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 2024
Previous Corresponding Reporting Period	30 June 2023

2. **Results for Announcement to the Market**

		$'000	% Increase over corresponding period
2.1	Total Group operating income	52,105	-5%
2.2	Profit from ordinary activities after tax attributable to members of the parent	7,346	-43%
2.3	Net profit for the period attributable to members	7,346	-43%
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 27 of the Financial Statements and the accompanying notes

4. **Statement of Financial Position with notes to the statement**

   Refer to page 28 of the Financial Statements and the accompanying notes

5. **Statement of Cash Flows with notes to the statement**

   Refer to page 30 of the Financial Statements and the accompanying notes

6. **Statement of Changes in Equity**

   Refer to page 29 of the Financial Statements and the accompanying notes

7. **Dividends**

Fully franked final dividend for the year ended 30 June 2023 of 3.50 cents per ordinary share	$4,247,097
Fully franked interim dividend for the year ended 30 June 2024 of 3.50 cents per ordinary share	$4,247,098
	$8,494,195

Dividends payable subsequent to year end

Date payable	9-Sep-24
Record date to determine entitlement to the dividend	2-Sep-24
Amount per share (fully franked)	3.5 cents
Total dividend calculated on shares on issue as at the date of this report	$4,247,096

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	57.0 cents	56.4 cents

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

None

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

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

12. Foreign entities

Not applicable.

13. 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 34 of the Financial Statements.

14. Status of audit

The Financial Statements have been audited and a copy of the audit report is included in the Financial Statements at pages 73 to 75. The audit report does not contain any qualification nor is there any dispute.

The Annual General Meeting is scheduled for 22 November 2024 at 2pm in Sydney.

Cellina Z Chen

Company Secretary

Transitioned for the **future**

FSA Group Limited Annual Report 2024

At a **Glance**

2024

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

Continued to expand our broker channels

Further invested in our systems

Increased and renewed our warehouse facilities

Increased new origination to $385m, up 23%

Increased our loan pools to $801m, up 25%

Completed our transition to a lending business

Contents

Our Business

Lending

Home Loans

Offers home loans to assist clients wishing to purchase a property or consolidate their debt.

Car Loans

Offers secured car loans to assist clients wishing to purchase a motor vehicle.

Unsecured Personal Loans

Offers unsecured personal loans to assist clients for any approved purpose.

Asset Finance

Offers asset finance to assist SMEs wishing to purchase a vehicle and business-critical equipment.

Chairman's Letter

Dear Shareholders,

During 2024 we successfully completed our transition to a lending business despite challenging market conditions.

Our lending business offers loan products including home loans, car loans, unsecured personal loans and asset finance. During the year, our new origination and loan pools grew at exceptional rates. For 2024, annual new origination increased to $385m, a 23% increase, and our loan pools increased to $801m, a 25% increase compared to the results of 2023.

For 2024, FSA Group generated a profit before tax of $12.6m, a 40% decrease compared to the results of 2023. Our lending business generated a profit before tax of $14.8m. Our services business, now classified under "Other", generated a loss of $2.2m.

Profitability of our lending business was impacted by the rising cash rate which materially impacted the net margin on our fixed rate loans. Our fixed rate loans have an average life of approximately 3.5 years. Over time our net margin will improve as new originations are originated at higher risk adjusted fixed rates.

Our aim is to increase annual new origination, through our broker channels, to over $600m per annum. Automation will play a key role in supporting this growth and we expect our loan pools to grow to around $1.3b. Achieving this growth target depends on broker take up of our product offering and funding, both of which are potential risks.

As our loan pools grow, we aim to increase new origination and our loan pools while containing our largest expense being employee benefit expense. We aim to achieve this through automation and expanding our offshore office. As our loan pools grow to $1.3b we expect to benefit from operating leverage.

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

Our lending strategy is outlined in more detail in the Executive Directors' Review.

I advise that the Directors have declared a fully franked final dividend of 3.50 cents per share for the 2024 financial year. This brings the full year dividend to 7.00 cents per share.

I would like to thank my fellow Directors, 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,

Tim Odillo Maher
Chairman

Executive Directors' Review

Dear Shareholders,

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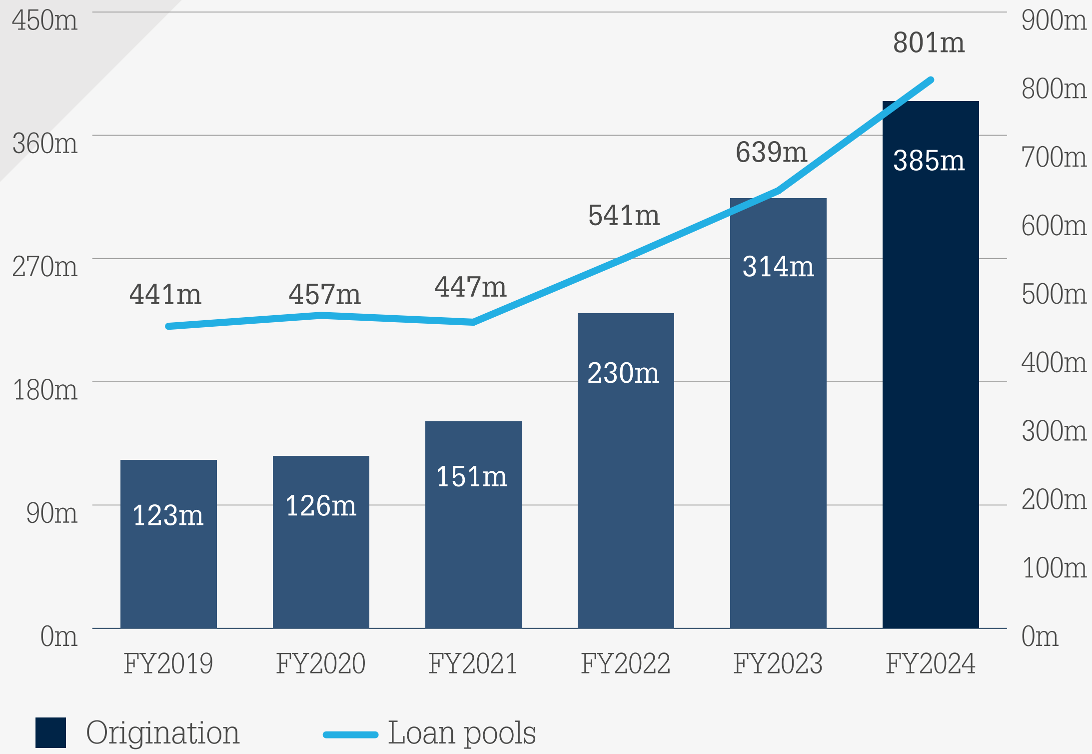
For 2024, FSA Group generated a profit before tax of $12.6m, a 40% decrease compared to the results of 2023. Our lending business generated a profit before tax of $14.8m. Our services business, now classified under "Other", generated a loss of $2.2m.

Profitability of our lending business was impacted by the rising cash rate which materially impacted the net margin on our fixed rate loans. Our fixed rate loans have an average life of approximately 3.5 years. Over time our net margin will improve as new originations are originated at higher risk adjusted fixed rates.

We advise that the Directors have declared a fully franked final dividend of 3.50 cents per share for the 2024 financial year. This brings the full year dividend to 7.00 cents per share.



Financial Overview

	FY2022	FY2023	FY2024	% Change
Operating income	$55.6m	$54.6m	$52.1m	↓ 5%
Profit before tax	$26.9m	$21.0m	$12.6m	↓ 40%
Profit after tax attributable to members	$17.2m	$13.0m	$7.3m	↓ 43%
EPS basic	13.72c	10.63c	6.05c	↓ 43%
Net cash inflow from operating activities	$26.2m	$21.6m	$14.9m	↓ 31%
Dividend/share	7.00c	7.00c	7.00c	
Shareholder equity attributable to members	$84.4m	$88.0m	$87.1m	↓ 1%
Return on equity	22%	15%	8%	

Operational Performance

Operating income	FY2022	FY2023	FY2024	% Change
Home loans and Asset finance	$18.6m	$21.9m	$25.4m	↑ 16%
Car loans	$15.4m	$16.7m	$16.3m	↓ 2%
Unsecured personal loans	–	–	$1.2m	
Other	$21.6m	$16.0m	$9.2m	↓ 43%
Operating income	$55.6m	$54.6m	$52.1m	↓ 5%

Profit before tax by segment	FY2022	FY2023	FY2024	% Change
Home loans and Asset finance	$10.0m	$9.2m	$8.5m	↓ 8%
Car loans	$9.9m	$9.0m	$7.5m	↓ 17%
Unsecured personal loans	–	–	($1.2m)	
Other	$7.1m	$2.7m	($2.2m)	
Profit before tax	$26.9m	$21.0m	$12.6m	↓ 40%

Loan Pool Data

Our lending business offers loan products including home loans, car loans, unsecured personal loans and asset finance.

Loan Pool Data	Home loans	Car loans	Unsecured personal loans	Asset finance
Weighted average loan size	$459,553	$27,678	$15,723	$53,997
Security type	Residential home	Motor vehicle	Unsecured	Vehicles and equipment
Weighted average loan to valuation ratio	64%	100%+ on settlement	Unsecured	100%+ on settlement
Variable or fixed rate	Variable	Fixed	Fixed	Fixed
Geographical spread	All states	All states	All states	All states

Executive Directors' Review

continued

New Origination and Loan Pools

During 2024, new origination increased from $314m to $385m, a 23% increase.

Loan Origination	FY2022	FY2023	FY2024	% Change
Home loans	$128m	$133m	$129m	↓ 3%
Car loans	$38m	$63m	$76m	↑ 21%
Unsecured personal loans	–	$1m	$11m	↑ >100%
Asset finance	$64m	$117m	$169m	↑ 44%
Total	**$230m**	**$314m**	**$385m**	**23%**

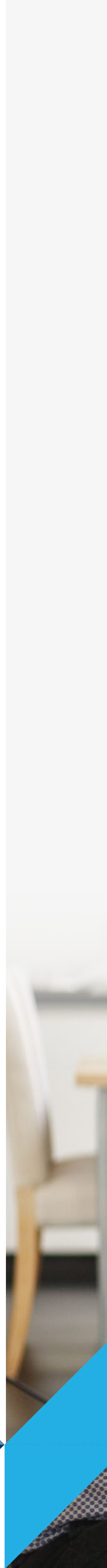
Our loan pools increased from $639m to $801m, a 25% increase. This growth came from car loans, up 35%, and asset finance up 64%, which are fixed rate loans. The percentage of fixed rate loans has increased from 28% in 2022 to 51% in 2024.

Loan Pools	FY2022	FY2023	FY2024	% Change
Home loans	$389m	$377m	$395m	↑ 5%
Car loans	$72m	$103m	$139m	↑ 35%
Unsecured personal loans	–	$1m	$9m	↑ >100%
Asset finance	$81m	$158m	$259m	↑ 64%
Total	**$541m**	**$639m**	**$801m**	**25%**
% of fixed rate loans	**28%**	**41%**	**51%**	

Our net margin %, calculated as the percentage of net finance income to finance income, declined from 74% in 2022 to 47% in 2024, primarily due to the rising cash rate. Since May 2022 the cash rate has increased by 4.25%, which impacted the net margin on these fixed rate loans. The greatest impact has been on fixed rate loans originated prior to May 2022. This impacted the profitability of our lending business.

Lending – Revenue and other income	FY2022	FY2023	FY2024	% Change
Finance income	$45.4m	$67.4m	$91.7m	↑ 36%
Finance expense	$15.1m	$29.1m	$48.9m	↑ 68%
Net finance income	$35.6m	$38.3m	$42.8m	↑ 12%
Net margin %	**74%**	**57%**	**47%**	

Our aim is to increase annual new origination, through our broker channels, to over $600m per annum



Lending Strategy

1 Improve our net margin %

Our fixed rate loans have an average life of approximately 3.5 years. Over time our net margin will improve as new originations are originated at higher risk adjusted fixed rates.

2 Grow new origination and loan pools, supported by automation

We have invested significantly in our systems and developed end-to-end automation. Our aim is to increase annual new origination, through our broker channels, to over $600m per annum. Automation will play a key role in supporting this growth, growing our loan pools to around $1.3b. Achieving this growth target depends on broker take up of our product offering and funding, both of which are potential risks.

3 Grow while containing employee benefit expense, through automation and expanding our offshore office

We aim to increase new origination and our loan pools while containing our largest expense being employee benefit expense. We aim to achieve this through automation and expanding our offshore office.

Employee benefit expense	FY2022	FY2023	FY2024	% Change
Employee benefit expense	$18.8m	$20.6m	$20.7m	^ 1%

4 Benefit from operating leverage

As our loan pools grow to $1.3b we expect to benefit from operating leverage. We are targeting a profit before tax of around $36m per annum and a return on equity in excess of 25%.

This target is based on a number of factors, including the percentage of fixed rate loans, net margin, automation, expanding our offshore office and our cumulative losses tracking in line with historical performance.

Executive Directors' Review

continued

Lending Arrears and Losses

During 2024, arrears were impacted by cost of living pressures and rising rates. We continue to work closely with our clients to ensure we achieved positive outcomes. Arrears are within acceptable levels.

Arrears > 30 day	FY2022	FY2023	FY2024
Home loans	1.95%	3.66%	4.24%
Car loans	1.91%	2.94%	2.42%
Asset finance	2.55%	2.62%	3.43%

Home loans has originated loans for over 15 years and operates in the non-conforming market. In 2024 there were zero losses. Our deep understanding of the non-conforming borrower, combined with credit and arrears management expertise, low loan sizes and low loan to valuation ratios, underpins this excellent performance.

Car loans has originated loans for 10 years and operates in the non-conforming market. Our historical loss curves are mature with cumulative net losses of around 3%. This translates into annual losses of around 1% to 1.2% of the loan pool. Our loss performance on these higher credit risk borrowers is market leading, which is a testament to our credit and arrears management expertise.

Over the last 18 months we commenced originating near-prime and prime car loans. This is a key component of our car loan strategy. We expect these lower credit risk borrowers will deliver a lower net margin with lower losses.

Asset finance has originated loans for around 5 years. Our historical loss curves are maturing with indicative cumulative net losses of under 5%. We initially focussed on sole trader borrowers to establish our broker channels. In 2022 our loan pool consisted of around 68% sole trader borrowers with an average loan size of around $25,000. 61% of the losses for 2024 related to loans originated prior to 2022.

These lower revenue, higher credit risk sole trader borrowers were impacted, to a greater degree, by cost of living pressures, rates rises and revenue pressures. By 2022 we had firmly established our broker channels. This enabled us to increase our maximum loan size, which attracted lower credit risk borrowers.

In 2024 around 63% of loans originated were for company borrowers with an average loan size of around $55,000. Company borrowers typically have higher revenue and longer average time in business compared with sole traders. We expect these higher revenue, lower credit risk company borrowers will drive improved loss performance. We are targeting lower future losses compared to our historical losses.

Unsecured personal loans will be reported once the pilot phase is completed and the loan pool size is material.

Losses	FY2022	FY2023	FY2024
Home loans	$198,805	$190,021	–
Car loans	$550,831	$ 887,205	$896,306
Asset finance	$580,009	$1,810,167	$3,198,871

* Losses are realised losses less recovery. ECL is not reflected in these numbers.

** The asset finance loss of $3,198,871 excludes a loss of $463,989 on loans originated between April 2021 and May 2022. These loans were part of a discontinued pilot lease product offering.

Lending Warehouse facilities

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

Borrowings	Facility type	Provider	Limit	Maturity date	Drawn
Home loans	Non-recourse warehouse	Westpac	$375m	Oct-25	$359m
Personal loans	Non-recourse warehouse	Westpac	$125m	Apr-26	$86m
Asset finance	Non-recourse warehouse	Bank	$260m	May-25	$193m
FSA Group Ltd	Corporate	Westpac	$15m	Mar-26	–

* The senior non-recourse facilities are supported by mezzanine non-recourse facilities provided by institutional fund managers.

** The home loan facility was increased to $400m in July 2024.

Services

The Services business previously offered a range of services to assist clients wishing to enter into a payment arrangement with their creditors. In early 2020 we placed Services into "hibernation" due to COVID-19.

In February 2024 after much consideration and analysis of the market, we decided to refocus Services. We now focus on debtors with higher levels of debt and we assist them with Personal Insolvency Agreements and Bankruptcy. This is where we see the greatest debtor demand as the insolvency market reopens. Our marketing reflects this change.

Given this shift in focus and marketing it is expected Services will be profitable but will not make a material contribution to profit for the next few years.

Our People

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

Tim Odillo Maher
Executive Chairman

Deborah Southon
Executive Director

Cautionary Statements and Disclaimer Regarding Forward-Looking Information

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

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

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

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

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

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

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

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

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

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

Sustainability Report

FSA Group is committed to sustainability and compliance. We believe our people should drive and own our ESG agenda. In 2024 we established an ESG working group to oversee and develop our approach to ESG.

In 2025, the working group, which reports to the Board, will finalise our sustainability framework which will drive our key initiatives and embrace our core values. A critical focus will be on achieving positive outcomes for our customers, people, shareholders and the wider community.

Sustainability Report
Continued

Our focus

The United Nations has embraced 17 Sustainable Development Goals (SDGs), and FSA Group supports all of these objectives. Our focus in 2024 was:

Goal 3 – Good health and Wellbeing

- Raised money and awareness for Cerebral Palsy Alliance by participating in September.
- Supported the Salvation Army Red Shield Appeal.
- Partnered with Life Street to provide an employee assistance program to staff.
- Engaged in Pink Ribbon Day – National Breast Cancer Foundation.
- Participated in World's Biggest Morning Tea – Cancer Council.
- Celebrated NAIDOC week and morning tea.
- School feeding program (Philippines).

Goal 5 – Gender Equality

- Celebrated International Women's Day.
- Supported women's networking opportunities and functions.
- Supported and encouraged diversity.

Goal 13 – Climate Action

- Initiated environmental and waste awareness improvements in the workplace.
- Reviewed opportunities to reduce our carbon footprint.
- Changed our purchasing practices and significantly reduced the purchase of plastic objects.

Environmental, social, and governance

Environmental

We are acutely aware of the importance of how our actions affect the environment in the workplace and beyond.

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

Social

We encourage and support diversity in the workplace and celebrate its value. We appreciate our social responsibilities and the diversity of our people, customers and the broader community. We make donations to various causes and organisations, and we build awareness through training and participating in cultural events.

We care about our people and understand the need for a work/life balance. Our employment policies reflect this because we offer flexible work hours, paid parental leave, carers leave, study leave. We also understand the need to support our staff during challenging times and our partnership with Life Street achieves this objective.

Governance

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

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

We are conscious of the critical importance of protecting customer data and complying with our privacy obligations. FSA Group adheres to the Essential 8 framework, as outlined by the Australian Cyber Security Centre, to effectively mitigate cybersecurity incidents and ensure the security of our customers' data.

This approach ensures we consistently manage potential threats by securing our systems, controlling access, and regularly updating our cyber defence strategy. Focusing on these key areas helps us stay resilient against cyber breaches.

Financial Statements

For the year ended 30 June 2024

Directors' Report

For the year ended 30 June 2024

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 2024.

Directors

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

Tim Odillo Maher

Deborah Southon

Cellina Chen

Information on Directors

Tim Odillo Maher (Executive Chairman)

Experience and Expertise

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

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

Other current (listed company) directorships

Nil

Former (listed company) directorships in last 3 years

Nil

Special responsibilities

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

Interest in shares and options

Ordinary shares 42,809,231

Deborah Southon (Executive Director)

Experience and Expertise

Ms Southon was appointed on 30 July 2002.

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

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

Other current (listed company) directorships

Nil

Former (listed company) directorships in last 3 years

Nil

Special responsibilities

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

Interest in shares and options

Ordinary shares 12,960,047

Cellina Chen (Executive Director)

Experience and Expertise

Mrs Chen was appointed on 24 November 2022.

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

Other current (listed company) directorships

Nil

Former (listed company) directorships in last 3 years

Nil

Special responsibilities

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

Interest in shares and options

Ordinary shares 1,250,000

Principal activities

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

Operating results

Total profit for the year and total comprehensive income for the year for the Consolidated Entity after providing for income tax and eliminating non-controlling interests was $7,345,994 (2023: $12,996,146).

Dividends declared and paid during the year

- On 31 August 2023, a fully franked final dividend relating to the year ended 30 June 2023 of $4,247,097 was paid at 3.50 cents per share; and
- On 15 March 2024, a fully franked interim dividend of $4,247,098 was paid at 3.50 cents per share.

Dividends declared after the end of year

On 26 August 2024, the Directors declared a 3.50 cent fully franked final dividend to shareholders to be paid on 9 September 2024 with a record date of 2 September 2024.

Operating and Financial Review

Detailed comments on operations are included separately in the Executive Directors' Review, on pages 4 to 8 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 decreased from $101,303,886 at 30 June 2023 to $100,276,555 at 30 June 2024.

Treasury policy

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

Liquidity and funding

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

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

There have been no events since the end of the financial year that impact upon the financial performance or position of the Consolidated Entity as at 30 June 2024 except as follows:

- On 26 August 2024, the Directors declared a 3.50 cent fully franked final dividend to shareholders to be paid on 9 September 2024 with a record date of 2 September 2024.

Likely developments and expected results of operations

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

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

Environmental regulations

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

Share options

As at 30 June 2024 there were no options on issue.

Indemnification and insurance of directors and officers

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

Indemnity and insurance of auditor

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

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

Remuneration Report (Audited)

This Remuneration Report sets out the remuneration information, pertaining to the Directors. The Directors comprise the Key Management Personnel of the Company for the purposes of the *Corporations Act 2001* for the year ended 30 June 2024.

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

Remuneration policy

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

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

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

Executive Directors Remuneration

Executive Directors

Deborah Southon

Cellina Chen

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

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

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

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

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

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

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

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

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

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

The remuneration of the Executive Directors for the year ended 30 June 2024 is detailed in Table 1 of this Remuneration Report.

Executive Chairman

Tim Odillo Maher

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 2024 is detailed in Table 2 of this Remuneration Report.

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

Employment contracts and consultancy agreement

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

Executive Directors

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

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

Remuneration Report (Audited) continued

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

Executive Directors

Tim Odillo Maher	Executive Chairman
Deborah Southon	Executive Director
Cellina Chen	Executive Director

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

(b) Remuneration of Directors and Key Management Personnel

Table 1

	Short-term				Post-Employment	Total	Performance based
	Salary & Fees $	**Cash Bonus $**	**Non-cash benefits $**	**Non-cash benefits $**	**Super-annuation and other benefits $**	**$**	**%**
Executive Director							
Deborah Southon							
2024	**436,538**	**200,000**	***53,269**	***23,234**	**40,000**	**753,041**	**27%**
2023	401,414	200,000	26,154	6,667	40,000	674,235	30%
Executive Director							
Cellina Chen							
2024	**368,534**	**150,000**	***1,286**	***35,422**	**27,399**	**582,641**	**26%**
2023	345,619	140,000	9,317	21,522	23,568	540,026	26%
Total Remuneration							
2024	**805,072**	**350,000**	**54,555**	**58,656**	**67,399**	**1,335,682**	
2023	747,033	340,000	35,471	28,189	63,568	1,214,261	

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

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

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

Executive Director – Cellina Chen: $150,000 – $200,000

Remuneration Report (Audited) continued

Table 2

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

	Fees $	Success fees ^ $	Total Fees $
Executive Chairman			
Tim Odillo Maher			
2024	**479,000**	**200,000**	**679,000**
2023	438,000	200,000	638,000

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

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

	30 June 2024	30 June 2023	30 June 2022	30 June 2021	30 June 2020
Operating income	52,104,536	54,620,505	55,587,051	61,434,416	68,180,292
Net profit before tax	12,574,248	20,976,145	26,944,113	29,712,695	24,750,627
Net profit and other comprehensive income after tax attributable to members	7,345,994	12,996,146	17,219,773	20,108,514	16,315,946
Share price at the start of the year	$0.99	$1.14	$1.04	$0.87	$1.02
Share price at the end of the year	$0.84	$0.99	$1.14	$1.04	$0.87
Dividends declared for the year	7.00c	7.00c	7.00c	6.00c	6.00c
Basic EPS (cents)	6.05	10.63	13.72	16.12	13.05
Diluted EPS (cents)	6.05	10.63	13.72	16.12	13.05

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

(c) Options issued as part of remuneration for the year ended 30 June 2024

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

(d) Shares issued as part of the Long Term Incentive Plan for the year ended 30 June 2024

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

(e) Option holdings of Directors and Key Management Personnel

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

(f) Shareholdings of Directors and Key Management Personnel

Shares held in FSA Group Ltd	Balance 1 July 2023	Purchased on market	Other Changes	Balance 30 June 2024
Directors				
Tim Odillo Maher	42,809,231	–	–	42,809,231
Deborah Southon	12,960,047	–	–	12,960,047
Cellina Chen	1,250,000	–	–	1,250,000
Total	**57,019,278**	**–**	**–**	**57,019,278**

(g) Loans to Directors and Key Management Personnel

	LTI shares acquired during the year number	Opening loan balance $	Loans made $	Loans repaid $	Closing loan balance $
Executive Director					
Cellina Chen					
2024	**–**	**1,300,000**	**–**	**–**	**1,300,000**
2023	–	1,300,000	–	–	1,300,000

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

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

(i) Voting and comments made at the Company's 2023 Annual General Meeting ("AGM")

At the 2023 AGM, 99.71% of the votes received supported the adoption of the Remuneration Report for the year ended 30 June 2023. 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' 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
Tim Odillo Maher	10	10
Deborah Southon	10	10
Cellina Chen	10	10
Total number of meetings held during the financial year	10	

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
Tim Odillo Maher	3	3
Deborah Southon	3	3
Cellina Chen	3	3
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
Tim Odillo Maher	2	2
Deborah Southon	2	2
Cellina Chen	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 the Company, nor has any application for leave been made in respect of the Company under section 237 of the *Corporations Act 2001*.

Auditor's Independence Declaration

The Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* forms part of the Directors Report and can be found on page 26. Auditor's remuneration and non-audit services are set out in Note 19.

Non-audit services

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

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

The Directors are of the opinion that the services as disclosed in Note 19 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

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

Corporate Governance

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

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors.

Tim Odillo Maher
Executive Director

Sydney
26 August 2024

Auditor's Independence Declaration

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www.bdo.com.au

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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 2024, 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

26 August 2024

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

		Consolidated Entity	
	Notes	2024 $	2023 $
Revenue and other income			
Fees from services	2	**9,264,719**	16,434,486
Finance income	2	**91,717,897**	67,399,058
Finance expense	2	**(48,878,080)**	(29,116,567)
Net finance income	2	**42,839,817**	38,282,491
Other income/(losses)	2	**–**	(96,472)
Total operating income		**52,104,536**	54,620,505
Employee benefit expense		**(20,723,521)**	(20,595,792)
Marketing expense		**(4,491,831)**	(3,491,292)
Operating expenses		**(5,379,169)**	(2,939,320)
Impairment expenses		**(5,479,699)**	(3,653,757)
Office facility expenses		**(1,802,075)**	(1,715,231)
Depreciation and amortisation expense		**(1,653,992)**	(1,248,968)
Total expenses		**(39,530,287)**	(33,644,360)
Profit before income tax		**12,574,249**	20,976,145
Income tax expense	18	**(3,750,027)**	(6,170,306)
Profit after income tax		**8,824,222**	14,805,839
Other comprehensive income, net of tax		**–**	–
Total comprehensive income for the year		**8,824,222**	14,805,839
Total profit and comprehensive income for the year attributable to:			
Non-controlling interests		**1,478,228**	1,809,693
Members of the parent	3	**7,345,994**	12,996,146
Net profit for the year		**8,824,222**	14,805,839
Earnings per share			
Basic earnings per share (cents per share)	3	**6.05**	10.63
Diluted earnings per share (cents per share)	3	**6.05**	10.63

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 2024

		Consolidated Entity	
	Notes	2024 $	2023 $
Assets			
Cash and cash equivalents	14	**5,353,021**	16,404,282
Restricted cash	14	**22,407,527**	20,045,421
Trade and other receivables	4, 14	**11,613,258**	14,769,434
Loans and advances	5, 14, 15	**801,440,025**	638,697,386
Other assets		**586,786**	319,634
Right-of-use assets	8	**7,055,547**	8,176,043
Plant and equipment		**1,669,303**	1,795,058
Intangible assets	6	**14,015,507**	14,601,068
Deferred tax assets	18	**2,999,508**	2,410,202
Total Assets		**867,140,482**	717,218,528
Liabilities			
Trade and other payables	7, 14	**3,607,898**	3,708,800
Current tax liabilities		**1,268,616**	5,382,588
Financing liabilities	13, 14	**747,966,499**	591,018,637
Lease liabilities	8	**8,110,647**	9,065,182
Contract liabilities	2	**52,475**	286,197
Provisions	9	**3,221,984**	3,218,683
Deferred tax liabilities	18	**2,635,808**	3,234,555
Total Liabilities		**766,863,927**	615,914,642
Net Assets		**100,276,555**	101,303,886
Equity			
Share capital	10	**2,493,454**	2,493,454
Reserves	11	**8,942,543**	8,707,901
Retained earnings		**75,668,774**	76,816,975
Total equity attributable to members of the parent		**87,104,771**	88,018,330
Non-controlling interests		**13,171,784**	13,285,556
Total Equity		**100,276,555**	101,303,886

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 2024

	Note	Share capital $	Reserves $	Retained earnings $	Non-controlling interests $	Total $
				Consolidated Entity		
Balance at 30 June 2022		3,502,630	8,477,064	72,384,411	11,713,863	**96,077,968**
Profit after income tax for the year		–	–	12,996,146	1,809,693	**14,805,839**
Other comprehensive income for the year, net of tax		–	–	–	–	**–**
Total comprehensive income for the year		**–**	**–**	**12,996,146**	**1,809,693**	**14,805,839**
Transactions with owners in their capacity as owners:						
Dividends paid		–	–	(8,563,582)	–	**(8,563,582)**
Distributions to non-controlling interests		–	–	–	(238,000)	**(238,000)**
Share buy-back		(1,009,176)	–	–	–	**(1,009,176)**
Long term incentive plan		–	40,059	–	–	**40,059**
Class shares		–	190,778	–	–	**190,778**
Balance at 30 June 2023		**2,493,454**	**8,707,901**	**76,816,975**	**13,285,556**	**101,303,886**
Profit after income tax for the year		–	–	7,345,994	1,478,228	**8,824,222**
Other comprehensive income for the year, net of tax		–	–	–	–	**–**
Total comprehensive income for the year		**–**	**–**	**7,345,994**	**1,478,228**	**8,824,222**
Transactions with owners in their capacity as owners:						
Dividends paid		–	–	(8,494,195)	–	**(8,494,195)**
Distributions to non-controlling interests		–	–	–	(1,592,000)	**(1,592,000)**
Long-term incentive plan	11	–	43,866	–	–	**43,866**
Class shares	11, 22	–	190,776	–	–	**190,776**
Balance at 30 June 2024		**2,493,454**	**8,942,543**	**75,668,774**	**13,171,784**	**100,276,555**

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 2024

	Notes	Consolidated Entity 2024 $ Inflows/ (Outflows)	2023 $ Inflows/ (Outflows)
Cash flows from operating activities			
Receipts from customers		**13,392,481**	18,429,698
Payments to suppliers and employees		**(38,167,727)**	(29,343,844)
Finance income received		**94,306,799**	66,769,255
Finance cost paid		**(45,600,254)**	(28,222,304)
Income tax paid		**(9,052,052)**	(5,994,653)
Net cash inflow from operating activities	17	**14,879,247**	21,638,152
Cash flows from investing activities			
Acquisition of property, plant and equipment		**(202,385)**	(175,880)
Acquisition of intangibles		**(740,290)**	(1,272,250)
Net (increase)/decrease in home loan assets		**(17,574,119)**	11,912,432
Net increase in personal loan assets		**(44,826,786)**	(29,925,808)
Net increase in asset finance assets		**(105,007,575)**	(79,647,886)
Net (increase)/decrease in other loans		**(87,500)**	28,000
Net cash outflow from investing activities		**(168,438,655)**	(99,081,392)
Cash flows from financing activities			
Net receipt of borrowings		**156,051,631**	88,748,924
Payment of lease liability		**(1,095,183)**	(969,836)
Payment of distributions to non-controlling interests		**(1,592,000)**	(238,000)
Share buy-back	10	**–**	(1,009,176)
Dividends paid to the Company's shareholders	12	**(8,494,195)**	(8,563,582)
Net cash inflow from financing activities		**144,870,253**	77,968,330
Net (decrease)/increase in cash and cash equivalents		**(8,689,155)**	525,090
Cash and cash equivalents at the beginning of the period		**36,449,703**	35,924,613
Cash and cash equivalents at the end of the period	17	**27,760,548**	36,449,703

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

The Consolidated Entity represented last year comparison to align with current year presentation and classification.

General Information

For the year ended 30 June 2024

Consolidated entity

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

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

Principal activities

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

Basis of preparation

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

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

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of FSA Group Limited ("Company" or "parent entity") as at 30 June 2024 and the results of all subsidiaries for the year then ended. FSA Group Limited and its subsidiaries together are referred to in these financial statements as the "Consolidated Entity".

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2024

Judgements and estimates

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

Accounting policy – depreciation

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

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

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

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

New and amending accounting standards

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

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

The accounting policies of the Consolidated Entity have been consistently applied at 30 June 2024.

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 26 August 2024.

Notes to the Financial Statements continued

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 2024.

Note 1: Segment information

Reportable segments

Previously, the Consolidated Entity's operating segments were based on providing both services and lending. This year we completed our transition to a lending business. Our reportable segments are now loan products:

Reportable segment	Description
Home Loans and Asset Finance	Offering home loans to assist clients wishing to purchase a property or consolidate their debt; and asset finance to SMEs wishing to purchase a vehicle and business-critical equipment.
Personal Loans	Offering car loans to assist clients wishing to purchase a motor vehicle and unsecured personal loans to assist clients for any approved purpose.
Other	Including the Services division, 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 Segments

	Home Loan & Asset Finance		Personal Loans		Others		Consolidated Total	
	2024 $	**2023 $**	**2024 $**	**2023 $**	**2024 $**	**2023 $**	**2024 $**	**2023 $**
Revenue and Income:								
Fees from services	610,031	468,887	96,037	33,196	8,558,651	15,835,931	9,264,719	16,338,014
Finance income	65,532,955	47,154,240	25,891,973	19,963,160	292,969	281,659	91,717,897	67,399,059
Finance expense	(40,771,214)	(25,771,289)	(8,446,456)	(3,282,140)	339,590	(63,139)	(48,878,080)	(29,116,568)
Net finance income	24,761,741	21,382,951	17,445,517	16,681,020	632,559	218,520	42,839,817	38,282,491
Total operating income	25,371,772	21,851,838	17,541,554	16,714,216	9,191,210	15,726,078	52,104,536	54,620,505
Results:								
Segment profit before tax	8,467,893	9,235,727	6,308,074	8,971,742	(2,201,719)	2,768,676	12,574,248	20,976,145
Income tax (expense)/benefit	(2,445,099)	(2,684,273)	(1,887,074)	(2,692,481)	582,147	(793,552)	(3,750,026)	(6,170,306)
Profit for the year	6,022,794	6,551,454	4,421,000	6,279,261	(1,619,572)	1,975,124	8,824,222	14,805,839
Segment assets	**691,783,075**	575,079,545	**149,906,025**	106,781,684	**53,679,275**	60,835,133	**895,368,375**	742,696,362
Reclassification*							**(28,227,893)**	(25,477,834)
Total Assets							**867,140,482**	717,218,528

* Eliminations are related to intercompany balances.

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

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

Note 2: Revenue and income

Fees from services

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

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

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

Application of accounting policy

For each contract with a customer, the Consolidated Entity identifies the contract with a customer, identifies the performance obligations in the contract, determines the transaction price including an estimate of any variable consideration, allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct service to be delivered, and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the services promised.

Judgements

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

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

Goods & Services Tax (GST)

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

Fees from services continue

Unsatisfied performance obligations

The aggregate amount of the transaction price allocated to debt agreement and informal arrangement administration services that are unsatisfied is $4,127,366 as at 30 June 2024 ($8,684,911 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	Consolidated Entity	
	2024 $	**2023 $**
Within 12 months	**1,097,460**	3,029,752
12 to 24 months	**937,734**	2,381,313
24 to 36 months	**451,942**	891,861
36 to 60 months	**1,640,230**	2,381,985
	4,127,366	8,684,911

Unrecoverable payments

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

Contract liability

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

	Consolidated Entity	
	2024 $	**2023 $**
Current contract liability	**38,571**	242,973
Non-current contract liability	**13,904**	43,224
Contract liability	**52,475**	286,197
Reconciliation of the carrying amount:		
Opening balance	**286,197**	673,307
Payments received in advance	**8,113**	(40,899)
Transfer to revenue – included in the opening balance	**(241,835)**	(346,211)
	52,475	286,197

Net finance income

Finance income comprises interest income and finance fee income:

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

Disaggregation of revenue

	Consolidated Entity	
	2024 $	**2023 $**
Fees from services		
– Personal insolvency	**8,969,937**	16,230,009
– Refinance broking	**158,630**	527,727
– Other services	**136,152**	(323,250)
Total revenue	**9,264,719**	16,434,486
Finance income		
– Home loan assets	**35,709,203**	29,850,855
– Personal loan assets	**25,891,973**	19,963,161
– Asset finance assets	**29,823,752**	17,303,385
– Other interest income	**292,969**	281,657
	91,717,897	67,399,058
Finance expense		
– Interest expense – home loan facilities	**(24,867,255)**	(18,395,562)
– Interest expense – personal loan facilities	**(7,993,257)**	(3,282,140)
– Interest expense – asset finance facilities	**(15,903,959)**	(7,375,727)
– Interest expense – other lending facilities	**(113,609)**	(63,138)
	(48,878,080)	(29,116,567)
Net finance income	**42,839,817**	38,282,491
Other income/(loss)		
– Profit/(Loss) on impairment of intangible assets	**–**	(96,472)
Total operating income	**52,104,536**	54,620,505
Finance income comprises:		
Finance fee income	**11,214,328**	9,283,123
Interest income	**80,503,569**	58,115,935
Finance income	**91,717,897**	67,399,058

Note 3. Earnings per share

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

	Consolidated Entity	
	2024 $	**2023 $**
Total profit attributable to the members of the parent for the year ($)	**7,345,994**	12,996,146
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	**121,345,588**	122,300,942
Weighted average number of ordinary shares used in calculating diluted earnings per share	**121,345,588**	122,300,942
Basic earnings per share (cents)	**6.05**	10.63
Diluted earnings per share (cents)	**6.05**	10.63

ASSETS

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

Note 4. Trade and other receivables

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

Trade and other receivables comprise:

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

	Consolidated Entity	
	2024 $	**2023 $**
Current		
Trade receivables	**12,556,746**	15,415,386
Provision for impairment	**(1,299,121)**	(1,317,953)
	11,257,625	14,097,433
Non-current		
Trade receivables	**401,007**	751,950
Provision for impairment	**(45,374)**	(79,949)
	355,633	672,001
Total	**11,613,258**	14,769,434
The movement in the provision for impairment		
Opening balance	**1,397,902**	1,150,696
Provision for impairment recognised	**246,797**	674,796
Unused provision reversed	**(201,906)**	(195,210)
Bad debts	**(98,298)**	(232,380)
Closing balance	**1,344,495**	1,397,902
Aging analysis – Trade and other receivables		
Not past due	**10,128,219**	11,941,426
Past due	**2,829,534**	4,225,910
Total	**12,957,753**	16,167,336

Note 5. Loans and advances

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

The Company has adopted IFRS 9 and adopted a forward looking “expected credit loss (ECL)”model to determine the potential future impairment of loans and advances. Impairment policy of loans and advances are included in Note 15. Loans in hardship are not considered past due in the following aging analysis.

Loans and advances comprise:

	Consolidated Entity							
	Home loan assets		Personal loan assets		Asset finance assets		Total	
	2024 $	**2023 $**	**2024 $**	**2023 $**	**2024 $**	**2023 $**	**2024 $**	**2023 $**
Non-securitised financing assets	**395,502,361**	317,986,348	**149,346,102**	105,020,530	**261,890,402**	160,648,188	**806,738,865**	583,655,066
Securitised financing assets	**–**	60,123,016	**–**	–	**–**	–	**–**	60,123,016
Total financing assets	**395,502,361**	378,109,364	**149,346,102**	105,020,530	**261,890,402**	160,648,188	**806,738,865**	643,778,082
Provision for impairment	**(399,764)**	(872,840)	**(2,087,088)**	(1,505,397)	**(2,811,988)**	(2,702,459)	**(5,298,840)**	(5,080,696)
	395,102,597	377,236,524	**147,259,014**	103,515,133	**259,078,414**	157,945,729	**801,440,025**	638,697,386
Security								
Weighted average loan to valuation ratio	**64%**	65%	**n/a**	n/a	**n/a**	n/a		
Interest rate type	**Variable**	Variable	**Fixed**	Fixed	**Fixed**	Fixed		
Aging analysis								
Not past due	**329,755,742**	322,224,293	**134,872,889**	93,434,475	**232,707,525**	148,763,958	**697,336,156**	564,422,726
Past due 0 – 30 days	**49,045,881**	42,114,125	**9,424,234**	8,286,112	**20,671,820**	6,732,262	**79,141,935**	57,132,499
Past due 30 days	**16,700,738**	13,770,946	**5,048,979**	3,299,943	**8,511,057**	5,151,968	**30,260,774**	22,222,857
Total	**395,502,361**	378,109,364	**149,346,102**	105,020,530	**261,890,402**	160,648,188	**806,738,865**	643,778,082
Maturity analysis								
Amounts to be received in less than 1 year	**6,200,196**	5,987,514	**33,286,150**	23,450,722	**71,583,136**	39,108,062	**111,069,482**	68,546,298
Amounts to be received in greater than 1 year	**389,302,165**	372,121,850	**116,059,952**	81,569,808	**190,307,266**	121,540,126	**695,669,383**	575,231,784
	395,502,361	378,109,364	**149,346,102**	105,020,530	**261,890,402**	160,648,188	**806,738,865**	643,778,082
The movement in the provision for impairment								
Opening balance	**872,840**	798,604	**1,505,397**	2,136,195	**2,702,459**	1,377,000	**5,080,696**	4,311,799
Increase in provision	**(473,076)**	264,257	**1,464,640**	256,408	**3,077,378**	3,135,626	**4,068,942**	3,656,291
Bad debts	**–**	(190,021)	**(882,949)**	(887,206)	**(2,967,849)**	(1,810,167)	**(3,850,798)**	(2,887,394)
Closing balance	**399,764**	872,840	**2,087,088**	1,505,397	**2,811,988**	2,702,459	**5,298,840**	5,080,696

Note 6. Intangible assets

Goodwill

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

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

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

Software

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

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

Customer relationships

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

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

Broker network

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

	Consolidated Entity	
	2024 $	**2023 $**
Goodwill	**10,766,323**	10,766,323
Less: Impairment	**–**	–
	10,766,323	10,766,323
Software at cost	**7,356,567**	6,712,749
Less: Accumulated impairment losses	**–**	(96,472)
Less: Accumulated amortisation	**(5,372,733)**	(4,469,582)
	1,983,834	2,146,695
Customer relationships at cost	**366,000**	366,000
Less: Accumulated amortisation	**(207,400)**	(134,200)
	158,600	231,800
Broker network at cost	**2,097,000**	2,097,000
Less: Accumulated amortisation	**(990,250)**	(640,750)
	1,106,750	1,456,250
	14,015,507	14,601,068

Reconciliations

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

Consolidated	Goodwill	Software	Customer relationships	Broker network	Total
Balance at cost	**10,766,323**	**6,616,277**	**366,000**	**2,097,000**	**19,845,600**
Amortisation expense	–	(4,469,582)	(134,200)	(640,750)	(5,244,532)
Balance at 1 July 2023	**10,766,323**	**2,146,695**	**231,800**	**1,456,250**	**14,601,068**
Additions	–	740,290	–	–	740,290
Amortisation expense	–	(903,151)	(73,200)	(349,500)	(1,325,851)
Balance at 30 June 2024	**10,766,323**	**1,983,834**	**158,600**	**1,106,750**	**14,015,507**

Impairment testing

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

	Consolidated Entity	
	2024 $	**2023 $**
FSA Australia Pty Ltd	**345,124**	345,124
Azora Finance Pty Ltd	**10,421,199**	10,421,199
	10,766,323	10,766,323

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

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

- 12% (2023: 12%) after-tax discount rate;
- 6% (2023: 6%) per annum projected revenue growth rate;
- 3% (2023: 3%) per annum increase in operating costs and overheads.

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

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

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

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

LIABILITIES

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

Note 7. Trade and other payables

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

	Consolidated Entity	
	2024 $	**2023 $**
Unsecured trade payables	**637,171**	644,434
Employee benefits payables and accruals	**2,588,204**	2,755,846
Sundry payables and accruals	**382,523**	308,520
	3,607,898	3,708,800

Note 8. Leases

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

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

	Consolidated Entity	
	2024 $	**2023 $**
Right-of-use assets		
Property	**11,878,700**	11,738,049
Accumulated amortisation	**(4,823,153)**	(3,562,006)
	7,055,547	8,176,043
Lease liabilities		
Current	**1,100,194**	1,041,212
Non-current	**7,010,453**	8,023,970
	8,110,647	9,065,182

Additions of the right-of-use assets during the year ended 30 June 2024 were $140,651.

Amounts recognised in profit or loss

	Consolidated Entity	
	2024 **$**	**2023** **$**
Depreciation charge of right-of-use-assets	**1,261,147**	1,228,793
Interest expense (included in finance cost)	**309,545**	329,876
Operating rental expense	**329,422**	326,623
Rental on previous office premises (short term)	**33,813**	19,055
	1,933,927	1,904,347

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 2024, the Consolidated Entity employed 96 full-time equivalent employees (2023: 106) plus a further 6 independent contractors (2023: 6).

Short-term employee benefits

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

Long-term employee benefits

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

	Consolidated Entity	
	2024 **$**	**2023** **$**
Employee benefits – current	**2,875,650**	2,831,750
Employee benefits – non-current	**346,334**	386,933
	3,221,984	3,218,683

EQUITY AND BORROWINGS

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

Note 10. Share capital

	Consolidated Entity 2024 $	Consolidated Entity 2023 $
Share capital		
Balance 1 July	**2,493,454**	3,502,630
Add shares issued during year	**–**	–
Less shares bought back during year	**–**	(1,009,176)
Balance 30 June	**2,493,454**	2,493,454

	Number	Number
Ordinary shares		
Balance 1 July	**121,345,588**	122,336,824
Add shares issued during year	**–**	–
Less shares bought back during year	**–**	(991,236)
Balance 30 June	**121,345,588**	121,345,588

Note 11. Reserves

	Consolidated Entity 2024 $	Consolidated Entity 2023 $
Other reserve – business combination	**10,320,000**	10,320,000
Class share reserve	**540,538**	349,762
Long Term Incentive Plan share reserve	**(2,028,000)**	(2,028,000)
Long Term Incentive Plan share valuation reserve	**110,005**	66,139
Balance 30 June	**8,942,543**	8,707,901

Note 12. Dividends

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

Financial Year 2024	Value per share $	Total Amount	Franked	Date of Payment
Final – ordinary	0.035	$4,247,097	100%	31-Aug-23
Interim – ordinary	0.035	$4,247,098	100%	15-Mar-24

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

On 26 August 2024, the Directors declared a fully franked final dividend for the year ended 30 June 2024 of 3.50 cents per ordinary share. This brings the full year dividend to 7.00 cents per ordinary share.

	Consolidated Entity	
	2024 $	**2023 $**
Franking credits		
Franking credits available at the reporting date based on a tax rate of 30%	**28,716,676**	28,570,451
Franking credits that will arise from the (expected refund)/payment of the amount of the provision for income tax at the reporting date based on a tax rate of 30%	**(58,065)**	(107,031)
Franking credits available for subsequent financial years based on a tax rate of 30%	**28,658,611**	28,463,420

Note 13. Borrowings

Borrowings comprise:

Borrowings	Facility type	Provider	Limit	Maturity date	Drawn	Security
Home loans	Non-recourse warehouse	Westpac	$375 million	Oct-25	$359 million	This facility is secured against current and future home loan assets of Azora Home Loans Warehouse Trust 1.
		Institutional	$27 million	Oct-25	$27 million	
Personal loans	Non-recourse warehouse	Westpac	$125 million	Apr-26	$86 million	This facility is secured against current and future personal loan assets of the Azora Personal Loans Warehouse Trust 1.
		Institutional	$43 million	Apr-26	$21 million	
Asset Finance	Non-recourse warehouse	Australian Bank	$260 million	May-25	$193 million	This facility is secured against current and future asset finance assets of the Azora Warehouse Trust No. 1.
		Institutional	N/A	May-25	$60 million	
FSA Group Ltd	Corporate	Westpac	$15 million	Mar-26	$0 million	This facility is secured by a fixed and floating charge over the assets of FSA Group Limited and its controlled entities.

	Consolidated Entity	
	2024 $	**2023 $**
Unsecured		
Credit cards	**508,461**	348,211
Secured		
Non-recourse borrowings to finance personal loan assets	**107,165,575**	65,887,477
Non-recourse borrowings to finance home loan assets	**387,194,842**	372,832,754
Non-recourse borrowings to finance asset finance assets	**253,097,621**	151,950,195
	747,458,038	590,670,426
	747,966,499	591,018,637
The carrying amounts of assets pledged as security are:		
Personal loan assets	**146,853,649**	102,696,219
Home loan assets	**405,619,353**	390,893,300
Asset finance assets	**272,307,723**	162,487,526
	824,780,725	656,077,045

Note 14. Financial instruments

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

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

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

	Consolidated Entity	
	2024 $	**2023 $**
Financial Assets		
Cash and cash equivalents	**5,353,021**	16,404,282
Restricted cash	**22,407,527**	20,045,421
Trade and other receivables	**11,613,258**	14,769,434
Loans and advances	**801,440,025**	638,697,386
Assets and receivables at amortised cost	**840,813,831**	689,916,523
Financial Liabilities		
Payables at amortised cost	**3,607,898**	3,708,800
Financing liabilities	**747,966,499**	591,018,637
Payables at amortised cost	**751,574,397**	594,727,437

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

Note 15. Financial risk management

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

Credit risk

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

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

Impairment of financial assets

The Consolidated Entity adopted a forward looking "expected credit loss (ECL)" model to determine the potential future impairment of loans and advances. The Consolidated entity's credit risk assessment process is designed to be dynamic and responsive, adjusting ECL estimates to reflect shifts in the economic environment, credit policy modifications, and recovery processes.

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

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

Expected Credit Losses (ECL) represent a probability-weighted estimate of credit losses. The primary components used in calculating ECL are as follows:

(a) Probability of Default (PD): The likelihood of default, applied to each underlying exposure.

(b) Loss Given Default (LGD): The anticipated loss rate upon default, determined based on historical loss performance of loans and advances, adjusted for the Consolidated Entity's evaluation of current macroeconomic conditions, historical experience, and informed credit assessments.

(c) Exposure at Default (EAD): The projected loan exposure at the time of default.

(d) The expected credit loss (ECL) of a loan under AASB 9 is calculated as by multiplying the loans expected Exposure at Default (EAD) by the product of the Probability of Default (PD) and Loss Given Default (LGD).

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

	Stage 1 Collective	Stage 2 Collective	Stage 3 Collective	Stage 3 Specific	Total
Maximum exposure to credit risk					
Balance as at 30 June 2024					
Loans and advances					
Home loan lending	367,266,238	19,901,131	8,334,993	–	395,502,362
Personal loan lending	142,201,695	4,211,785	1,368,769	1,563,852	149,346,101
Asset finance lending	251,544,764	4,976,965	3,014,456	2,354,217	261,890,402
Total	**761,012,697**	**29,089,881**	**12,718,218**	**3,918,069**	**806,738,865**
Balance as at 30 June 2023					
Loans and advances					
Home loan lending	362,521,478	10,716,097	4,775,068	96,721	378,109,364
Personal loan lending	101,868,847	2,325,357	628,106	198,220	105,020,530
Asset finance lending	154,707,554	3,248,771	631,659	2,060,204	160,648,188
Total	**619,097,879**	**16,290,225**	**6,034,833**	**2,355,145**	**643,778,082**
Expected credit loss					
Balance as at 30 June 2024					
Loans and advances					
Home loan lending	187,326	132,951	79,488	–	399,765
Personal loan lending	773,646	426,842	202,235	684,364	2,087,087
Asset finance lending	801,847	293,222	348,446	1,368,473	2,811,988
Total	**1,762,819**	**853,015**	**630,169**	**2,052,837**	**5,298,840**
Balance as at 30 June 2023					
Loans and advances					
Home loan lending	736,677	96,983	39,180	–	872,840
Personal loan lending	725,334	407,366	219,268	153,429	1,505,397
Asset finance lending	1,078,682	85,564	188,462	1,349,751	2,702,459
Total	**2,540,693**	**589,913**	**446,910**	**1,503,180**	**5,080,696**

Credit risk concentration

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

Concentration by region	2024		2023	
Loan balances	**$**	**%**	**$**	**%**
New South Wales	**234,577,707**	**29.1%**	190,677,578	29.6%
Victoria	**194,610,528**	**24.1%**	157,585,596	24.5%
Queensland	**215,951,208**	**26.8%**	163,456,721	25.4%
Western Australia	**83,609,251**	**10.4%**	62,537,864	9.7%
South Australia	**44,219,099**	**5.5%**	38,623,241	6.0%
Tasmania	**16,464,694**	**2.0%**	13,434,093	2.1%
Northern Territory	**4,374,947**	**0.5%**	4,059,144	0.6%
ACT	**12,931,431**	**1.6%**	13,403,845	2.1%
TOTAL	**806,738,865**	**100%**	643,778,082	100.0%

Concentration by region	2024		2023	
Expected credit loss	**$**	**%**	**$**	**%**
New South Wales	**1,649,482**	**31.1%**	1,821,102	35.8%
Victoria	**1,285,964**	**24.3%**	1,266,463	24.8%
Queensland	**1,650,255**	**31.1%**	1,117,938	21.9%
Western Australia	**381,363**	**7.2%**	502,636	9.8%
South Australia	**164,865**	**3.1%**	186,203	3.6%
Tasmania	**84,681**	**1.6%**	64,944	1.3%
Northern Territory	**18,878**	**0.4%**	13,729	0.3%
ACT	**63,352**	**1.2%**	107,681	2.1%
TOTAL	**5,298,840**	**100%**	5,080,696	100.0%

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

Notes to the Financial Statements continued

Analysis of loans and advances by past due date

	Consolidated Entity 2024 $	Consolidated Entity 2023 $
Loan and advance balances		
Loans 0 day and less than 30 days in arrears	**776,478,091**	622,555,225
Loans 30 days and less than 90 days in arrears	**14,482,628**	14,168,518
Loans great than 90 days in arrears	**15,778,146**	7,054,339
TOTAL	**806,738,865**	643,778,082
Expected credit loss		
Loans 0 day and less than 30 days in arrears	**1,950,690**	2,530,831
Loans 30 days and less than 90 days in arrears	**910,195**	675,490
Loans great than 90 days in arrears	**2,437,955**	1,874,375
TOTAL	**5,298,840**	5,080,696

Movement in credit exposures and provision for impairment

Provision for impairment losses	Stage 1 Collective $	Stage 2 Collective $	Stage 3 Collective $	Stage 3 Specific $	Total $
Balance as at 1 July 2023	**2,540,693**	**589,913**	**446,910**	**1,503,180**	**5,080,696**
Transfer to stage 1	413,575	(298,050)	(45,517)	(70,008)	–
Transfer to stage 2	(74,821)	92,451	(17,630)	–	–
Transfer to stage 3	(25,807)	(60,015)	102,960	(17,138)	–
Transfer to stage 3 specific	(13,789)	(13,695)	(8,588)	36,072	–
Net transfer between stages	299,158	(279,309)	31,225	(51,074)	–
Net re-measurement on transfer between stages	(404,721)	383,625	392,932	1,346,672	**1,718,508**
Impact from net repayment & interest for the period	(1,196,735)	(58,235)	(31,281)	17,545	**(1,268,706)**
New loans originated	947,620	346,279	115,246	600,654	**2,009,799**
Impact from financial assets that have been de-recognised during the period	(423,196)	(129,258)	(324,863)	(1,364,140)	**(2,241,457)**
Balance as at 30 June 2024	**1,762,819**	**853,015**	**630,169**	**2,052,837**	**5,298,840**
Credit exposure					
Balance as at 1 July 2023	**619,097,879**	**16,290,225**	**6,034,833**	**2,355,145**	**643,778,082**
Net receivables transfer between stages	(20,620,692)	9,742,929	6,766,466	2,142,233	**(1,969,064)**
Net repayments & interest for the period	(48,868,067)	(115,733)	191,869	(7,586)	**(48,799,517)**
New loans originated	343,855,804	6,063,849	2,277,295	1,550,646	**353,747,594**
Financial assets that have been de-recognised during the period	(132,452,227)	(2,891,389)	(2,552,245)	(2,122,369)	**(140,018,230)**
Balance as at 30 June 2024	**761,012,697**	**29,089,881**	**12,718,218**	**3,918,069**	**806,738,865**

Liquidity risk

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

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

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

	Consolidated Entity					
	30 June 2024					
	Carrying amount $	**Contractual Cash flows $**	**12 months or less $**	**1 to 2 years $**	**2 to 5 years $**	**5 to 10 years $**
Trade and other payables	**3,607,898**	**3,607,898**	**3,607,898**	**–**	**–**	**–**
Leases	**8,110,647**	**9,106,301**	**1,463,004**	**1,423,079**	**4,666,556**	**1,553,662**
Other short-term loans	**508,461**	**508,461**	**508,461**	**–**	**–**	**–**
Warehouse facilities	**747,458,037**	**803,233,943**	**691,597,517**	**111,636,426**	**–**	**–**
Total	**759,685,043**	**816,456,603**	**697,176,880**	**113,059,505**	**4,666,556**	**1,553,662**
	30 June 2023					
Trade and other payables	3,708,800	3,708,800	3,708,800	–	–	–
Leases	9,065,182	10,336,881	1,333,768	1,396,487	4,440,695	3,165,932
Other short-term loans	348,211	348,211	348,211	–	–	–
Warehouse facilities	533,263,082	581,014,615	187,838,876	323,973,592	69,202,147	–
Securitised facilities	57,407,344	70,629,095	16,243,579	12,692,116	23,661,042	18,032,358
Total	603,792,619	666,037,602	209,473,234	338,062,195	97,303,884	21,198,290

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, the impact on profit is estimated to be around $1.0 to $1.5 million. This is because some of the borrowings are at a floating rate, while about 51% of the loans have a fixed rate.
Asset finance	Asset finance assets are lent on fixed interest rates and are financed by variable rate borrowings. Asset finance terms average around 3 to 5 years which mitigate the Consolidated Entity's exposure to interest rate risk on these borrowings. These borrowings are on a non-recourse basis to the Consolidated Entity.	
Personal loans	Personal loan assets are lent on fixed interest rates and are financed by variable rate borrowings. Personal loan terms average around 4 to 5 years which mitigate the Consolidated Entity's exposure to interest rate risk on these borrowings. These borrowings are on a non-recourse basis to the Consolidated Entity.	

Interest rate sensitivity analysis

The tables below show the effect on profit after tax if interest rates had been 50 basis points (bps) higher or lower at reporting date on the Consolidated Entity's floating rate financial instruments (2023: 50 bps). A 50 bps sensitivity is considered reasonable given the current level of both short-term and long-term Australian interest rates. This would represent approximately two rate increases/decreases. The analysis is based on interest rate risk exposures at reporting date on both financial assets and liabilities.

	Consolidated Entity	
	Profit after tax	
	2024 $	**2023 $**
If interest rates increased by 50 bps (2023: 50 bps)	**1,258,173**	761,873
If interest rates decreased by 50 bps (2023: 50 bps)	**(1,258,173)**	(761,873)

Capital management

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

Note 16. Fair value measurements

Fair value measurement hierarchy

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

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

	Jun-24 Book value $	Jun-24 Fair value $
Financial assets		
Current receivables net of deferred tax	1,389,566	1,389,566
Loans and advances		
Personal loan assets	147,259,014	160,718,092
Home loan assets	395,102,596	410,119,290
Asset finance assets	259,078,415	265,529,566

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

OTHER

Note 17. Cash flow information

	Consolidated Entity	
	2024 $	**2023 $**
Cash and cash equivalents	**5,353,021**	16,404,282
Restricted cash	**22,407,527**	20,045,421
Cash and cash equivalents at the end of the period	**27,760,548**	36,449,703
Reconciliation of cash flows from operations to profit after tax		
Profit after tax	**8,824,222**	14,805,839
Non-cash flows in profit/(loss):		
Depreciation and amortisation	**2,915,139**	2,477,761
Loss on write off investments	**6,533,346**	3,058,448
Increase/decrease in assets and liabilities:		
Trade and other receivables	**5,896,738**	2,347,828
Capitalised loan acquisition cost	**(4,647,620)**	(2,665,762)
Other current assets	**(500,874)**	(85,397)
Tax assets/liabilities	**(5,302,025)**	175,653
Trade and other payables	**1,113,153**	1,219,665
Provisions	**47,168**	304,117
Cash flows from operating activities	**14,879,247**	21,638,152

Note: The Consolidated reclassified capitalised loan acquisition cost from investing activities to operating activities for the last year comparison amount.

Note 18. Income tax

Income tax

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

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

Tax consolidation

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

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

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

	Consolidated Entity	
	2024 $	**2023 $**
(a) Income tax expense		
Current tax expense	**4,917,929**	7,174,503
Deferred tax expense	**(1,188,052)**	(1,053,307)
Over provision for current tax payable in a prior period	**20,150**	49,110
	3,750,027	6,170,306
Deferred income tax expense included in income tax expense comprises:		
(Increase)/decrease in deferred tax assets	**231,882**	(141,230)
Increase in deferred tax liabilities	**(1,419,935)**	(912,077)
	(1,188,053)	(1,053,307)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	**12,574,248**	20,976,145
Tax at the Australian tax rate of 30% (2022: 30%)	**3,772,274**	6,292,844
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Non-deductible expenses	**231,635**	236,358
Adjustment for overseas tax rates	**(8,098)**	4,597
	3,995,811	6,533,799
Under provision in the prior year	**(245,784)**	(363,493)
Income tax expense	**3,750,027**	6,170,306

Notes to the Financial Statements continued

	Consolidated Entity 2024 $	2023 $
(c) Deferred tax assets		
Provisions	**2,959,596**	2,909,184
Capital legal expenses	**46,913**	98,015
Accrued expenditure	**629,567**	579,133
Lease liability	**2,433,194**	2,719,555
Other	**41,347**	36,613
	6,110,617	6,342,500
Deferred tax liability offset on tax consolidation	**(3,111,109)**	(3,932,298)
Total deferred tax assets	**2,999,508**	2,410,202
(d) Deferred tax liabilities		
Temporary difference on assessable income	**3,250,650**	4,207,626
Temporary difference on lease	**2,116,664**	2,452,813
Temporary difference on intangibles	**379,605**	506,415
Deferred tax liability offset on tax consolidation	**(3,111,111)**	(3,932,299)
Total deferred tax liabilities	**2,635,808**	3,234,555

Note 19. Auditor's remuneration

Auditors of the Consolidated Entity – BDO and related network firms	Consolidated Entity 2024 $	2023 $
Audit and review of financial statements		
Consolidated Entity	**252,500**	173,500
Controlled entities and joint operations	**39,000**	36,450
Total audit and review of financial statements	**291,500**	209,950
Other statutory assurance services	**6,000**	30,250
Non-audit services		
Taxation compliance services	**97,825**	67,375
Taxation advice and consulting	**67,845**	36,123
Other training and consulting	**5,500**	3,336
Total non-audit services	**171,170**	106,834
Total services provided by BDO	**462,670**	316,784

Note 20. Key Management Personnel disclosures

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

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

If the option to sell the shares is taken at any point, the loan is only repayable to the value reimbursed through that sale. This arrangement has resulted in a share-based payment being recorded, with $28,120 (2023: $27,803) expensed in the financial year. The fair value of the share based payment was 18.9 cents.

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

	LTI shares acquired during the year number	Opening loan balance $	Loans made $	Loans repaid $	Closing loan balance $
Executive Director					
Cellina Chen					
2024	**–**	**1,300,000**	**–**	**–**	**1,300,000**
2023	–	1,300,000	–	–	1,300,000

Remuneration of Directors and Key Management Personnel	2024 $	2023 $
Short-term employee benefits	**1,209,627**	1,145,195
Long-term employee benefits	**58,656**	28,189
Post-employment benefits	**67,399**	65,951
Consultancy fees	**679,000**	638,000
	2,014,682	1,877,335

Note 21. Interests in subsidiaries

Investments in subsidiaries

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

Name	Country of Incorporation	Percentage of equity interest held 2024 %	2023 %
The following entities are subsidiaries of FSA Group Limited			
FSA Australia Pty Ltd	Australia	**100**	100
Azora Finance Group Pty Ltd	Australia	**76**	76
Azora Personal Loans Pty Ltd	Australia	**100**	100
104 880 088 Group Holdings Pty Ltd	Australia	**100**	100
The following entities are subsidiaries of FSA Australia Pty Ltd			
Fox Symes & Associates Pty Ltd	Australia	**100**	100
Fox Symes Debt Relief Services Pty Ltd	Australia	**100**	100
EBP Money Pty Ltd	Australia	**100**	100
Aravanis Insolvency Pty Ltd	Australia	**65**	65
Fox Symes Business Services Pty Ltd	Australia	**75**	75
The following entities are subsidiaries of Azora Finance Group Pty Ltd			
Azora Finance (Services) Pty Ltd	Australia	**100**	100
Azora Finance (Management) Pty Ltd	Australia	**100**	100
Fox Symes Home Loans (Mortgage Management) Pty Ltd	Australia	**100**	100
Azora Direct Pty Ltd	Australia	**100**	100
Azora Home Loans Warehouse Trust 1	Australia	**100**	100
Fox Symes Home Loans 2019-1 PP Trust	Australia	**100**	100
Azora Finance Pty Ltd	Australia	**100**	100
Azora Asset Finance Pty Ltd	Australia	**100**	100
Inventory Finance Pty Ltd	Australia	**100**	100
Wholesale Rental Finance Trust No.1	Australia	**100**	100
Azora Warehouse Trust No.1	Australia	**100**	100
The following entity is a subsidiary of Azora Personal Loans Pty Ltd			
Azora Personal Loans Warehouse Trust 1	Australia	**100**	100
The following entities are subsidiaries of 104 880 088 Group Holdings Pty Ltd			
110 294 767 Capital Finance Pty Ltd	Australia	**100**	100
102 333 111 Corporate Pty Ltd	Australia	**100**	100
111 044 510 Equity Partners Pty Ltd	Australia	**100**	100
One Financial Corporation Pty Ltd	Australia	**100**	100

The following entity is a subsidiary of Aravanis Insolvency Pty Ltd

Name	Country of Incorporation	Percentage of equity interest held 2024 %	2023 %
Aravanis Advisory Ltd	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 of the Financial Statements:

	Principal place of business/Country of incorporation	Principal activities	Parent		Non-controlling interests	
			Ownership interest 2024	**Ownership interest 2023**	**Ownership interest 2024**	**Ownership interest 2023**
Aravanis Insolvency Pty Ltd	Australia	Personal insolvency agreements and Bankruptcies	**65%**	65%	**35%**	35%
Fox Symes Business Services Pty Ltd	Australia	Accounting and taxation	**75%**	75%	**25%**	25%
Azora Finance Group Pty Ltd	Australia	Lending	**76%**	76%	**24%**	24%

	Aravanis Insolvency Pty Limited	
	2024 $	**2023 $**
Summarised Statement of Financial Position		
Current assets	**11,417,845**	12,665,584
Non-current assets	**518,804**	523,911
Total assets	**11,936,649**	13,189,495
Current liabilities	**704,023**	589,270
Non-current liabilities	**2,795,636**	3,254,544
Total liabilities	**3,499,659**	3,843,814
Net assets	**8,436,990**	9,345,681
Summarised Statement of Profit or Loss and Other Comprehensive Income		
Revenue	**4,340,013**	5,817,912
Expenses	**(3,843,631)**	(4,178,740)
Profit before income tax expense	**496,382**	1,639,172
Income tax expense	**(31,667)**	(314,843)
Profit after income tax expense	**464,715**	1,324,329
Other comprehensive income	**–**	–
Total comprehensive income	**464,715**	1,324,329
Summarised Statement of Cash Flows		
Cash flows from operating activities	**1,338,581**	43,245
Cash flows from investing activities	**(88,178)**	19,308
Cash flows from financing activities	**(1,158,472)**	(583,470)
Net increase/(decrease) in cash and cash equivalents	**91,931**	(520,917)
Other financial information		
Profit attributable to non-controlling interests	**31,960**	238,499
Accumulated non-controlling interests at the end of reporting period	**2,982,817**	3,300,856

	Azora Finance Group Pty Limited	
	2024 $	**2023 $**
Summarised Statement of Financial Position		
Current assets	**920,097**	6,107,827
Non-current assets	**14,721,466**	15,040,077
Financing assets	**676,141,512**	553,931,640
Total assets	**691,783,075**	575,079,544
Current liabilities	**7,986,026**	7,665,108
Non-current liabilities	**538,209**	703,680
Financing liabilities	**640,292,463**	524,782,950
Total liabilities	**648,816,698**	533,151,738
Net assets	**42,966,377**	41,927,806
Summarised Statement of Profit or Loss and Other Comprehensive Income		
Revenue	**66,142,986**	49,585,336
Expenses	**(57,096,360)**	(39,353,874)
Profit before income tax expense	**9,046,626**	10,231,462
Income tax expense	**(2,445,099)**	(2,684,273)
Profit after income tax expense	**6,601,527**	7,547,189
Other comprehensive income	**–**	–
Total comprehensive income	**6,601,527**	7,547,189
Summarised Statement of Cash Flows		
Cash flows from operating activities	**12,461,097**	11,900,583
Cash flows from investing activities	**(47,428,676)**	(46,856,143)
Cash flows from financing activities	**33,685,168**	33,685,168
Net increase/(decrease) in cash and cash equivalents	**(1,282,411)**	(1,270,392)
Other financial information		
Profit attributable to non-controlling interests	**1,445,470**	1,572,349
Accumulated non-controlling interests at the end of reporting period	**4,577,323**	4,979,105

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

Note 22. Share-based compensation

Issue of Class Shares

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

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

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

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

Conversion of Class Shares

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

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

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

PBT means profit before tax of AFG, as determined in accordance with the Accounting Standards. The conversion will occur 10 days after the audited PBT outcome is determined. Based on the FY2024 PBT outcome, Class B shares will be forfeited.

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

Repayment of capital and surplus assets and profits

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

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

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

Dividends

Class Shares will not confer any right to any dividends.

Voting

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

Transfer

Class Shares are not transferrable.

Participation in new issues

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

Conversion

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

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

(b) as described above.

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

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

Value of Class Shares

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

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

Additional information

The Class shares arrangement has resulted in a share-based payment being recorded, with $190,776 (2023: $190,778) expensed in the financial year.

The earnings of AFG for the years to 30 June 2024 are summarised below:

	Azora Finance Group consolidated	
	FY2024 $	**FY2023 $**
Profit before tax	**8,467,893**	9,235,727

Issue of Ordinary Shares under the Long Term Incentive Plan

On 3 December 2021, the Company issued 1,950,000 ordinary shares under the Long Term Incentive Plan with limited recourse loans provided to the eligible participants. This arrangement has resulted in a share-based payment being recorded, with $43,866 (2023: $27,803) expensed in the financial year.

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

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

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

Note 23. Parent entity information

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

	2024 $	2023 $
Financial position		
Total current assets	**11,500,130**	15,600,265
Total non-current assets	**8,465,084**	8,516,182
Total assets	**19,965,214**	24,116,447
Total current liabilities	**1,419**	5,286
Total liabilities	**1,419**	5,286
Net assets	**19,963,795**	24,111,161
Equity		
Share capital	**2,493,454**	2,493,454
Retained earnings	**17,470,341**	21,617,707
Total equity	**19,963,795**	24,111,161
Financial performance		
Profit after income tax	**4,302,963**	8,679,905
Other comprehensive Income	**–**	–
Total Comprehensive income/(loss)for the year	**4,302,963**	8,679,905

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

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

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

There are no contingent liabilities or commitments in the parent entity (2023: $Nil).

Note 24. Deed of cross guarantee

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

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

Notes to the Financial Statements continued

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

Statement of Profit or Loss and Other Comprehensive Income	2024 $	2023 $
Revenue and other income		
Fees from services	**4,013,394**	9,201,611
Finance income	**1,238,153**	363,702
Finance expense	**(440,391)**	(235,183)
Net finance income	**797,762**	128,519
Other income	**4,583,000**	10,784,000
Total revenue and other income net of finance expense	**9,394,156**	20,114,130
Total expense	**(225,767)**	(288,742)
Profit before income tax	**9,168,389**	19,825,388
Income tax expense	**(1,445,279)**	(2,628,016)
Profit after income tax	**7,723,110**	17,197,372
Other Comprehensive Income	**–**	–
Total Comprehensive income for the year	**7,723,110**	17,197,372
Statement of Financial Position		
Current Assets		
Cash and cash equivalents	**1,812,174**	8,031,304
Trade and other receivables	**10,670,355**	9,305,212
Other assets	**87,829**	162,573
Total Current Assets	**12,570,358**	17,499,089
Non-Current Assets		
Trade and other receivables	**118,212**	266,577
Investments	**8,465,084**	8,465,084
Total Non-Current Assets	**8,583,296**	8,731,661
Total Assets	**21,153,654**	26,230,750
Current Liabilities		
Trade and other payables	**33,050**	109,973
Contract liability	**38,571**	242,973
Total Current Liabilities	**71,621**	352,946
Non-Current Liabilities		
Contract liability	**13,904**	43,224
Deferred tax liabilities	**321,931**	593,834
Total Non-Current Liabilities	**335,835**	637,058
Total Liabilities	**407,456**	990,004
Net Assets	**20,746,198**	25,240,746
Equity		
Share capital	**2,493,458**	2,493,458
Retained earnings	**18,252,740**	22,747,288
Total Equity	**20,746,198**	25,240,746

Note 25. Contingent liabilities

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

Home loans

At reporting date, home loan applications that had been accepted by the Consolidated Entity but not yet settled amount to $6,003,625 (2023: $8,293,100). Home loans are usually settled within 4 weeks of acceptance.

Personal loans

At reporting date, personal loan applications that had been accepted by the Consolidated Entity but not yet settled amount to $12,085 (2023: $366,757). Personal loans are usually settled within one week of acceptance.

Asset Finance

At reporting date, asset finance applications that had been accepted by the Consolidated Entity but not yet settled amount to $522,065 (2023: $5,102,562). Asset Finance are usually settled within one week of acceptance.

Note 26. Events occurring after reporting date

There have been no events since the end of the financial year that impact upon the financial performance or position of the Consolidated Entity as at 30 June 2024 except as follows:

- 26 August 2024, Directors declared a 3.50 cent fully franked final dividend to shareholders to be paid on 9 September 2024 with a record date of 2 September 2024.

Note 27. Related party disclosures

(a) Key Management Personnel

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

(b) Subsidiaries

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

(c) Transactions with related parties

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

Consolidated Entity Disclosure Statement

For the year ended 30 June 2024

		Body corporates		Tax residency	
Entity name	**Entity type**	**Place formed or incorporated**	**% of share capital held**	**Australian or foreign**	**Foreign jurisdiction**
FSA Australia Pty Ltd	Body corporate	Australia	100%	Australian (b)	N/A
Fox Symes & Associates Pty Ltd	Body corporate	Australia	100%	Australian (b)	N/A
Fox Symes Debt Relief Services Pty Ltd	Body corporate	Australia	100%	Australian (b)	N/A
EBP Money Pty Ltd	Body corporate	Australia	100%	Australian (b)	N/A
Aravanis Insolvency Pty Ltd	Body corporate	Australia	65%	Australian	N/A
Aravanis Advisory Ltd	Body corporate	India	65%	Foreign	India
Fox Symes Business Services Pty Ltd	Body corporate	Australia	75%	Australian	N/A
Azora Personal Loans Pty Ltd	Body corporate	Australia	100%	Australian (b)	N/A
Azora Personal Loans Warehouse Trust 1 (a)	Trust	Australia	100%	Australian (b)	N/A
Azora Finance Group Pty Ltd	Body corporate	Australia	76%	Australian (c)	N/A
Azora Finance (Services) Pty Ltd	Body corporate	Australia	76%	Australian (c)	N/A
Azora Finance (Management) Pty Ltd	Body corporate	Australia	76%	Australian (c)	N/A
Fox Symes Home Loans (Mortgage Management) Pty Ltd	Body corporate	Australia	76%	Australian (c)	N/A
Azora Direct Pty Ltd	Body corporate	Australia	76%	Australian (c)	N/A
Azora Home Loans Warehouse Trust 1 (a)	Trust	Australia	76%	Australian	N/A
Fox Symes Home Loans 2019-1 PP Trust (a)	Trust	Australia	76%	Australian (c)	N/A
Azora Finance Pty Ltd	Body corporate	Australia	76%	Australian (c)	N/A
Azora Asset Finance Pty Ltd	Body corporate	Australia	76%	Australian (c)	N/A
Inventory Finance Pty Ltd	Body corporate	Australia	76%	Australian (c)	N/A
Wholesale Rental Finance Trust No.1 (a)	Trust	Australia	76%	Australian	N/A
Azora Warehouse Trust No.1 (a)	Trust	Australia	76%	Australian	N/A
110 294 767 Capital Finance Pty Ltd	Body corporate	Australia	100%	Australian (b)	N/A
102 333 111 Corporate Pty Ltd	Body corporate	Australia	100%	Australian (b)	N/A
111 044 510 Equity Partners Pty Ltd	Body corporate	Australia	100%	Australian (b)	N/A
One Financial Corporation Pty Ltd	Body corporate	Australia	100%	Australian (b)	N/A
104 880 088 Group Holdings Pty Ltd	Body corporate	Australia	100%	Australian (b)	N/A

(a) This trust is consolidated in the consolidated financial statements.

(b) This entity is part of a tax consolidated group under Australian taxation law, for which FSA Group Limited is the head entity.

(c) This entity is part of a tax consolidated group under Australian taxation law, for which Azora Finance Group Pty Limited is the head entity.

Directors' Declaration

1. In the opinion of the Directors of FSA Group Limited (the "Company"):
   (a) the consolidated financial statements and Notes that are set out on pages 27 to 69 and the Remuneration Report in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:
      (i) give a true and fair view of the Consolidated Entity's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
      (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
   (b) the Consolidated Entity Disclosure Statement as at 30 June 2024 set out on page 70 is true and correct; and
   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and the group entities identified in Note 21 will 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 between the Company and those group entities pursuant to *ASIC Corporation (Wholly Owed Companies) Instrument 2016/798*.
3. The Directors have been given the declarations required y Section 295A of the *Corporations Act 2001* from the chief executive officer and chief financial officer for the financial year ended 30 June 2024.
4. The Directors draw attention to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Tim Odillo Maher
Executive Chairman

Sydney
26 August 2024

Deborah Southon
Executive Director

Sydney
26 August 2024

Independent Auditor's Report

To the members of FSA Group Limited

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of FSA Group Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of FSA Group Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement 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 2024 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.

Expected Credit Loss Provisioning

Key audit matter	How the matter was addressed in our audit
Expected credit loss provisioning: The Group's accounting policies are disclosed in notes 4, 5 and 15. The Group has disclosed expected credit loss provisions of $5,298,840 (2023: $5,080,696) against loans and advances and $1,344,495 (2023: $1,397,902) against trade receivables. The Group has recognised total impairment expenses of $5,479,699 (2023: $3,653,757) in the Statement of Profit or Loss and Other Comprehensive Income. Commensurate with the activities of the Group, the total expected credit loss provision is a material balance subject to management judgement and estimation. Key judgements and estimates in respect of the timing and measurement of expected credit losses include: - Determination of the appropriate methodology and determination of what constitutes a Significant Increase in Credit Risk (SICR). - The incorporation of forward-looking assumptions into the models. Expected credit loss provisioning was considered a key audit matter due to the potential for management bias in key judgements, estimates, modelling assumptions and accounting interpretations applied.	Our audit procedures included, but where not limited to: • We assessed the provisioning methodology applied, evaluating compliance with AASB 9 Financial Instruments. • We evaluated the Group's determination of what constitutes a SICR and staging allocations with reference to requirements of applicable accounting standards and industry practices. We then verified a sample of the Group's loans, to determine if staging and SICR assessment has been applied in line with the Group's methodology. • We assessed the completeness and accuracy of data and key model inputs feeding into the Expected credit loss models through reconciliation to underlying record and verification of key inputs to supporting data. • We performed sensitivity analysis over key assumptions. • We evaluated management key assumptions applied in the models through comparison to historical loss data and consideration of forward-looking expectations. • We reviewed the disclosures relating to the provisioning methodology to ensure appropriate and complete disclosures are presented in the financial report in accordance with Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, 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:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 19 to 23 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of FSA Group Limited, for the year ended 30 June 2024, 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, 26 August 2024

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 8 August 2024.

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	259	87,195
1,001 – 5,000	329	1,044,308
5,001 – 10,000	199	1,716,845
10,001 – 100,000	309	9,913,066
100,001 and over	82	108,584,174
Total	**1,178**	**121,345,588**

The number of security investors holding less than a marketable parcel of securities ($0.87 on 8 August 2024) is 185 and they hold 22,340 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	21.43%
2	Mazamand Group Pty Ltd	16,809,231	13.85%
3	ADST Pty Ltd	12,960,047	10.68%
4	BJR Investment Holdings Pty Ltd	11,111,111	9.16%
5	Anacacia Pty Ltd	6,002,356	4.95%
6	UBS Nominees Pty Ltd	4,585,359	3.78%
7	Ruminator Pty Limited	3,692,489	3.04%
8	Contemplator Pty Limited	2,597,622	2.14%
9	Dundas Ritchie Investments Pty Ltd	1,500,000	1.24%
10	WYCL Holdings Pty Ltd	1,250,000	1.03%
11	HSBC Custody Nominees (Australia) Limited	1,170,787	0.96%
12	Garrett Smythe Ltd	942,978	0.78%
13	Vanward Investments Limited	881,804	0.73%
14	Fernane Pty Ltd	877,168	0.72%
15	Karia Investment Pty Ltd	869,666	0.72%
16	Maramindi Pty Ltd	854,591	0.70%
17	Harold Cripps Holdings Pty Ltd	700,541	0.58%
18	Taurus Sun Trading Pty Ltd	700,000	0.58%
19	Gattenside Pty Ltd	590,541	0.49%
20	Harness Capital Pty Ltd	518,000	0.43%
	Top 20	**94,614,291**	**77.97%**
	Total	**121,345,588**	**100%**

Substantial shareholders

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

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

Voting rights

All ordinary shares carry one vote per share without restriction.

Restricted securities

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

Business objectives

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

Corporate Information

Directors

Tim Odillo Maher – Executive Chairman

Deborah Southon – Executive Director

Cellina Chen – Executive Director

Chief Financial Officer

Cellina Chen

Company Secretary

Cellina Chen

Registered Office and Corporate Office

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Solicitors

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Share Register

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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

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ASX Code: FSA

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