

Appendix 4D

Half yearly report

FSA Group Limited

ABN	Half year ended (‘current reporting period’)	‘Previous corresponding period’
98 093 855 791	31 December 2020	31 December 2019

2.0 Results for announcement to the market

					\$A’000		\$A’000
2.1	Total operating income	down	7%	from	34,477	to	31,991
2.2	Profit from ordinary activities after tax attributable to members of the parent	up	35%	from	8,305	to	11,198
2.3	Net profit for the period attributable to members of the parent	up	35%	from	8,305	to	11,198
2.4	Dividends						
	Interim dividend payable 26 February 2021 of 3.00 cents per share fully franked						
2.5	Record date for determining entitlements to the interim dividend - 12 February 2021						
2.6	Commentary on above details						
	Refer to Executive Directors’ Review and Financial Statements						

3.0 Net tangible assets per ordinary security	Current reporting period	Previous corresponding period
Net tangible assets per ordinary security, after adjusting for non-controlling interests	42.9 cents	42.1 cents

Notes

4. Details of the entities over which control has been gained or lost during the period	Not applicable
5. Dividends	
Total dividends paid	See Note 5
6. Dividend reinvestment plans	
There is no dividend reinvestment plan	
7. Associates and joint ventures	
There are no associates and joint ventures	
8. Foreign entities	
There are no foreign entities	
9. Independent audit report or review	See Page 16

DIRECTORS' REPORT

The Directors submit their report for the half year ended 31 December 2020.

DIRECTORS

The names of the Directors of FSA Group Limited ("FSA Group") in office during the half year and until the date of this report are shown below. All Directors were in office from the start of the half year, unless otherwise stated.

David Bower	Non-Executive Chairman
Tim Odillo Maher	Executive Director
Deborah Southon	Executive Director
Sam Doumany	Non-Executive Chairman (retired 2 September 2020)

Principal activities

FSA Group provides debt solutions and direct lending services to individuals.

EXECUTIVE DIRECTORS' REVIEW

COVID-19

COVID-19 negatively impacted the number of new callers seeking our assistance, predominately for our Services segment. This was due to Government and Bank support packages and temporary changes to the Bankruptcy Act. These changes included extending the Bankruptcy Notice compliance period from 21 days to 6 months and increasing the Bankruptcy Notice threshold from \$5,000 to \$20,000. We subsequently restructured our Services segment to reduce costs. Conversely COVID-19 positively impacted collections, arrears and hardships for existing clients.

Since January 2021 we have seen an increase in the demand for our services. On 1 January 2021 the Bankruptcy Notice compliance period returned to 21 days and the Bankruptcy Notice threshold reduced to \$10,000. We believe the withdrawal of Government and Banks support packages will further increase the demand for our services.

During COVID-19 we focused on arrears and hardship management for our Consumer Lending segment. We are now focusing on developing a broker channel and growing our loan pools.

Financial Overview

For the half year ended 31 December 2020, FSA Group generated \$32.0 million in operating income, a 7% decrease and a profit after tax attributable to members of \$11.2 million, a 35% increase compared to the half year ended 31 December 2019. Our net cash inflow from operating activities was \$14.3 million, an 81% increase.

We advise that the Directors have declared a fully franked interim dividend of 3.00 cents per share, with a record date of 12 February 2021 and payable on 26 February 2021.

The Financial Overview below summarises our performance.

<i>Financial Overview</i>	<i>1H FY2020</i>	<i>1H FY2021</i>	<i>% Change</i>
Operating income	\$34.5m	\$32.0m	-7%
Profit before tax	\$12.5m	\$16.4m	+31%
Profit after tax attributable to members	\$8.3m	\$11.2m	+35%
EPS basic	6.64c	8.96c	+35%
Net cash inflow from operating activities	\$7.9m	\$14.3m	+81%
Dividend/share	3.00c	3.00c	
Shareholder equity attributable to members	\$55.5m	\$66.9m	+21%
Return on equity	31%	35%	

DIRECTORS' REPORT continued

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:

<i>Operating income by segment</i>	<i>1H FY2020</i>	<i>1H FY2021</i>	<i>% Change</i>
Services	\$21.4m	\$16.8m	-21%
Consumer Lending - Home loans	\$6.5m	\$8.1m	+24%
Consumer Lending - Personal loans	\$6.6m	\$7.1m	+8%
Other/unallocated	\$0.1m	\$0.0m	
Operating income	\$34.5m	\$32.0m	- 7%

<i>Profit before tax by segment</i>	<i>1H FY2020</i>	<i>1H FY2021</i>	<i>% Change</i>
Services	\$6.0m	\$6.9m	+15%
Consumer Lending - Home loans	\$3.5m	\$5.0m	+42%
Consumer Lending - Personal loans	\$2.6m	\$4.1m	+57%
Other/unallocated ¹	\$0.4m	\$0.4m	
Profit before tax	\$12.5m	\$16.4m	+31%

*Note 1: "Other/unallocated" includes the before tax mark to market unrealised gain of \$435,648 in the first half of the 2020 financial year and unrealised gain of \$358,526 in the first half of the 2021 financial year on our 5 year interest rate swap agreements. Reference is to be made to "unrealised gain or (loss) on fair value movement of derivatives" in the Statement of Profit or Loss and Other Comprehensive Income.

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 first half, new client numbers for informal arrangements and debt agreements decreased by 67% and for personal insolvency agreements and bankruptcy decreased by 83% compared to the previous corresponding period. During the first half, informal arrangement and debt agreement clients under administration decreased to 17,520, down 17% and for personal insolvency agreements and bankruptcy decreased to 1,151, down 15%. FSA Group manages \$261 million of unsecured debt under informal arrangements and debt agreements and during the first half paid \$43 million in dividends to creditors.

<i>Informal and Debt Agreements</i>	<i>1H FY2019</i>	<i>1H FY2020</i>	<i>1H FY2021</i>	<i>% Change</i>
New clients	2,489	2,175	724	-67%
Clients under administration	21,764	20,512	17,520	-17%
Debt managed	\$392m	\$359m	\$261m	-27%
Dividends paid	\$44m	\$42m	\$43m	+4%

<i>PIA's and Bankruptcy</i>	<i>1H FY2019</i>	<i>1H FY2020</i>	<i>1H FY2021</i>	<i>% Change</i>
New clients	197	225	38	-83%
Clients under administration	1,259	1,352	1,151	-15%

The Services segment achieved a profit before tax of \$6.9 million, a 15% increase. Profitability was positively impacted by an increase in cash collections and a reduction in costs.

DIRECTORS' REPORT continued

Consumer Lending

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

We have rebranded our Consumer Lending segment "Azora". During COVID-19 we focused on arrears and hardship management. We are now focussing on developing a broker channel and growing our loan pools.

<i>Loan Pool Data</i>	<i>Home Loans</i>	<i>Personal Loans</i>
Weighted average loan size	\$355,927	\$20,915
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

<i>Loan Pools</i>	<i>1H FY2019</i>	<i>1H FY2020</i>	<i>1H FY2021</i>	<i>% Change</i>
Home loans	\$372m	\$386m	\$380m	-1%
Personal loans	\$55m	\$63m	\$63m	
Total	\$427m	\$450m	\$443m	-1%

<i>Arrears > 30 day (as at 31/12)</i>	<i>1H FY2019</i>	<i>1H FY2020</i>	<i>1H FY2021</i>
Home loans	2.47%	2.47%	1.70%
Personal loans	3.20%	4.04%	2.83%

<i>Hardships (as at 31/12)</i>	<i>1H FY2019</i>	<i>1H FY2020</i>	<i>1H FY2021</i>
Home loans	1.72%	2.66%	2.00%
Personal loans	1.05%	1.19%	0.57%

<i>Losses</i>	<i>1H FY2019</i>	<i>1H FY2020</i>	<i>1H FY2021</i>
Home loans	-	\$107,440	\$152,902
Personal loans	\$193,261	*\$687,262	\$305,762

* The loss of \$687,262 was distorted by a loss of \$371,350 from the discontinued pilot product offering which we ran during the 2018 calendar year.

<i>Borrowings</i>	<i>Facility type</i>	<i>Provider</i>	<i>Limit</i>	<i>Maturity date</i>	<i>Drawn</i>
	Non-recourse senior	Westpac	\$350m	Oct 2021	\$195m
Home Loans	Non-recourse mezzanine	Institutional	\$20m	Oct 2021	\$16m
	Securitised	Institutional		Mar 2051	\$156m
Personal Loans	Limited recourse senior	Westpac	\$75m	Apr 2023	\$42m
	Corporate	Westpac	\$15m	Mar 2021	\$0m

The Consumer Lending segment achieved a profit before tax of \$9.1 million, a 48% increase. Profitability was positively impacted by a reduction in the cost of funding.

DIRECTORS' REPORT continued

Net cash inflow from operating activities

During the first half, FSA Group maintained strong cash inflow driven by long term annuity income from our clients and a reduction in costs. Net cash inflow from operating activities for the first half was \$14.3 million, a 81% increase.

	<i>1H FY2019</i>	<i>1H FY2020</i>	<i>1H FY2021</i>	<i>% Change</i>
Net cash inflow from operating activities	\$7.7m	\$7.9m	\$14.3m	+81%

Strategy and Outlook

Our focus over the 2021 financial year will be as follows:

Services - Regrow the segment.

Consumer Lending - Develop a broker channel and grow our loan pools.

Earnings - Expect earnings growth of 10% to 20%

Capital Management - Due to our strong net cash inflow driven by long term annuity income from our clients, we expect our full year dividend to be between 6c to 7c per share with the balance of earnings to be reinvested. We plan to continue with our on market share buy-back.

Preparing our business for the future - Continue with the offshoring to our Philippines and Indian offices a number of administrative tasks and automating others.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is attached to this Directors' report on page 6.

Signed in accordance with a resolution of Directors made pursuant to section 306(3) of the Corporations Act, on behalf of the board of Directors.



Tim Odillo Maher

Director

Sydney

8 February 2021

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

As lead auditor for the review of FSA Group Limited for the half-year ended 31 December 2020, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of FSA Group Limited and the entities it controlled during the period.



Ryan Pollett
Director

BDO Audit Pty Ltd

Sydney, 8 February 2021

FSA Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the six months ended 31 December 2020

	Consolidated Entity	
	31-Dec-20	31-Dec-19
	\$	\$
Revenue and other income		
Fees from services	17,283,482	21,745,783
Finance income	20,142,585	20,468,657
Finance expenses	(5,435,371)	(7,737,221)
Net finance income	14,707,214	12,731,436
Total operating income	31,990,696	34,477,219
Employee benefit expenses	(8,156,264)	(12,450,259)
Marketing expenses	(3,147,612)	(4,190,235)
Operating expenses	(2,503,133)	(2,872,736)
Impairment expenses	(661,132)	(1,744,357)
Office facility expenses	(988,820)	(927,398)
Depreciation and amortisation expenses	(481,477)	(204,462)
Unrealised gain or (loss) on fair value movement of derivatives	358,526	435,648
Total expenses	(15,579,912)	(21,953,799)
Profit before income tax	16,410,784	12,523,420
Income tax expense	(4,938,470)	(3,718,850)
Profit after income tax	11,472,314	8,804,570
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	11,472,314	8,804,570
Total profit for the year and total comprehensive income for the period attributable to:		
Non-controlling interests	274,208	499,741
Members of the parent	11,198,106	8,304,829
Net profit for the period	11,472,314	8,804,570
Earnings per share		
Basic earnings per share (cents per share)	8.96	6.64
Diluted earnings per share (cents per share)	8.96	6.64

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

FSA Group Limited
Consolidated statement of financial position
As at 31 December 2020

	Consolidated Entity	
	Dec-20	Jun-20
	\$	\$
Current Assets		
Cash and cash equivalents	13,120,178	7,980,442
Trade and other receivables	19,451,129	19,399,262
Other assets	1,188,325	1,320,277
Total Current Assets	33,759,632	28,699,981
Non-Current Assets		
Trade and other receivables	5,751,242	7,555,304
Right of use asset	10,873,966	11,451,345
Investments	385	385
Plant and equipment	2,274,823	1,491,367
Intangible assets	2,421,040	2,653,447
Deferred tax asset	587,677	742,248
Total Non-Current Assets	21,909,133	23,894,096
Financing Assets		
Personal loan cash and cash equivalents	3,335,904	4,010,137
Home loan cash and cash equivalents	10,232,877	27,915,984
Personal loan assets	62,906,837	63,159,110
Home loan assets	380,401,076	393,815,196
Total Financing Assets	456,876,694	488,900,427
Total Assets	512,545,459	541,494,504
Current Liabilities		
Trade and other payables	5,124,714	5,847,151
Contract liabilities	502,662	405,745
Lease liability	770,456	723,960
Provisions	2,180,750	2,426,822
Current tax liabilities	1,839,737	1,290,118
Borrowings	419,777	447,547
Derivatives	-	401,134
Total Current Liabilities	10,838,096	11,542,477
Non-Current Liabilities		
Contract liabilities	644,811	822,782
Lease liability	10,184,262	10,647,457
Provisions	401,325	432,258
Deferred tax liabilities	2,899,227	2,962,275
Total Non-Current Liabilities	14,129,625	14,864,772
Financing Liabilities		
Borrowings to finance personal loan assets	-	5,010,874
Limited-recourse borrowings to finance personal loan assets	42,389,844	42,393,650
Non-recourse borrowings to finance home loan assets	374,601,054	404,825,356
Total Financing Liabilities	416,990,898	452,229,880
Total Liabilities	441,958,619	478,637,129
Net Assets	70,586,840	62,857,375
Share capital	6,360,492	6,360,492
Retained earnings	60,514,602	53,059,345
Total equity attributable to members of the parent	66,875,094	59,419,837
Non-controlling interests	3,711,746	3,437,538
Total Equity	70,586,840	62,857,375

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

FSA Group Limited

Consolidated statement of cash flows

For the six months ended 31 December 2020

	Consolidated Entity	
	31-Dec-20	31-Dec-19
<i>Cash flows from operating activities</i>		
Receipts from customers	18,922,165	23,634,366
Payments to suppliers and employees	(14,851,121)	(23,093,968)
Finance income received	20,094,685	20,402,632
Finance cost paid	(5,522,768)	(8,405,801)
Income tax paid	(4,297,328)	(4,607,555)
Net cash flows from operating activities	14,345,633	7,929,674
<i>Cash flows from investing activities</i>		
Acquisition of property, plant and equipment	(982,502)	(18,760)
Acquisition of intangibles	(50,024)	(212,852)
Net decrease/(increase) in home loan assets	13,184,566	(4,501,501)
Net increase in personal loan assets	(148,873)	(4,419,717)
Net increase in other loans	(227,500)	(735,000)
Net cash flows from investing activities	11,775,667	(9,887,830)
<i>Cash flows from financing activities</i>		
Net (repayments) / receipts of borrowings	(35,179,357)	10,733,631
Payment of lease liability	(416,698)	-
Net decrease in share capital	-	(10,331)
Dividends paid to company's shareholders	(3,742,849)	(3,752,778)
Net cash flows from financing activities	(39,338,904)	6,970,522
Net (decrease)/increase in cash and cash equivalents	(13,217,604)	5,012,366
Cash and cash equivalent at the beginning of the period	39,906,563	12,073,865
Cash and cash equivalent at the end of the period	26,688,959	17,086,231

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

FSA Group Limited
Consolidated statement of changes in equity

For the six months ended 31 December 2020

	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 period	-	8,304,828	499,741	8,804,569
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	8,304,828	499,741	8,804,569
Transactions with owners in their capacity as owners:				
Dividends paid	-	(3,752,778)	-	(3,752,778)
Share buy backs	(10,331)	-	-	(10,331)
Balance at 31 December 2019	6,696,902	48,799,930	3,657,008	59,153,840
Profit after income tax for the period	-	8,011,118	515,530	8,526,648
Other comprehensive income for the period, net of tax	-	-	-	-
	-	8,011,118	515,530	8,526,648
Transactions with owners in their capacity as owners:				
Dividends paid	-	(3,751,703)	-	(3,751,703)
Distribution to non-controlling interest	-	-	(735,000)	(735,000)
Share buy backs	(336,410)	-	-	(336,410)
Balance at 30 June 2020	6,360,492	53,059,345	3,437,538	62,857,375
Profit after income tax for the period	-	11,198,106	274,208	11,472,314
Other comprehensive income for the period, net of tax	-	-	-	-
Total comprehensive income for the period	-	11,198,106	274,208	11,472,314
Dividends paid	-	(3,742,849)	-	(3,742,849)
Balance at 31 December 2020	6,360,492	60,514,602	3,711,746	70,586,840

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

FSA Group Limited

Notes to the consolidated half year financial report

31 December 2020

1. REPORTING ENTITY

FSA Group Limited (the 'Company') is a for-profit company domiciled in Australia. The consolidated half year financial report of the Company as at and for the six months ended 31 December 2020 comprises the Company and its subsidiaries (together referred to as the 'Consolidated Entity') and the Consolidated Entity's interests in associates.

The principal activities of the Consolidated Entity are the provision of debt solutions and direct lending services to individuals.

2. BASIS OF PREPARATION

Statement of compliance

This consolidated half year financial report has been prepared in accordance with Australian Accounting Standard AASB 134 '*Interim Financial Reporting*' and the Corporations Act 2001 and does not include all of the information and notes of the type normally required for full annual financial statements. Accordingly, these half year financial statements are to be read in conjunction with the annual report for the year ended 30 June 2020 and any public announcement made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

These consolidated interim financial statements were approved by the Directors on 08 February 2021.

New, revised, or amending Accounting Standards and Interpretations adopted

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

The accounting policies applied by the Consolidated Entity in these consolidated interim financial statements are the same as those applied by the Consolidated Entity in its consolidated financial statements as at and for the year ended 30 June 2020

Any new, revised or amending Accounting Standards or Interpretations that are not mandatory yet have not been early adopted.

3. 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 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.

FSA Group Limited

Notes to the consolidated half year financial report

31 December 2020

3. SEGMENT INFORMATION continue

Segment information

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

Business segment Revenue and Results - half-year ended 31 December 2020

	Services		Consumer Lending		Other/Unallocated		Consolidated Total	
	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Dec-20	31-Dec-19
Revenue and income	\$	\$	\$	\$	\$	\$	\$	\$
Fees from services	17,064,426	21,402,948	203,343	323,223	15,713	19,612	17,283,482	21,745,783
Finance Income	1,805	1,675	20,137,086	20,460,207	3,694	6,775	20,142,585	20,468,657
Finance Expenses	(221,776)	-	(5,213,595)	(7,737,244)	-	23	(5,435,371)	(7,737,221)
Net finance income	(219,971)	1,675	14,923,491	12,722,963	3,694	6,798	14,707,214	12,731,436
Other income	-	-	-	-	-	-	-	-
Internal sales and income	841,539	853,773	-	-	-	-	841,539	853,773
Elimination	-	-	-	-	-	-	(841,539)	(853,773)
Total Revenue and Income	17,685,994	22,258,396	15,126,834	13,046,186	19,407	26,410	31,990,696	34,477,219
Segment profit before tax	6,898,690	6,001,600	9,096,372	6,145,843	415,722	375,977	16,410,784	12,523,420
Income tax expense	(2,083,321)	(1,809,580)	(2,730,432)	(1,814,874)	(124,717)	(94,396)	(4,938,470)	(3,718,850)
Profit for the period	4,815,369	4,192,020	6,365,940	4,330,969	291,005	281,581	11,472,314	8,804,570
	Services		Lending		Other		Consolidated Total	
	Dec-20	Dec-19	Dec-20	Dec-19	Dec-20	Dec-19	Dec-20	Dec-19
Segment assets	49,184,945	35,555,414	462,056,485	466,060,474	23,197,948	16,967,344	534,439,378	518,583,232
Reclassification and elimination*							(21,893,919)	(17,534,057)
Total Assets							512,545,459	501,049,175

* Represented reclassification of assets and liabilities and intercompany eliminations. Intercompany loans within each segment are eliminated within the segment assets.

FSA Group Limited

Notes to the consolidated half-year financial report

31 December 2020

4. EARNINGS PER SHARE

	Consolidated Entity	
	31-Dec-20	31-Dec-19
	\$	\$
Total Earnings per share for profit		
Total profit attributable to the members of the parent for the period	11,198,106	8,304,829
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	124,987,712	125,092,271
Weighted average number of ordinary shares used in calculating diluted earnings per share	124,987,712	125,092,271
Basic earnings per share (cents)	8.96	6.64
Diluted earnings per share (cents)	8.96	6.64

5. DIVIDENDS

Dividends recognised in the current financial period by FSA Group Limited are:

	Value per share	Total Amount	Franked	Date of Payment
	\$			
Final - ordinary	0.03	\$3,742,849	100%	11-Sep-20

Franked dividends declared or paid during the financial year were franked at a tax rate of 30%.

Dividends paid during financial year 2020 were:

	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

On 8 February 2021, the Directors declared a fully franked dividend of 3.00 cents to be paid on 26 February 2021, a total estimated distribution of \$3,749,631 based on ordinary shares on issue as at 1 February 2021.

6. FINANCIAL INSTRUMENTS

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.

	Dec-20 Book value \$	Dec-20 Fair value \$
Financial assets		
Current receivables net of deferred tax	5,711,338	5,711,338
Non-current receivables net of deferred tax	5,311,234	5,254,692
Financing assets		
Personal loan assets	62,906,837	69,315,662
Home loan assets	380,401,076	396,841,957

FSA Group Limited**Notes to the consolidated half-year financial report****31 December 2020****7. COMMITMENTS**

At the reporting date loan applications accepted by the Consolidated Entity but not yet settled amounted to \$3,476,850 (1HFY2020: \$5,542,000).

8. SUBSEQUENT EVENTS

There have been no events since 31 December 2020 that may significantly affect the Consolidated Entity's operations, the results of those operations or the Consolidated Entity's state of affairs in future financial years other than the dividends declared as disclosed in Note 5.

FSA Group Limited

Notes to the consolidated half-year financial report

31 December 2020

Directors' Declaration

In the Directors' opinion:

1. the attached financial statements and notes thereto comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 '*Interim Financial Reporting*', the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
2. the attached financial statements and notes thereto give a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
3. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the Directors.



Tim Odillo Maher

Director

Sydney

8 February 2021

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of FSA Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of FSA Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

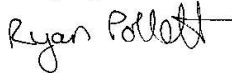


Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO
A handwritten signature in black ink, appearing to read 'Ryan Pollett', is written over the printed name.

Ryan Pollett
Director

Sydney, 8 February 2021