



Appendix 4D

Preliminary financial statements for the half-year ended 31 December 2022

Name of Entity FSA Group Limited

ABN

98 093 855 791

Details of the reporting period

Half-year ended 31 December 2022

Previous corresponding reporting period 31 December 2021

Results for announcement to the market	\$A'000	up/down	Movement %
Total operating income	30,441	down	0.3%
Net profit before tax	12,995	down	17.4%
Profit after tax from ordinary activities attributable to the members of the parent	7,990	down	19.4%
Net profit for the period attributable to members of the parent	7,990	down	19.4%

Dividend information	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
Final 2022 dividend per share (paid 30 August 2022)	3.50	3.50	30%
Interim 2023 dividend per share determined	3.50	3.50	30%

Interim dividend dates:

Ex-dividend date	1 March 2023
Record date	2 March 2023
Payment date	9 March 2023
There is no dividend reinvestment plan	

	31-Dec-22	31-Dec-21
Net tangible assets per security	56.0 cents	49.7 cents

Note

Details of the entities over which control has been gained or lost during the period	Not applicable
Associates and joint ventures	Not applicable
Foreign entities	Not applicable
Independent audit report or review	Page 16

This information should be read in conjunction with the 2022 Annual Report.

Additional information supporting the Appendix 4D disclosure requirement can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2022.

DIRECTORS' REPORT

The Directors submit their report for the half-year ended 31 December 2022.

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.

Tim Odillo Maher	Executive Chairman
Deborah Southon	Executive Director
Cellina Z Chen	Executive Director
David Bower	Non-Executive Director (retired 24 November 2022)

PRINCIPAL ACTIVITIES

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

EXECUTIVE DIRECTORS' REVIEW

Historically our Lending segment operated as a direct-to-consumer business. In September 2021 we acquired an asset finance lending business which lends to SMEs for vehicles and business-critical equipment. Our focus is on the Lending segment, further developing our broker channel and growing the loan pools. Lending earnings have been impacted by an increase in staff numbers required to grow our loan pools and in the cost of funding. As we grow our loan pools our business will benefit from higher incremental margins due to fixed cost leverage.

COVID-19 has had an impact on the number of individuals seeking assistance through our Services segment. As financial institutions and government entities gradually ease COVID-19 related measures, we anticipate a return in demand for our services. The decrease in the number of clients under administration has resulted in a decline in earnings for this segment.

FINANCIAL OVERVIEW

For the half-year ended 31 December 2022, FSA Group generated \$30.4m in operating income, and a profit after tax attributable to members of \$8.0m, a 19% decrease compared to the half-year ended 31 December 2021. Our net cash inflow from operating activities was \$8.0m, a 45% decrease.

We advise that the Directors have declared a fully franked interim dividend of 3.50 cents per share, with a record date of 2 March 2023 and payable on 9 March 2023.

The Financial Overview below summarises our performance.

Financial Overview	1HFY 2021	1HFY 2022	1HFY 2023	% Change
Operating income	\$32.0m	\$30.5m	\$30.4m	
Profit before tax	\$16.4m	\$15.7m	\$13.0m	-17%
Profit after tax attributable to members of the parent	\$11.2m	\$9.9m	\$8.0m	-19%
EPS basic	8.96c	7.93c	6.53c	-18%
Net cash inflow from operating activities	\$14.3m	\$14.6m	\$8.0m	-45%
Dividend/share	3.00c	3.50c	3.50c	
Shareholder equity attributable to members	\$66.9m	\$86.2m	\$88.2m	+2%
Return on equity	35%	25%	19%	

DIRECTORS' REPORT continued

Operational Performance

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

Operating income by segment	1HFY 2021	1HFY 2022	1HFY 2023	% Change
Lending				
Home loans and Asset finance	\$8.1m	\$9.7m	\$11.4m	+18%
Personal loans	\$7.1m	\$8.2m	\$8.5m	+5%
Services	\$16.8m	\$12.8m	\$10.5m	-18%
Other/unallocated	\$0.0m	\$0.1m	\$0.1m	
Operating income	\$32.0m	\$30.5m	\$30.4m	

Profit before tax by segment	1HFY 2021	1HFY 2022	1HFY 2023	% Change
Lending				
Home loans and Asset finance	\$5.0m	\$5.7m	\$4.7m	-15%
Personal loans	\$4.1m	\$5.2m	\$5.0m	-3%
Services	\$6.9m	\$5.1m	\$3.3m	-35%
Other/unallocated	\$0.4m	-\$0.2m	\$0.0m	
Profit before tax	\$16.4m	\$15.7m	\$13.0m	-17%

Lending

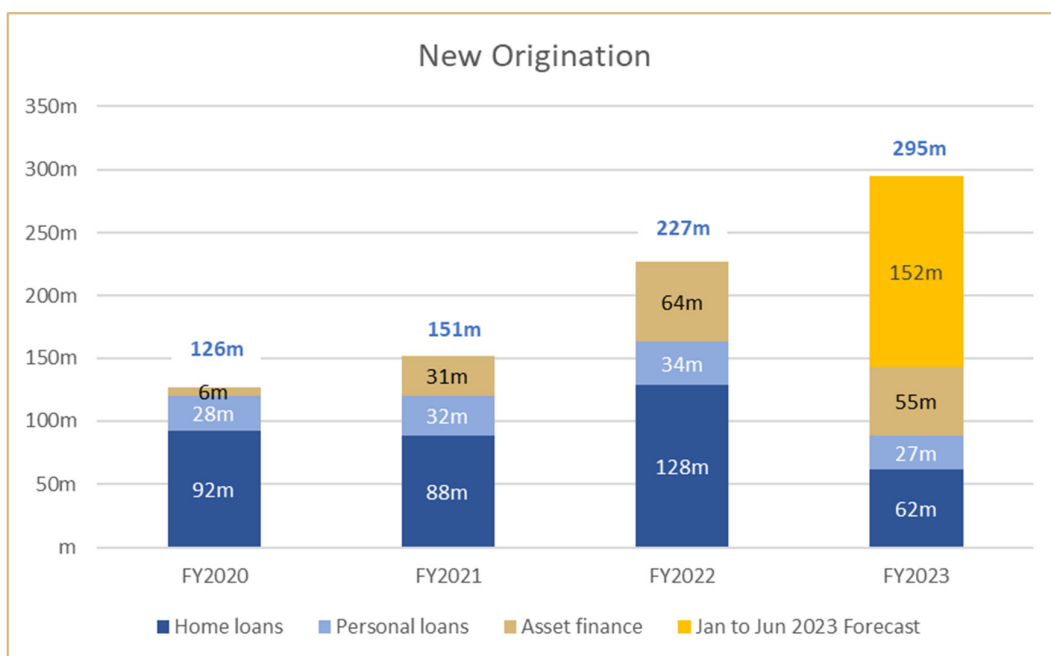
The Lending segment offers home loans to assist clients wishing to purchase a property or consolidate their debt, personal loans to assist clients wishing to purchase a motor vehicle and asset finance to assist SMEs wishing to purchase a vehicle and business critical equipment.

Loan Pool Data	Home loans	Personal loans	Asset finance
Weighted average loan size	\$410,840	\$23,829	\$31,566
Security type	Residential home	Motor vehicle	Vehicles and equipment
Weighted average loan to valuation ratio	65%	100%+ on settlement	100%+ on settlement
Variable or fixed rate	Variable	Fixed	Fixed
Geographical spread	All states	All states	All states

Historically our Lending segment operated as a direct-to-consumer business. Our focus is on the Lending segment, further developing our broker channel and growing the loan pools.

Our plan for the Lending segment, over the next 3 to 5 years, is to grow new origination to over \$500m per annum across home loans, personal loans and asset finance. This will see our loan pools grow to over \$1.5b.

DIRECTORS' REPORT continued



*Asset finance was acquired on the 1 September 2021.

During the first half our loan pools increased from \$507m to \$572m, a 13% increase.

Loan Pools	1HFY 2021	1HFY 2022	1HFY 2023	% Change
Home loans	\$380m	\$383m	\$370m	-3%
Personal loans	\$63m	\$70m	\$84m	+20%
Asset finance*		\$54m	\$119m	+119%
Total	\$443m	\$507m	\$572m	+13%

Arrears > 30 day	1HFY 2021	1HFY 2022	1HFY 2023
Home loans	1.70%	1.39%	3.32%
Personal loans	2.83%	2.11%	2.57%
Asset finance		1.93%	2.61%

Losses	1HFY 2021	1HFY 2022	1HFY 2023
Home loans	\$152,902	\$111,134	\$89,914
Personal loans	\$305,762	\$308,996	\$365,444
Asset finance		\$166,233	\$719,116

DIRECTORS' REPORT continued

Borrowings	Facility type	Provider	Limit	Maturity date	Drawn
Home loans	Non-recourse warehouse	Westpac	\$350m	Oct-23	\$270m
	Non-recourse warehouse	Institutional	\$20m	Oct-23	\$20m
	Securitised	Institutional		Mar-51	\$69m
Personal loans	Limited recourse warehouse	Westpac	\$75m	Apr-26	\$46m
	Corporate	Westpac	\$15m	Mar-24	-
Asset finance	Non-recourse warehouse	Big 4 bank	\$100m	Jun-24	\$89m
	Non-recourse warehouse	Institutional	\$28m	Jun-24	\$28m

**On 27 January 2023, an Australian "big four" bank increased the non-recourse asset finance facility from \$100m to \$140m.*

The Lending segment achieved a profit before tax of \$9.7m, a 9% decrease. Our Lending earnings are being impacted by an increase in staff numbers required to grow our loan pools and in the cost of funding. As we grow our loan pools our business will benefit from higher incremental margins due to fixed cost leverage.

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.

COVID-19 has had an impact on the number of individuals seeking assistance through our Services segment. As financial institutions and government entities gradually ease COVID-19 related measures, we anticipate a return in demand for our services.

Informal and Debt Agreements	1HFY 2021	1HFY 2022	1HFY 2023	% Change
New clients	724	351	250	-29%
Clients under administration	17,520	13,485	8,710	-35%
Debt managed	\$261m	\$153m	\$75m	-51%
Dividends paid	\$43m	\$35m	\$24m	-31%

PIA's and Bankruptcy	1HFY 2021	1HFY 2022	1HFY 2023	% Change
New clients	38	53	43	-19%
Clients under administration	1,151	969	744	-23%

The Services segment achieved a profit before tax of \$3.3m, a 35% decrease. The decrease in the number of clients under administration has resulted in a decline in earnings for this segment.

DIRECTORS' REPORT continued

Net cash inflow from operating activities

During the first half, FSA Group maintained steady cash inflow driven by long term annuity income from clients. Net cash inflow was negatively impacted by an increase in staff numbers required to grow our loan pools, an increase in the cost of funding in the Lending segment and, a decrease in the number of clients under administration in the Services segment. Net cash inflow from operating activities for the first half was \$8.0m, a 45% decrease.

	1HFY 2021	1HFY 2022	1HFY 2023	% Change
Net cash inflow from operating activities	\$14.3m	\$14.6m	\$8.0m	-45%

Strategy and Outlook

Our focus over the 2023 financial year will be as follows:

Lending - Further develop a broker channel and grow our loan pools.

Services - Regrow as demand returns.

Earnings - Expect earnings for the 2023 financial year to be down around 10% when compared to 2022.

Capital Management - Expect our full year dividend to be 7 to 8 cents per share. We plan to continue with our on market share buy-back as opportunities arise.

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 7.

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

23 February 2023

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 2022, 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, 23 February 2023

FSA Group Limited

Consolidated statement of profit or loss and other comprehensive income

For the half year ended 31 December 2022

	Consolidated Entity	
	31-Dec-22	31-Dec-21
	\$	\$
Revenue and other income		
Fees from services	10,498,414	13,214,816
Finance income	32,250,837	22,957,949
Finance expense	(12,308,002)	(5,638,850)
Net finance income	19,942,835	17,319,099
Total operating income	30,441,249	30,533,915
Employee benefit expense	(10,903,456)	(9,114,718)
Marketing expense	(1,812,062)	(1,928,754)
Operating expenses	(2,956,660)	(2,691,484)
Impairment expenses	(304,724)	200,118
Office facility expenses	(837,582)	(812,895)
Depreciation and amortisation expense	(631,581)	(456,645)
Total expenses	(17,446,065)	(14,804,378)
Profit before income tax	12,995,184	15,729,537
Income tax expense	(3,767,272)	(4,743,100)
Profit after income tax	9,227,912	10,986,437
Other comprehensive income, net of tax	-	-
Total comprehensive income for the period	9,227,912	10,986,437
Total profit and comprehensive income for the period attributable to:		
Non-controlling interests	1,238,035	1,071,616
Members of the parent	7,989,877	9,914,821
Net profit for the period	9,227,912	10,986,437
Earnings per share		
Basic earnings per share (cents per share)	6.53	7.93
Diluted earnings per share (cents per share)	6.53	7.93

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 2022

	Consolidated Entity	
	Dec-2022	Jun-2022
	\$	\$
Current Assets		
Cash and cash equivalents	9,763,766	16,587,684
Trade and other receivables	16,286,525	15,727,586
Other assets	1,711,441	621,349
Total Current Assets	27,761,732	32,936,619
Non-Current Assets		
Trade and other receivables	1,024,123	1,668,786
Right of use assets	8,745,099	9,241,234
Plant and equipment	1,865,165	1,917,121
Intangible assets	13,897,507	14,279,844
Deferred tax assets	1,365,294	1,576,521
Total Non-Current Assets	26,897,188	28,683,506
Financing Assets		
Personal loan cash and cash equivalents	2,670,021	6,720,693
Home loan cash and cash equivalents	7,276,453	10,112,665
Asset finance cash and cash equivalents	8,933,613	2,503,571
Personal loan assets	83,961,540	71,826,827
Home loan assets	369,581,495	388,872,159
Asset finance assets	118,897,885	80,787,180
Total Financing Assets	591,321,007	560,823,095
Total Assets	645,979,927	622,443,220
Current Liabilities		
Trade and other payables	2,783,827	3,519,804
Contract liabilities	376,914	466,700
Lease liability	1,004,912	948,179
Provisions	2,662,408	2,531,627
Current tax liabilities	3,637,635	4,153,626
Borrowings	268,020	300,247
Total Current Liabilities	10,733,716	11,920,183
Non-Current Liabilities		
Contract liabilities	111,819	206,607
Lease liability	8,508,160	8,923,238
Provisions	391,807	422,997
Deferred tax liabilities	3,608,833	3,454,183
Total Non-Current Liabilities	12,620,619	13,007,025
Financing Liabilities		
Other borrowing	-	3,219,860
Limited-recourse borrowings to finance personal loan assets	45,865,991	43,804,531
Non-recourse borrowings to finance home loan assets	359,854,207	382,388,979
Non-recourse borrowings to finance asset finance assets	115,767,788	72,024,674
Total Financing Liabilities	521,487,986	501,438,044
Total Liabilities	544,842,321	526,365,252
Net Assets	101,137,606	96,077,968
Equity		
Share capital	3,502,630	3,502,630
Reserves	8,590,580	8,477,064
Retained earnings	76,092,498	72,384,411
Total equity attributable to members of the parent	88,185,708	84,364,105
Non-controlling interests	12,951,898	11,713,863
Total Equity	101,137,606	96,077,968

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

FSA Group Limited
Consolidated statement of cash flow

For the six months ended 31 December 2022

	Notes	Consolidated Entity	
		31-Dec-22	31-Dec-21
		\$ Inflows/ (Outflows)	\$ Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		8,853,611	14,059,164
Payments to suppliers and employees		(17,047,633)	(15,010,257)
Finance income received		31,812,533	26,563,479
Finance cost paid		(11,738,071)	(5,549,915)
Income tax paid		(3,917,385)	(5,458,226)
Net cash inflow from operating activities		7,963,055	14,604,245
Cash flows from investing activities			
Cash and cash equivalent from acquisition		-	2,355,482
Acquisition of property, plant and equipment		(97,288)	(40,747)
Acquisition of intangibles		(100,000)	(40,022)
Net decrease in home loan assets		19,526,818	146,306
Net increase in personal loan assets		(11,588,606)	(4,463,995)
Net increase in asset finance assets		(37,812,138)	(16,283,786)
Net increase in other loans		(105,000)	(105,000)
Net cash outflow from investing activities		(30,176,214)	(18,431,762)
Cash flows from financing activities			
Net receipt of borrowings		19,682,247	12,065,898
Payment of lease liability		(468,058)	(398,613)
Dividends paid to the Company's shareholders		(4,281,790)	(3,742,849)
Net cash inflow from financing activities		14,932,399	7,924,436
Net (decrease)/increase in cash and cash equivalents		(7,280,760)	4,096,919
Cash and cash equivalents at the beginning of the period		35,924,613	35,100,609
Cash and cash equivalents at the end of the period		28,643,853	39,197,528

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

FSA Group Limited
Consolidated statement of changes in equity
31 December 2022

	Share capital	Reserve	Retained earnings	Non-controlling interests	Total
	\$	\$	\$	\$	\$
Balance at 30 June 2021	6,360,492	-	65,682,158	3,610,346	75,652,996
Profit after income tax for the period	-	-	9,914,821	1,071,616	10,986,437
Other comprehensive income for the period, net of	-	-	-	-	-
Total comprehensive income for the period	-	-	9,914,821	1,071,616	10,986,437
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	(3,742,849)	-	(3,742,849)
Distributions to non-controlling interests	-	-	-	-	-
Share buy-back	-	-	-	-	-
Long term incentive plan	2,028,000	(2,028,000)	-	-	-
Business combination	-	10,320,000	(2,339,759)	7,019,759	15,000,000
Balance at 31 December 2021	8,388,492	8,292,000	69,514,371	11,701,721	97,896,584
Profit after income tax for the period	-	-	7,304,952	432,142	7,737,094
Other comprehensive income for the period, net of	-	-	-	-	-
Total comprehensive income for the period	-	-	7,304,952	432,142	7,737,094
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	(4,434,912)	-	(4,434,912)
Distributions to non-controlling interests	-	-	-	(420,000)	(420,000)
Share buy-back	(4,885,862)	-	-	-	(4,885,862)
Long term incentive plan	-	26,080	-	-	26,080
Business combination	-	-	-	-	-
Class shares	-	158,984	-	-	158,984
Balance at 30 June 2022	3,502,630	8,477,064	72,384,411	11,713,863	96,077,968
Profit after income tax for the period	-	-	7,989,877	1,238,035	9,227,912
Other comprehensive income for the period, net of	-	-	-	-	-
Total comprehensive income for the period	-	-	7,989,877	1,238,035	9,227,912
Transactions with owners in their capacity as owners:					
Dividends paid	-	-	(4,281,790)	-	(4,281,790)
Distributions to non-controlling interests	-	-	-	-	-
Share buy-back	-	-	-	-	-
Long term incentive plan	-	18,126	-	-	18,126
Business combination	-	-	-	-	-
Class shares	-	95,390	-	-	95,390
Balance at 31 December 2022	3,502,630	8,590,580	76,092,498	12,951,898	101,137,606

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 2022

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 2022 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 direct lending services and debt solutions to individuals and businesses.

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 2022 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 23 February 2023.

[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 2022. 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.
Lending	Offering home loans and personal loans to assist clients wishing to purchase a property or consolidate their debt or to purchase a motor vehicle and asset finance to SMEs for vehicles and business-critical equipment.
Other / unallocated	Including 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 2022

Segment information

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

	Services		Lending		Other / Unallocated		Consolidated Total	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue and Income:								
Fees from services	10,394,111	13,008,341	93,390	193,613	10,913	12,862	10,498,414	13,214,816
Finance income	65,519.00	-	32,130,850	22,957,949	54,468.00	-	32,250,837	22,957,949
Finance expense	78,696	(176,913)	(12,361,023)	(5,279,050)	(25,675)	(182,887)	(12,308,002)	(5,638,850)
Net finance income	144,215	(176,913)	19,769,827	17,678,899	28,793	(182,887)	19,942,835	17,319,099
Total operating income	10,538,326	12,831,428	19,863,217	17,872,512	39,705	(170,025)	30,441,249	30,533,915
Results:								
Segment profit before tax	3,283,538	5,072,933	9,737,471	10,895,913	(25,825)	(239,309)	12,995,184	15,729,537
Income tax	(1,027,000)	(1,561,354)	(2,742,582)	(3,263,782)	2,310	82,036	(3,767,272)	(4,743,100)
Profit for the period	2,256,538	3,511,579	6,994,889	7,632,131	(23,515)	(157,273)	9,227,912	10,986,437
Segment assets	35,830,668	42,548,809	610,694,566	543,547,964	17,141,749	20,205,004	663,666,983	606,301,777
Reclassification*							(17,687,056)	(10,905,016)
Total Assets							645,979,927	595,396,761

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

4. EARNINGS PER SHARE

	Consolidated Entity	
	31-Dec-22	31-Dec-21
	\$	\$
Total Earnings per share for profit		
Total profit attributable to the members of the parent for the period	7,989,877	9,914,821
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	122,336,824	125,060,041
Weighted average number of ordinary shares used in calculating diluted earnings per share	122,336,824	125,060,041
Basic earnings per share (cents)	6.53	7.93
Diluted earnings per share (cents)	6.53	7.93

5. DIVIDENDS

Dividends recognised during the six months ended 31 December 2022 by FSA Group Limited are:

Half year ended 31 December 2022	Value per share \$	Total Amount	Franked	Date of Payment
Final - ordinary	0.035	\$4,281,790	100%	30-Aug-22
Financial Year 2022	Value per share \$	Total Amount	Franked	Date of Payment
Final - ordinary	0.03	\$3,742,849	100%	31-Aug-21
Interim - ordinary	0.035	\$4,434,912	100%	10-Mar-22

Franked dividends declared or paid during the period were franked at a tax rate of 30%. On 23 February 2023, the Directors declared a fully franked dividend of 3.50 cents to be paid on 9 March 2023, a total estimated distribution of \$4,281,789 based on ordinary shares on issue as at 31 December 2022.

FSA Group Limited
Notes to the consolidated half year financial report
31 December 2022

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.

	31-Dec-22 Book value \$	31-Dec-22 Fair value \$
Financial assets		
Current receivables net of deferred tax	3,210,003	3,210,003
Non-current receivables net of deferred tax	895,204	866,881
Financing assets		
Personal loan assets	83,961,540	95,721,794
Home loan assets	369,581,495	386,985,357
Asset finance assets	118,897,885	136,862,544

7. COMMITMENTS

At the reporting date loan applications accepted by the Consolidated Entity but not yet settled amounted to \$12,874,285 (1HYF2022: \$6,129,685).

8. SUBSEQUENT EVENTS

There have been no events since 31 December 2022 that may significantly affect the Consolidated Entity's operations, impact upon the financial performance or position of the Consolidated Entity except as follows:

- On 27 January 2023, an Australian "big four" bank increased the non-recourse asset finance facility from \$100m to \$140m;
- On 23 February 2023, Directors declared a 3.50 cents fully franked interim dividend to shareholders to be paid on 9 March 2023 with a record date of 2 March 2023.

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 2022 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

23 February 2023

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 2022, 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 then ended, and notes comprising a 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 2022 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 2022 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


Ryan Pollett
Director

Sydney, 23 February 2023