is $5,328,110 (FY08: $4,516,427). The loss is after the impairment of goodwill by $1,600,000 relating to the property business, after $728,100 was expensed in relation to a total of 10,825,000 shares issued as share based payments, after writing off loans not recoverable in the amount of $165,448 and after impairment of the investment in an associate (MYTA) of $530,000.

The Group's activities, other than the travel business, are in the developmental stage. The Group's mineral resource interests are at the exploration stage and during the financial year the Group's primary focus was on adding value to the Group's mineral tenements, particularly those in the Canning Basin of Western Australia where our preliminary work during the year under review suggested that large amounts of relatively shallow coal are present on tenements held by the Group's 100% owned ASF Resource Pty. As a result of the global financial crisis the property business showed negative growth and the travel business recorded reduced profitability.

1. INCOME STATEMENT

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
Revenue			
Sales of services	**6(a)**	46,505	19,626,045
Cost of providing services	**7**	(97,696)	(16,551,419)
Gross Profit		(51,191)	3,074,626
Other revenue	**6(b)**	67,329	315,063
Share of net profit of associate		105,160	-
Profit on de-recognition of controlled entity		41,174	-
Expenses			
Marketing expenses		(574,580)	(1,009,067)
Consultants		(940,755)	(1,175,808)
Occupancy expenses		(198,481)	(430,304)
Professional fees		(151,058)	(187,190)
Administration expenses		(232,136)	(685,897)
Employment expenses		(128,643)	(1,031,611)
Corporate expenses		(92,259)	(67,381)
Depreciation and amortisation		(33,086)	(219,848)
Legal expenses		(16,639)	(40,826)
Finance costs		(71,241)	(212,035)
Impairment of goodwill		(1,600,000)	(1,000,697)
Share based payments expensed		(728,000)	(1,313,661)
Franchise expense		-	(200,000)
Impairment of receivables		(167,323)	-
Impairment of investment in associated entity		(530,000)	-
Other expenses		(26,281)	(12,217)
(Loss) before Income Tax		(5,328,110)	(4,196,853)
Income tax expense		-	(74,539)
(Loss) for the year		(5,328,110)	(4,271,392)
Profit attributable to minority equity interest		-	(245,035)
(Loss) attributable to Members of the parent entity		**(5,328,110)**	**(4,516,427)**

Earnings per Share:			
Basic (cents per share)	**17**	(2.61)	(2.63)
Diluted (cents per share)	**17**	(2.61)	(2.41)

2. BALANCE SHEET
As at 30 June 2009

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
CURRENT ASSETS			
Cash and cash equivalents	13	1,026,693	2,618,985
Trade and other receivables		135,997	3,844,378
Inventories		-	10,374
Other current assets		21,090	1,668,604
TOTAL CURRENT ASSETS		1,183,780	8,142,341
NON-CURRENT ASSETS			
Other receivables		37,300	279,040
Plant and equipment		85,122	376,437
Investments accounted for using the equity method	11	805,652	-
Other non-current assets		787,032	415,422
Intangible assets	12	-	2,240,626
TOTAL NON-CURRENT ASSETS		1,715,106	3,311,525
TOTAL ASSETS		2,898,886	11,453,866
CURRENT LIABILITIES			
Trade and other payables		194,223	3,377,176
Financial liabilities		-	3,631,905
Current tax liabilities		-	56,573
TOTAL CURRENT LIABILITIES		194,223	7,065,654
TOTAL LIABILITIES		194,223	7,065,654
NET ASSETS		2,704,663	4,388,212
EQUITY			
Contributed equity	3	48,255,588	43,100,003
Reserves	3	(511,898)	(686,321)
Retained losses		(45,039,027)	(39,710,917)
Parent entity interest		2,704,663	2,702,765
Minority equity interests		-	1,685,447
TOTAL EQUITY		2,704,663	4,388,212

3. STATEMENT OF CHANGES IN EQUITY
For the Financial Year Ended 30 June 2009

	Share capital ordinary	Retained losses	Foreign currency translation reserve	Minority equity interest	Total
	$	$	$	$	$
Balance at 1/7/2007	39,010,891	(35,194,491)	(310,084)	1,440,412	4,946,728
Shares issued during the year	4,660,111	-	-	-	4,660,111
Share issue costs	(570,999)	-	-	-	(570,999)
Loss attributable to members of parent entity	-	(4,516,427)	-	-	(4,516,427)
Profit attributable to minority shareholders	-	-	-	245,035	245,035
Revaluation increment	-	-	(376,237)		(376,237)
Balance at 30/6/2008	43,100,003	(39,710,917)	(686,321)	1,685,447	4,388,212
Balance at 1/7/2008	43,100,003	(39,710,917)	(686,321)	1,685,447	4,388,212
Shares issued during the year	5,384,998	-	-	-	5,384,998
Share issue costs	(229,413)	-	-	-	(229,413)
Loss attributable to members of parent entity	-	(5,328,110)	-	-	(5,328,110)
Write back of minority interest on de-recognition of subsidiary and recognition of associate	-	-	-	(1,685,447)	(1,685,447)
Write back controlled entity reserves de-recognised	-	-	692,123	-	692,123
Recognition of reserves previously recognised on de-recognition of controlled entity	-	-	(276,849)	-	(276,849)
Revaluation decrement			(240,851)	-	(240,851)
Balance at 30/6/2009	48,255,588	(45,039,027)	(511,898)	-	2,704,663

4. CASH FLOW STATEMENT
For the Financial Year Ended 30 June 2009

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		153,739	18,488,958
Sundry income received		37,444	209,116
Payments to suppliers and employees		(2,816,330)	(20,429,670)
Interest received		27,666	105,947
Interest paid		(154,034)	(129,242)
Income tax paid		(203)	(19,426)
Net cash(used in) operating activities	13	(2,751,718)	(1,774,317)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration expenditure		(371,610)	(234,891)
Purchase of plant and equipment		(22,500)	(23,148)
Investment in associates		-	(706)
Net cash (used in) by investing activities		(394,110)	(258,745)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		3,427,485	2,775,451
Repayment of borrowings		-	(356,976)
Net cash provided by/ (used in) financing activities		3,427,485	2,418,475
Net increase/(decrease) in cash held		281,658	385,413
Cash disposed on de-recognition of controlled entity		(291,789)	-
		(10,131)	385,413
Cash at the beginning of the financial year		1,036,825	981,669
Effect of foreign exchange rates on cash holdings in foreign currencies		-	(330,257)
Cash at the end of the financial year	13	1,026,693	1,036,825

5. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for ASF Group Limited as an individual entity and the consolidated entity consisting of ASF Group Limited and its subsidiaries

Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report of ASF Group Limited complies with International Financial Reporting Standards (IFRS)

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

6. REVENUE

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
(a) Revenue from continuing operations			
- Services (i)		46,505	19,626,046
(b) Other revenue			
- Interest received – other entities		27,666	105,947
- Other revenue		39,663	219,116
		67,329	315,063
		113,834	19,941,109

(i) Service income includes income from property

7. EXPENSES

Profit before income tax includes the following specific expenses:

Cost of services	97,696	16,551,419
Finance costs		
- external	71,241	173,196
- related parties	-	38,839
Rental expenses on operating leases		
- minimum lease payments	175,849	340,638
Net loss on disposal of plant and equipment	-	-
Impairment losses		
- Goodwill	1,600,000	1,000,697
- Investment in associates	530,000	706
- Receivables	165,448	-
Depreciation and amortisation expense	33,086	219,848
Franchise expense	-	200,000
Share based payments expensed	728,100	1,313,661

8. LOSS OF CONTROL OF A SUBSIDIARY

(a) Description

On 1 July, 2008 the consolidated group ceased consolidating its 40% interest in Macau Multinational Travel Agency Limited and from that date has equity accounted for this interest.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the twelve months ended 30 June 2008, that is up to the date of relinquishment of control on 1 July 2008.

Revenue	19,319,401	-
Expenses	(18,836,469)	-
Profit before income tax	482,932	-
Income tax	(74,539)	-
Profit after income tax of subsidiary subject to loss of control	408,392	-
Net cash inflow from operating activities	751,511	-
Net cash from investing activities	(103,287)	-
Net cash from financing activities	31,312	-
Net increase in cash generated by the the entity	679,537	-

(c) Carrying amounts of assets and liabilities

Cash and cash equivalents, net of bank overdraft	291,789	-
Inventories	10,374	-
Receivables	5,382,327	-
Fixed assets	280,727	-
Total assets	**5,965,217**	**-**
Payables	4,076,844	-
Total liabilities	4,076,844	-
Net assets	**1,888,373**	**-**

9. DISPOSAL OF SUBSIDIARY

On 10 June 2009, ASF Resources Pty Ltd shareholding in Mongolian Resources Pty Ltd a fully owned entity, was transferred for nil consideration to a non-related party. Mongolian Resources Pty Ltd had never traded since incorporation. The carrying amounts of assets and liabilities as at the date of disposal are as follows:-

	10 June 2009 $
Amount due to ASF Resources – related party	1,875
Total liabilities	$1,875

10. SEGMENT INFORMATION

(a) Description of segments

Business segments

The Company continued its strategy of activities in four business segments - Mineral Resources, Property Services, Travel Services and Investments.

(b) Primary reporting format – business segments

	Property marketing and services	Mineral and resources	Venture and financial services	Corporate	Elimin-ations	Total
Segment revenue						
Sales	45,870	-		635	-	46,505
Other revenue	660	2,054	37,285	25,713	1,919	67,329
	46,530	2,054	37,285	26,348	1,919	113,834
Segment result	(215,282)	(271,766)	(252,145)	(8,464,587)	3,875,670	(5,328,110)
Segment assets	166,680	831,819	73,455	5,663,391	(3,836,459)	2,898,886
Segment liabilities	1,808,541	2,094,823	370,087	6,674,550	(10,753,778)	194,223

(c) Secondary reporting format – geographical segments

	Segment revenues from sales to external customers		Segment assets	
	2009	2008	2009	2008
Australia	46,505	561,693	6,615,205	5,641,103
Asia	-	19,064,352	120,140	7,633,722
Eliminations	-	-	(3,836,459)	(1,820,959)
TOTAL	46,505	19,626,045	2,898,886	11,453,886

11. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
As disclosed in Note 7, Macau Multinational TravelAgency Limited in which the ASF Group has a 40% interest has been equity accounted from 1 July 2008			
(a) Movements in carrying amounts			
Carrying amount at 1 July 2008		1,300,000	-
Share of net profit after income tax		105,160	-
Share of foreign exchange translation reserve		(69,508)	-
Provision for impairment of investment in associate		(530,000)	-
Carrying amount at 30 June 2009		805,652	-

11. NON-CURRENT ASSETS – INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(b) Summarised financial information of associates

	Group's share of				
	Ownership Interest	Assets	Liabilities	Revenues	Profit
	%	$	$	$	$
Financial year ended 30 June 2009					
Macau Multinational Youth Travel Agency Ltd*	40%	4,260,231	3,256,766	8,879,933	**105,160**

** Private company incorporated in Macau*

(c) Impairment test

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five year period. Cash flows beyond the five-year period are extrapolated using a terminal value of the year 5 cash flow projection being a multiplier of 3 for the travel business. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates

(d) Key assumptions used for value-in-use

CGU	Growth rate	Discount rate
Travel services - Asia	2%	15%

(e) Impact of possible changes in key assumptions

The recoverable amount of the Group's 40% interest in ASF Macau Multinational Holdings Limited is estimated to be $826,798. However the Directors have resolved to write down the carrying value to $805,262. This has resulted in a charge against income in the financial year for impairment of $530,000.

(f) Impairment charge
As a result of the value in use calculation and the Directors resolution, the carrying amount of the investment in the travel business has been written down by $530,000.

12. NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
Goodwill		2,599,990	3,240,616
Accumulated impairment loss		(2,599,990)	(999,990)
Closing net book value		-	2,240,626

In view of the current downturn in the property market and the inability to assess future growth the Directors have resolved to a make a further provision for impairment with relation to the goodwill on the property business of $1,600,000 thereby impairing in full the goodwill.

(a) Impairment test for goodwill
Goodwill is allocated to the Groups cash-generating units (CGUs) identified according to business segment and country of operation.

A segment-level summary of the goodwill as at reporting date is presented below.

	Australia	Asia	Total
2009			
Real estate business	-	-	-
2008	**Australia**	**Asia**	**Total**
Real estate business	1,600,000	-	1,600,000
Travel services	-	640,616	640,616
	1,600,000	640,616	2,240,616

The travel services business, Macau Multinational Youth Travel Agency Ltd, in which the ASF Group has a 40% interest was de-consolidated from 1 July 2008 and has been equity accounted from that date. At 30 June 2009 the Group's investment in this associate has been tested for impairment as disclosed in Note 11.

(b) Impairment charge

As set out above the Directors have resolved to a make a further provision for impairment on goodwill relating to the property business of $1,600,000.

13. NOTES TO STATEMENT OF CASH FLOWS

	Note	Financial year ended 30 June 2009 $	30 June 2008 $
(Loss) from ordinary activities after income tax		(5,328,110)	(4,271,392)
Add/(less) non-cash items:			
- Impairment of investment in associate		530,000	-
- Impairment of goodwill		1,600,000	1,000,697
- Impairment of receivables		165,448	-
- Share based payment expense		728,100	1,313,661
- Depreciation and amortisation		33,086	219,848
- Disposal of plant and equipment	-		1,567
- Profit on de-recognition of controlled entity		(41,174)	
- Write back of retained earnings on disposal of subsidiary		(1,919)	-
- Share of profit of associate		(105,160)	-
Change in assets and liabilities			
(Increase) in inventories		-	(5,702)
Decrease/(Increase) in receivables		87,685	(1,186,547)
Decrease in deposits and prepayments		127,622	851,763
(Decrease)/increase in payables		(547,045)	246,675
(Decrease)/Increase in income tax payable		(251)	55,113
Net cash used in operating activities		(2,751,718)	(1,774,317)
Cash and Cash Equivalents			
Cash at bank and in hand		1,026,693	2,618,985
Reconciliation of cash			
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:			
Cash at bank and in hand		1,026,693	2,618,985
Bank overdrafts and loans		-	(1,582,160)
Balance per statement of cash flows	4	1,026,693	1,036,825

14. NTA BACKING

Net tangible asset backing per ordinary security (per share)	$0.01	$0.01

15. SUBSEQUENT EVENTS

On 12 July 2009 the Group entered into a $2 million Loan Facility agreement with Mars International Pty Ltd (“MIPL”) with the loan repayable on 30 September 2010. The Loan Facility can either be fully repaid by conversion of the loan on 31 December 2009 into either ASF Group Ltd shares at 10 cents per share or into new shares representing 20% of the issued share capital of ASF Resources Pty Limited at the discretion of MIPL, subject to ASF Group Ltd shareholders’ approval.
The borrowing entity is ASF Group’s wholly owned resources subsidiary, ASF Resources Pty Limited.

The funds will be applied in part to maintaining ASF Resources’ current program of exploration for thermal coal on the company’s Canning Basin tenements, subject to all requisite pre-approvals, with the view to establishing significant coal resources for future development.

On 13 August 2009 ASF Resources Pty Limited commenced its initial 10,000 metre drilling program for coal in the Canning Basin, W.A after completing all preparatory work and obtaining all necessary approvals from relevant government departments, the Kimberley Land Council (KLC) and pastoralists

ASF Resources Pty Ltd holds granted exploration tenements and applications covering 1,800 square km situated in the Fitzroy Trough within the northern most sub-basin of the Canning Basin’

The drilling program is to be carried out on four of ASF Resources' granted tenements which are situated some 15 km east of the Duchess-Paradise project of Blackfin Pty Limited where a JORC resource of 511 million tonnes of coal was publicly announced by Blackfin Pty Ltd earlier this year.

On 12 August 2009 the Company raised a further $220,000 in contributed equity and has a commitment from another investor for a further placement of $336,000 by 31 August 2009.

16. CONTROL GAINED OR LOST OVER ENTITIES HAVING MATERIAL EFFECT

The Group relinquished control over of the Macau Multinational Youth Travel Agency Limited (MYTA) on 30 June 2008, For further details refer to Note 11.

The Group also disposed of a non-trading controlled entity, Mongolian Resources Pry Ltd. For further details refer to Note 9.

Apart from these entities the Group has not gained or lost control over any other entities during the financial period.

17. EPS

Earnings per share for the current financial year was minus 2.61 cents per share as compared with minus 2.63 cents per share in the previous corresponding period.

There were no dilutive potential shares so that the diluted earnings per share are the same as the EPS (2008:minus 2.41 cents

18. DIVIDENDS

The Company intends to implement a dividend policy of distributing after tax profits as dividends when the Company achieves profitability.

19. AUDIT OF ACCOUNTS

This report is based on accounts that are in the process of being audited.

Barry Neal
Company Secretary
28 August 2009