ASQ Financial Group Limited
and its controlled entities
(formerly known as Asset Loans Limited)

ABN 72 107 745 095

Annual report
30 June 2009

ASQ Financial Group Limited (formerly known as Asset Loans Limited) Directors' Report
For the year ended 30 June 2009

The directors present their report together with the financial report of ASQ Financial Group Limited (formerly Asset Loans Limited) ('the Company', "ALL" or "ASQ") and of the Group, being the Company and its subsidiaries for the financial year ended 30 June 2009 and the auditor's report thereon.

On 9 September 2008 External Administrators were appointed as Administrators of the Company in accordance with the Corporations Act. The Company, on 17 December 2008 entered into a Deed of Company Arrangement ("DOCA") which was subsequently varied on 10 January 2010. The DOCA provided for the recapitalisation of the Company and settlement of liabilities.

At a General Meeting of the Company held on 28 June 2010 shareholders approved all eight resolutions contained in the Notice of General Meeting. All terms of the DOCA were satisfied and the external administrators were removed on 28 June 2010.

1. Directors

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

Mr Robert Pertich *Executive Director, Chief Financial Officer and Company Secretary appointed 28 June 2010*

Mr Pertich is a Certified Practicing Accountant and has over 16 years experience in various business advisory and commercial roles. Mr Pertich was the sole director of his own consulting and business services firm concentrating on assisting the management of growing businesses in a variety of industries including energy, mechanical services and construction.

Mr Pertich commenced his career in 1992 as a tax accountant and over 4 years obtained his tax agent license and CPA qualifications. He then moved into a new role, which included senior audit work, due diligence, forensic accounting and dealing with multi-national companies and their specific requirements. In 2003, Mr Pertich decided to venture into his own business and recruited his own staff to provide a highly specialized business services firm.

Mr Pertich has been involved with various sized enterprises in differing industries. He has extensive experience in the management of accounting and finance functions as well as commercial negotiations and the structuring of finance.

Mr Harry Fung Executive *Director, Chairperson and Managing Director appointed 28 June 2010*

Mr Fung has had over 15 years experience in commercial business transactions specialising in financial markets.

Mr Fung's business interests and experience ranges from property development, hospitality, publishing and advertising, retail franchising, information technology and financial services.

Mr Fung has been employed as a consultant with MLC Financial Services to introduce the rollout of an online portal for the self-managed superannuation market. He spent three years working for a boutique fund management company and was recently CEO of a boutique fund management company in Melbourne.

He holds a diploma in Financial Markets. Mr Fung is currently a director of MUI Corporation Limited, an ASX listed company (ASX: MUI).

Mr Giuseppe Cossari *Non-executive Director appointed 28 June 2010*

Mr Cossari is a partner in boutique independent financial planning practice Veri Financial Services Pty Ltd. Mr Cossari has been involved specifically with investment strategy formulation within the financial services industry.

Mr Cossari has also had extensive experience with commercial business transactions. He is or has been a director of many private companies ranging from information technology, asset maintenance, residential and commercial property development and hospitality.

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Until recently, Mr Cossari was a councillor for the Collier Ward in the City of Knox, and served in this local community post from 2005 until 2008. In this position he controlled an annual budget of $100 million.

Mr Cossari is also a Justice of the Peace. Mr Cossari is currently a director of MUI Corporation, an ASX listed company (ASX: MUI).

The Hon. Robert Borbidge *Chairperson and Independent Non-Executive Director appointed 17 June 2004 and ceased 28 June 2010.*

Former 35th Premier of Queensland. Robert holds a number of board positions for non-listed public and private companies. Chairperson of Audit and Nominations Committees.

Mr Russell Frank Percival *Executive Director appointed 27 January 2004 and ceased 28 June 2010.*

Former CEO and Franchisor of Cash Converters Canada. Extensive experience in real estate and finance industries including mortgage brokering. Chairperson of Remuneration Committee.

Mr Paul Alexander Sydney Hare *Director and CEO appointed 27 January 2004 and ceased 28 June 2010.*

Former CEO of Cash Converters UK. Introduced a number of micro-lending products into Australia after gaining experience in both the UK and USA.

2. Company Secretary

Mr Robert Pertich *Company Secretary appointed 28 June 2010 (details provided in previous section)*

Ms Lisa Karlis *Company Secretary appointed May 2007 and ceased 19 September 2008.*

Ms Karlis is a Chartered Accountant with over 20 years experience in private practice and commercial accounting.

3. Directors' Meetings

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are disclosed in the table below. No meetings were held after the appointment of external Administrators on 9 September 2008.

Director	Directors' Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Nomination Committee Meetings	
	A	**B**	**A**	**B**	**A**	**B**	**A**	**B**
The Hon. Robert Borbidge	2	2	-	-	-	-	-	-
Mr Russell Percival	2	2	-	-	-	-	-	-
Mr Paul Hare	2	2	-	-	-	-	-	-

A – Number of meetings attended
B – Number of meetings held during the time the director held office during the year

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4. Directors' and Executives' Shareholding

The relevant interest of each director in the shares and options over such instruments issued by the Company, as notified by the directors to the Australian Securities Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares	Options over ordinary shares
Mr Robert Pertich	6,400,000	-
Mr Harry Fung	45,000,000	-
Mr Giuseppe Cossari	3,000,000	-

5. Directors' and Executives' Option Holdings

No options have been granted during or since the end of the financial year.

a) Unissued shares under options

As at 30 June 2009 unissued ordinary shares of the Company under option were:

Expiry date	Exercise price	Number of shares
1 September 2009	$0.50	120,000
1 September 2009	$0.60	500,000
1 September 2009	$0.70	500,000
		1,120,000

6. Review of Operations

a) Principal Activities

Prior to the Group being placed into administration on 9 September 2008 the principal activities of the Group during the course of the financial year were;

- providing short-term high-interest mortgage loans;
- property development activities; and
- established an entity to commence investments in life policies.

b) Shareholder Return

	Consolidated		
	2009 $	2008 $	2007 $
Net profit/(loss) attributable to equity holders of the parent	2,537,538	(30,095,176)	6,060,610
Basic EPS	0.055	(0.646)	0.130
Dividends paid	-	-	931,360
Dividends per share	-	-	0.02

Net profit/(loss) has been calculated in accordance with Australian Accounting Standards (AASBs).

c) Appointment of Administrators

On 29 August 2008, the Company's securities were suspended from trading on the official list of the Australian Stock Exchange ("ASX").

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On 9 September 2008 Mr Richard Hughes and Mr John Greig of Deloitte Touche Tohmatsu ("Administrators") were appointed as Administrators of the Company in accordance with the provisions of Part 5.3A of the Corporations Act.

The first meeting of creditors was held on 19 September 2008 where Deloitte's appointment as Administrators was confirmed.

A second meeting of creditors was held on 5 December 2008 and, at that meeting, creditors voted that the Company enter into a DOCA. The Company subsequently entered into a Recapitalisation Deed on 30 October 2009 with Harmsup Pty Ltd ("Harmsup") to recapitalise the Company (Recapitalisation Deed).

On 21 December 2009, the Company obtained the approval of its creditors to vary the existing DOCA to reflect the recapitalisation of the Company in accordance with the Recapitalisation Deed.

Resolutions proposed in the Notice of General Meeting have been passed and enabled the terms of the DOCA to be completed.

d) Review of Principal Businesses

(i) Loans Business

Prior to being placed into administration on 9 September 2008, the Groups core business was the provision of short-term financing to businesses that could not source funds from mainstream banks or institutional financiers. These lending activities were financed through the issue of unsecured notes by the Group, and borrowings from mainstream financial institutions.

During the financial year, the Group reduced its activities in the provision of short-term finance to borrowers as a result of the negative effects experienced in the economy flowing from the worldwide "credit squeeze" and the availability of investor and wholesale funds.

The unsecured notes prospectus expired on 13 October 2007 and the Company decided not to issue a new prospectus to the market. At 30 June 2009 the total amount of unsecured notes debt was $11,727,145 (2008: $12,232,146). The unsecured notes were issued under a prospectus lodged on 14 September 2006 to raise a maximum of $30 million at a rate of 9%, 10% or 11% for a one year, two year or three year term, respectively. A first ranking charge is held by the Public Trustee of Queensland over the assets of the Group on behalf of the note holders. The funds raised are lent by the Company at an interest rate of 12% pa to a subsidiary Asset Loan Co. Pty Ltd ("ALC") to enable financing of new loans to borrowers.

Mortgage loans receivable are not reflected in the 30 June 2009 Balance Sheet due to the Company losing control of the subsidiary entity in which the mortgage loans were held. This loss of control occurred on 9 September 2008 due to the Company and the subsidiaries within the Group entering External Administration (refer to note 7(b) of this report and notes 2(a) and 29 of the financial report).

The loan book has been assigned to the Company as part of the Recapitalisation Deed. Any amounts paid to the Company or ALC in connection with the Loan Management Account must be paid to the Deed Administrators or the Creditors' Trustees (as the case may be).

(ii) Property Development

The Group conducted a property development business prior to Administrators being appointed, including owning interests in various property developments. A significant number of these real property assets were acquired from borrowers who were unable to service their debts.

The Administrators have realised some of the property development assets. Of the remaining assets, the Company will retain rights over developments which relate to the loan book to be retained by the Company as noted above. The remaining property development assets will be transferred to a Creditors' Trust as part of the recapitalisation process.

(iii) Life Settlements Business

Asset Life Pty Ltd ("Asset Life"), a wholly owned subsidiary of Asset Loans, held an Australian Financial Services Licence and certain intellectual property rights that it intended to use to commence a life settlements business. Asset Life had not commenced operations by 30 June 2009 nor at the date of this report. These assets will be retained as part of the recapitalisation and are intended to be used to commence the life settlements business.

(iv) Additional Opportunities

The Company will look to identify additional opportunities for assets or businesses that have the potential to provide an attractive return to Shareholders. Where any such opportunity is identified, the Company will apply for any necessary Shareholder approvals and re-comply with Chapters 1 and 2 of the ASX Listing Rules with a view to having the Company's shares re-instated to quotation on the ASX. Re-instatement is at the discretion of the ASX and there can be no assurance given that the Shares will be re-instated.

7. Significant Changes in the State of Affairs

a) External Administration and Deed of Company Arrangement

The Company's securities were suspended from trading on the official list of the Australian Stock Exchange ("ASX") on 29 August 2008.

On 9 September 2008 Mr Richard Hughes and Mr John Greig of Deloitte Touche Tohmatsu ("Administrators") were appointed as Administrators of the Company in accordance with the provisions of Part 5.3A of the Corporations Act.

A first meeting of creditors was held on 19 September 2008. Deloitte's appointment as Administrators was confirmed at this meeting. A second meeting of creditors was held on 5 December 2008 and, at that meeting, creditors voted that the Company enter into a DOCA.

Additional significant changes in the state of affairs occurred subsequent to 30 June 2009 (refer to note 9 of this report).

b) Loss of control of subsidiaries

On 9 September 2008 the Company ceased to control the subsidiaries within the Group. The loss of control of the subsidiaries within the Group occurred without a change in absolute or relative ownership levels and without a transaction occurring. The loss of control occurred on 9 September 2008 when the subsidiaries, along with the Company, became subject to the control of Administrators.

On 9 September 2008, the Company ceased to consolidate its subsidiaries by derecognising the assets and liabilities of the subsidiaries attributable to the Company. The Company will re-consolidate its subsidiaries at the point in time control is deemed to have been regained. The directors consider this will be the time at which the subsidiaries, and the Company, are no longer under Administration.

The financial effects of this event have been included in the financial statements at 30 June 2009.

8. Future Developments, Business Strategies and Prospects

Refer to the Review of Operations section of this report for details.

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Continuity as a Going Concern

The principal terms of the varied Deed of Company Arrangement entered into on 21 December 2009 are set out below. The Deed of Company Arrangement was effectuated on 28 June 2010 resulting in liabilities of $19,416,000 being derecognised from the balance sheet at 28 June 2010.

Subsequent to 30 June 2009 the Company raised funds of $1,881,000 through the issue of shares, convertible notes and loans. Refer note 9(c).

The continuing viability of the Company and its ability to continue as a going concern and meet debts and commitments as they fall due are dependent upon the Company being successful in:

- Receiving the support of its shareholders and/or others in successfully concluding the recapitalisation program;
- Converting to equity, repaying or extending the terms of the convertible notes and loans of $715,000 which have a fixed term expiring 31 May 2011; and
- Identifying suitable opportunities that will sustain a viable business.

The Directors consider that the matters outlined above will be achieved. In the event that the matters outlined above are not achieved there is significant uncertainty as to whether the Company would be able to continue as a going concern and therefore whether it would be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to recoverability and reclassification of recorded amounts that would be necessary should the Company not continue as a going concern.

9. Events Subsequent to Reporting Date

(a) External Administration and Deed of Company Arrangement

The varied DOCA was executed by the Company on 10 January 2010.

On completion of the Recapitalisation Deed:

a) Certain loans of Asset Loans Co. Pty Ltd (ALC) (in liquidation), a wholly owned subsidiary of Asset Loans, have been assigned to Asset Loans to be part of an "Instant Loans" business post recapitalisation (Retained Loans);

b) The Company has paid $325,000 to the Administrators who have transferred this amount to a Creditors' Trust;

c) The Creditors' Trust have been:

(i) Paid $325,000 (as referred to above) together with a $25,000 deposit previously paid by Harmsup to the Administrators; and

(ii) Transferred all of Asset Loans' assets, excluding company records, the loans from ALC assigned to Asset Loans as mentioned above and all the shares of Asset Life Pty Ltd (Asset Life), a wholly owned subsidiary of Asset Loans which held intellectual property for a "Life Settlements" business and was previously granted an Australian Financial Services Licence (AFS Licence), but including any amounts paid to the Company or ALC in connection with the Loan Management Agreement.

d) The Company has come out of administration; and

e) The current board of directors of Asset Loans have been removed and replaced by nominees of Harmsup, being Mr Harry Fung, Mr Giuseppe Cossari and Mr Robert Pertich.

To raise the funds necessary to complete the Recapitalisation Deed, Harmsup indicated it is prepared to undertake the following capital raisings:

a) The issue of 100,000,000 shares at an issue price of 0.05 cents each to persons nominated by Harmsup to raise $50,000. This has been completed at the date of this report;

b) The issue of 150,000,000 shares at an issue price of 0.5 cents each to raise $750,000. This has been completed at the date of this report;

c) The issue of up to 100,000,000 shares at an issue price of 1 cent each to raise up to $1,000,000. This has not been completed at the date of this report; and

d) The ASX has confirmed that it will only approve the re-instalment of shares to the ASX if Asset Loans re-complies with Chapters 1 and 2 of the ASX Listing Rules, therefore ASQ propose the issue of up to an additional 75,000,000 shares at an issue price of 1 cent each to raise up to an additional $750,000. This has not been completed at the date of this report.

The ASX has advised that the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules before its shares will be re-instated to trading on the ASX once it comes out of administration. As a result, Harmsup has indicated that:

a) It has completed the capital raisings under clauses (a) and (b) above but has not at this stage completed the capital raisings under clauses (c) or (d) above;

b) It will use the funds raised to expand the existing business of the Company and to investigate additional opportunities to acquire assets or a business that have the potential to provide an attractive return to Shareholders. It will not seek to have its shares re-listed on the ASX while it is seeking suitable opportunities; and;

c) In the event a suitable opportunity is identified, it will seek to complete the capital raisings under clauses (c) and (d) and to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Resolutions proposed in the Notice of General Meeting 28 June 2010 have been passed and enabled the terms of the DOCA to be completed on 28 June 2010 and the external Administrators were removed on 28 June 2010.

The financial effects of the External Administration and Deed of Company Arrangement have not been included at 30 June 2009, with the exception of the deconsolidation of subsidiary entities where the Company ceased to control subsidiaries within the Group as a result of entering into Administration (refer to note 7(b) of this report).

(b) Change of Company name

The Company changed its name from Asset Loans Limited to ASQ Financial Group Limited ("ASQ") on 28 June 2010.

(c) Funds raised

Subsequent to year end the Company raised the following funds:

	Company	
	Number	$'000
Shares issued – ordinary shares – 0.05 cents per share	100,000,000	50
Shares issued – ordinary shares – 0.5 cents per share	150,000,000	750
Secured convertible notes	5,500,000	550
Convertible loan		531
		1,881

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Secured convertible notes

The Company issued 5,500,000 secured convertible notes. These notes are convertible to fully paid ordinary shares with conversion consideration equal to 50% of the price at which new shares are issued under a prospectus or similar instrument. These notes are convertible on the event of relisting to the ASX, subject to shareholder approval and at the election of the noteholder. The notes have a fixed term expiring 31 May 2011. Interest is payable at 10% per annum.

Convertible loan, secured by guarantee

The Company borrowed funds from investors. Upon shareholder approval, these loans convert immediately to fully paid ordinary shares with a face value of 10 cents per share subsequent to a 1 for 8 cent proposed share consolidation. These loans have a fixed term expiring 31 May 2011, interest of 10% per annum is only payable if the loan is not converted and these loans are secured by guarantee.

(d) Appointment of Novus Capital as Sponsoring Broker

On 1 December 2010 ASQ announced that it has entered into a mandate with Novus Capital Group ("Novus") to assist the Company with seeking business opportunities. The Directors of ASQ consider the appointment of Novus will provide a number of opportunities in new projects, capital raising and board expertise moving forward.

(e) Proposed acquisition of Consolidated Steel Group Pty Limited

On 9 December 2010 ASQ announced that the Company has entered into an exclusive due diligence phase with Consolidated Steel Group Pty Limited ("CSG"), with a view to acquire all of the issued capital of CSG. CSG is in the business of steel trading, principally tubular pipe products, for sale to steel distributors in Australia and for resource projects in Australia and overseas.

In January 2011 ASQ signed a Heads of Agreement with CSG, for the acquisition of 100% of the shares of CSG. The cash consideration for the purchase is $1,000,000, of which $884,000 has been paid at the date of this report.

10. Corporate Governance Statement

This statement outlines the main corporate governance practices that were in place prior to entering into Administration on 9 September 2008, which comply with the ASX Corporate Governance Council recommendations, unless otherwise stated.

a) Changes to Board Members

Since 1 July 2008 there have been the following changes to the Company's Board:

- On 19 September 2008 Ms Lisa Karlis ceased to be Company Secretary;
- On 28 June 2010 Mr Robert Pertich was appointed Company Secretary;
- On 28 June 2010 the Hon. Robert Borbidge, Mr Russell Percival and Mr Paul Hare ceased to be Directors; and
- On 28 June 2010 Mr Harry Fung, Mr Robert Pertich and Mr Guiseppe Cossari were appointed Directors.

b) Role of the Board

The board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for the overall corporate governance of the Group including formulating its strategic direction, approving and monitoring capital expenditure, setting remuneration, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems.

Details of the Company's board charter, is contained in the Company's corporate governance document, which is available from the Company upon request.

The board has delegated responsibility for operation and administration of the Company to the Chief Executive Officer and executive management. Responsibilities are delineated by formal authority delegations.

c) Board Process

To assist in the execution of its responsibilities, the board had established a number of board committees including a Nomination Committee, a Remuneration Committee, and an Audit Committee. These committees had written mandates and operating procedures, which were reviewed on a regular basis. The board had also established a framework for the management of the Group including a system of internal control, a business risk management process and the establishment of appropriate ethical standards.

The board held two scheduled meetings in the 2008/2009 financial year. In addition, strategy meetings and any extraordinary meetings at such other times as may be necessary to address any specific significant matters that may arise.

The agenda for meetings was prepared in conjunction with the Chairperson, Chief Executive Officer and Company Secretary. Standing items included the Chief Executive Officer's report, financial reports, strategic matters, governance and compliance. Submissions were circulated in advance. Executives were regularly involved in board meetings.

d) Director Education

All directors appointed to the board are expected to demonstrate an understanding of the industry within which the company operates and are appointed to the board based on the contribution they can provide in setting and fulfilling corporate objectives.

All directors are expected to keep abreast of current issues and changes in the industry and are given access to continuing education opportunities to update and enhance their skills and knowledge.

e) Independent professional advice and access to company information

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairperson, may seek independent professional advice from a suitably qualified adviser at the Group's expense. The director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairperson's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the director is made available to all other members of the board.

f) Composition of the board

The names of the directors of the Company in office at the date of this report are set out in section 1 of this report. The composition of the board is normally determined using the following principles:

- a minimum of three directors;
- at least one independent non-executive director; and
- a non-executive independent director as Chairperson.

Taking into account factors such as the size of the Company, the stage of its development, resources available and the activities of the Company, the board considers it in the best interests of the Company to depart from ASX Principles of Good Corporate Governance and Best Practice Recommendation number 2.1 that the majority of the board should be independent directors.

The board considers that the interests of the shareholders are best served by the board composition up to 28 June 2010 being, an independent Chairman and the two executive directors, who founded the Company, and that independent external expertise be sought where considered appropriate.

The composition of the board will continue to be considered as part of the Company's on-going corporate governance review. An independent director is a director who is not a member of management (a non-executive director) and who:

- holds less than five per cent of the voting shares of the Company and is not an officer of, or otherwise associated, directly or indirectly, with a shareholder of more than five per cent of the voting shares of the Company;
- has not within the last three years been employed in an executive capacity by the Company or another group member, or been a director after ceasing to hold any such employment;
- within the last three years has not been a principal or employee of a material* professional adviser or a material* consultant to the Company or another group member;
- is not a material* supplier or customer of the Company or another Group member, or an officer of or otherwise associated, directly or indirectly, with a material* supplier or customer;
- has no material* contractual relationship with the Company or another Group member other than as a director of the Company;
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially* interfere with the director's ability to act in the best interests of the Company.

* the board considers, 'material', in this context, to be where any director-related business relationship has represented, or is likely in future to represent the lesser of at least 10 per cent of the relevant segment's or the director-related business's revenue. The board considered the nature of the relevant industries' competition and the size and nature of each director-related business relationship, in arriving at this threshold.

g) Nomination committee

The nomination committee had overseen the appointment and induction process for directors and committee members, and the selection, appointment and succession planning process of the Company's Chief Executive Officer 'CEO'. The committee made recommendations to the board on the appropriate skill mix, personal qualities, expertise and diversity of each position. When a vacancy existed or there was a need for particular skills, the committee in consultation with the board determined the selection criteria based on the skills deemed necessary. The committee identified potential candidates with advice from an external consultant. The board then appointed the most suitable candidate. Board candidates were required to stand for election at the next general meeting of shareholders.

The nomination committee comprised the following members during the year:

- The Hon. R Borbidge (Chairperson) – Independent Non-Executive Director
- Mr P A S Hare - Chief Executive Officer
- Mr R F Percival – Executive Director

The committee did not meet during the year as disclosed in the table of Directors' meetings. The terms and conditions of the appointment and retirement of non-executive directors are set out in a letter of appointment, including expectations of attendance and preparation for all board meetings, minimum hourly commitment, appointments to other boards, the procedures for dealing with conflicts of interest, and the availability of independent professional advice.

h) Remuneration committee

The remuneration committee reviewed and made recommendations to the board on remuneration packages and policies applicable to the executive officers and directors of the Company and of other group executives for the Group. It was also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

The members of the remuneration committee during the year were:

- Mr R F Percival (Chairperson) – Executive Director
- The Hon. R Borbidge – Independent Non-Executive Director
- Mr P A S Hare – Chief Executive Officer.

The remuneration committee did not meet during the year as disclosed in the table of directors' meetings.

Details of the remuneration committee charter for the Company, is contained in the Company's corporate governance document, which is available from the Company upon request.

i) Audit committee

The audit committee had a documented charter, approved by the board. The charter specified that the audit committee shall comprise at least two members of which at least one is independent. The Chairperson must be an independent director. This departure in composition from Best Practice recommendation 4.3 is consistent with the composition of the board, as are the reasons for departure. The committee advises on the establishment and maintenance of a framework of internal control and any other matters referred to it by the Board of Directors.

The members of the audit committee during the year were:

- The Hon. Rob Borbidge (Chairperson) – Independent Non-Executive
- Mr P A S Hare – Chief Executive Officer
- Mr R F Percival – Executive Director

The external auditors, and Chief Financial Officer, are invited to audit committee meetings at the discretion of the committee. The committee did not meet during the year as disclosed in the table of directors' meetings in section 3 of this report.

The external auditor did not meet with the audit committee during the year.

The responsibilities of the audit committee include:

- reviewing the annual, half-year and other financial information distributed externally. This includes approving new accounting policies to ensure compliance with Australian Accounting Standards (AASBs), and assessing whether the financial information is adequate for shareholder needs;
- assessing corporate risk assessment processes;

- assessing whether non-audit services provided by the external auditor are consistent with maintaining the external auditor's independence. Each reporting period the external auditor provides an independence declaration in relation to the audit or review;

- providing advice to the board in respect of whether the provision of the non-audit services by the external auditor is compatible with the general standard of independence of auditors imposed by the Corporations Act 2001;

- assessing the adequacy of the internal control framework and the Company's code of ethical standards;

- organising, reviewing and reporting on any special reviews or investigations deemed necessary by the board;

- monitoring compliance with the Company's internal control procedures and monitoring prompt and appropriate rectification of any deficiencies or breakdowns identified;

- monitoring the procedures to ensure compliance with the Corporations Act 2001 and the ASX Listing Rules and all other regulatory requirements; and

- addressing any matters outstanding with auditors, Australian Taxation Office, Australian Securities and Investments Commission, ASX and financial institutions.

The audit committee reviewed the performance of the external auditors on an annual basis and normally met with them during the year to:

- discuss the external audit and internal audit plans, identifying any significant changes in structure, operations, internal controls or accounting policies likely to impact the financial statements and to review the fees proposed for the audit work to be performed;

- review the half-year and preliminary final report prior to lodgement with the ASX, and any significant adjustments required as a result of the auditor's findings, and to recommend board approval of these documents, prior to announcement of results;

- review the draft annual and half-year financial report, and recommend board approval of the financial report; and

- review the results and findings of the auditor, the adequacy of accounting and financial controls, and to monitor the implementation of any recommendations made.

11. Remuneration report

The disclosures included in this Remuneration Report relate to the period 1 July 2008 to 9 September 2008. On 9 September 2008 the Company became subject to control of Administrators. From that date the directors and executives received no remuneration.

a) Principles of compensation – audited

Remuneration is referred to as compensation throughout this report.

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company and the Group, including directors of the Company and other executives. Key management personnel include the five most highly remunerated S300A directors and executives of the Company and the Group.

Compensation levels for key management personnel of the Company and the Group are competitively set to attract and retain appropriately qualified and experienced directors and executives. The remuneration committee obtains independent advice on the appropriateness of compensation packages of both the Company and the Group given trends in comparative companies both locally and internationally and the objectives of the Company's compensation strategy.

The compensation structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The compensation structures take into account:

- the capability and experience of the key management personnel
- the key management personnel's ability to control the relevant segment/s' performance
- the Group's performance including:
  - the Group's earnings
  - the growth in share price and delivering constant returns on shareholder wealth; and
  - the amount of incentives within each key management person's compensation.

Compensation packages include a mix of fixed and variable compensation and short and long-term performance-based incentives.

A description of the process for the performance evaluation of the board, its committees and individual directors and key executives are available for inspection on request from the Company Secretary.

b) Fixed compensation - audited

Fixed compensation consists of base compensation (which is calculated on a total cost basis and includes any FBT charges related to employee benefits including motor vehicles), as well as employer contributions to superannuation funds.

Compensation levels are reviewed annually by the remuneration committee through a process that considers individual, segment and overall performance of the Group. A senior executive's compensation is reviewed on promotion.

c) Performance linked compensation - audited

Performance linked compensation includes both short-term and long-term incentives and is designed to reward key management personnel for meeting or exceeding their financial and personal objectives. The short-term incentive (STI) is an 'at risk' bonus provided in the form of cash, while the long-term incentive (LTI) is provided as options over ordinary shares of the Company.

d) Short-term incentive bonus - audited

Each year the remuneration committee set the key performance indicators (KPIs) for the key management personnel. The KPIs generally include measures relating to the Group, the relevant segment, and the individual, and include financial, people, customer, strategy and risk measures. The measures are chosen as they directly align the individual's reward to the KPIs of the Group and to its strategy and performance.

The financial performance objectives are 'profit after tax' and 'return on capital employed' compared to budgeted amounts. The non-financial objectives vary with position and responsibility and include measures such as achieving strategic outcomes, safety and environmental performance, customer satisfaction and staff development. Financial and non-financial objectives each account for 50 per cent of the maximum STI.

At the end of the financial year the remuneration committee assessed the actual performance of the Group, the relevant segments and individuals against the KPIs set at the beginning of the financial year. A percentage of the pre-determined maximum amount is awarded depending on results, between 0 per cent for minimum performance and 100 per cent for stretch performance. No bonus is awarded where performance falls below the minimum.

The remuneration committee recommended the cash incentive to be paid to the individuals for approval by the board. The method of assessment was chosen as it provides the committee with an objective assessment of the individual's performance.

e) Long-term incentive bonus - audited

Options over the ordinary shares of the Company are issued to key management personnel and staff. The remuneration committee recommended the option issues to be made to the individuals for approval by the board.

f) Consequences of performance on shareholder wealth - audited

In considering the Group's performance and benefits for shareholder wealth, the remuneration committee had regard to the current and prior financial year performance (refer to section 6(b) 'shareholder return' of the Directors' Report).

Net profit is considered as one of the financial performance targets in setting the STI. The overall level of key management personnel's compensation takes into account the performance of the Group over time as well as the individual's performance.

g) Service contracts - audited

The Group had entered into service contracts with each key management person (who held office during the year), excluding the Chief Executive Officer and Executive Director that provides for the payment of benefits where the contract is terminated by the Group or the individual. The contracts are for an unlimited period and are capable of termination on up to five weeks notice, on a sliding scale, depending upon length of service.

The Group retains the right to terminate the contract immediately, by making payment of the equivalent amount of the compensation package in lieu, on the same sliding scale.

The key management persons were also entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits.

The service contract outlines the components of compensation paid to the key management personnel, but does not prescribe how compensation levels are modified year to year. Compensation levels are reviewed each year to take into account cost-of-living changes, any change in the scope of the role performed by the senior executive and any changes required to meet the principles of the compensation policy.

Mr Paul Hare, Chief Executive Officer, and Mr Russell Percival, Executive Director, had contracts of employment with the Company dated 1 September 2004 for a term of three years. The contract specifies the duties and obligations to be fulfilled by the Chief Executive Officer and Executive Director and provides that the board, the Chief Executive Officer and Executive Director will early in each financial year, consult and agree the objectives for achievement during that year.

The contract also entitles the Chief Executive Officer and Executive Director to initial long service leave of 13 weeks after completing five years of continuous service. The Chief Executive Officer and Executive Director will receive upon the termination of employment, for any reason whatsoever, a pro-rata entitlement to long service leave after three years continuous service. It is the intention that after the expiration of five years the Chief Executive Officer and Executive Director will be entitled to a further long service leave of 13 weeks after completing a further seven years continuous service.

The service contract can be terminated by the executive providing six months written notice. The Chief Executive Officer and Executive Director have no entitlement to termination payment in the event of removal for misconduct.

Ms Lisa Karlis, Company Secretary, had a contract of employment with the Company. The contract was for an unlimited period and was capable of termination on up to five weeks notice, on a sliding scale. The Group retains the right to terminate the contract immediately, by making payment of the equivalent amount of the compensation package in lieu, on the same sliding scale. The Company Secretary is accountable to the Board, through the Chairman, on all governance matters.

Ms Karlis resigned from the Group as Company Secretary on 19 September 2008.

h) Non-executive directors –audited

The total compensation for all non-executive directors, last voted upon by shareholders at the 2005 AGM, is not to exceed $100,000 per annum and is set based on advice from external advisors with reference to fees paid to other non-executive directors of comparable companies.

Non-executive directors do not receive performance related compensation. Directors' fees cover all main board activities and membership of committees.

i) Equity instruments - audited

All options refer to options over ordinary shares of ASQ Financial Group Limited, which are exercisable on a one-for-one basis.

Options and rights over equity instruments granted as compensation

No options over ordinary shares in the Company were granted during the reporting period. No options over ordinary shares have been granted since the end of the financial year.

Modification of terms of equity-settled share-based payment transactions

No terms of equity settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period or the prior reporting period.

Exercise of options granted as compensation

During the reporting period or the prior reporting period, none of the options granted as compensation were exercised.

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
Directors' Report
For the year ended 30 June 2009

j) Directors' and executive officers' remuneration (Company and Consolidated) - audited

Details of the nature and amount of each major element of remuneration of each director of the Company and each of the named Company executives and relevant Group executives who receive the highest remuneration and other key management personnel are:

		Short Term				Post Employment	
		Fees/ Salary	Non-Monetary	Other	TOTAL	Super annuation	TOTAL
		$	$	$	$	$	$
Directors							
Non-executive directors							
The Hon Rob Borbidge	2009	11,500	-	-	11,500	1,035	12,535
	2008	60,000	-	-	60,000	5,400	65,400
Executive directors							
Paul A S Hare	2009	62,000	-	-	62,000	5,580	67,580
CEO	2008	318,500	-	32,000	350,500	31,500	382,000
Russell Percival	2009	52,500	9,330	-	61,830	5,565	67,395
Executive director	2008	270,500	48,000	-	318,500	31,500	350,000
Executives							
Lisa Karlis	2009	26,750	-	-	26,750	2,408	29,158
Company Sec. & CFO	2008	137,615	-	-	137,615	12,385	150,000
Total	**2009**	**152,750**	**9,330**	**-**	**162,080**	**14,588**	**176,668**
Total	**2008**	**786,615**	**48,000**	**32,000**	**866,615**	**80,785**	**947,400**

Other remuneration

In their report to creditors dated 27 November 2008, the Administrators of the Company advised that Mr Paul Hare 'cashed in' approximately $21,000 of his annual leave on 21 May 2008 and $11,000 of accrued time in lieu (after tax) on 25 January 2008. These amounts have been included in the remuneration disclosures above.

12. Risk management

The following policies were in place prior to the Group entering Administration on 9 September 2008.

a) Oversight of the risk management system

The board oversees the establishment, implementation, and annual review of the Company's Risk Management System. Management has established and implemented the Risk Management System for assessing, monitoring and managing operational, financial reporting, and compliance risks for the Group.

The operational and other risk management compliance and controls have also been assessed and found to be operating efficiently and effectively. All risk assessments covered the whole financial year for all material operations in the Group, and material associates and joint ventures.

b) Risk profile

The Board and senior executives consider the risks of the business, report on the major risks affecting each business segment and develop strategies to mitigate these risks. Once a risk is identified an action plan is instigated and the Board informed of the action plan. The Board must approve the action plan. Corrective action is taken as soon as possible.

Major risks arise from such matters as economic conditions, actions by competitors, government policy changes and financial reporting.

c) Risk management, compliance and control

The board is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities.

Comprehensive practices had been established to ensure:

- lending and credit approval above a certain size obtain prior director approval;
- capital expenditure and revenue commitments above a certain size obtain prior board approval;
- financial exposures are controlled;
- business transactions are properly authorised and executed;
- the quality and integrity of personnel;
- financial reporting accuracy and compliance with the financial reporting regulatory framework (see below); and
- environmental regulation compliance (see below).

d) Quality and integrity of personnel

Formal appraisals were conducted at least annually for all employees. Training and development and appropriate remuneration and incentives with regular performance reviews create an environment of co-operation and constructive dialogue with employees and senior management.

e) Financial reporting

Two Officers have signed a Section 295A declaration pursuant to the Corporations Act 2001.

13. Environmental regulation

The Group's operations are not subject to significant environmental regulation.

14. Ethical standards

The following policies were in place prior to the Group entering Administration on 9 September 2008.

All directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. Every employee has a nominated supervisor to whom they may refer any issues arising from their employment. The board reviews the Code of Conduct regularly and processes are in place to promote and communicate these policies.

a) Conflict of interest

Directors must keep the board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. The board has developed procedures to assist directors to disclose potential conflicts of interest.

Where the board believes that a significant conflict exists for a director on a board matter, the director concerned does not receive the relevant board papers and is not present at the meeting whilst the item is considered. Details of director related entity transactions with the Company and the consolidated entity Group are set out in note 28 to the financial statements.

b) Code of conduct

The Group has advised each director, manager and employee that they must comply with the Company's Code of Conduct. The Code covers the following:

- business ethics and conduct;
- confidentiality of corporate information;
- competency levels;
- communication in the workplace;
- public comment;
- employment practices such as salary and performance reviews, hours of work, meal breaks, attendance and punctuality, dress standards, use of phones, computers and email and bereavement leave;
- sexual harassment;
- proper use of Company's asset resources;
- lawful conduct;
- smoking policy; and
- internet policy.

c) Trading in general Company securities by directors and employees

The key elements of the trading in Company securities by directors, executives and employees are set out in the Australian Securities Exchange (ASX) listing rules and Companies Updates.

The insider trading provisions of the Corporations Act 2001 are also applicable to all directors, executives and employees of the Company.

In addition, the Company maintains a Corporate Governance Charter and Employment Code of Conduct. All directors and employees are given a copy of these documents on commencement of employment and are required to sign a declaration stating that they have read and understood the documents. The Corporate Governance Charter outlines the requirements with respect to trading in the Company's securities.

The Corporate Governance Charter and Employment Code of Conduct are available for inspection on request from the Company Secretary.

d) Communication with shareholders

The board provides shareholders with information using a comprehensive Continuous Disclosure Policy which includes identifying matters that may have a material effect on the price of the Company's securities, notifying them to the ASX and issuing media releases. More details of the policy are available from the Company on request.

In summary, the Continuous Disclosure Policy operates as follows:

- the Chief Executive Officer, the Chief Financial Officer and the Company Secretary are responsible for interpreting the company's policy and where necessary informing the board. The Company Secretary is responsible for all communications with the ASX. Such matters are advised to the ASX on the day they are discovered, and all senior executives must follow a disclosure process, which involves monitoring all areas of the Group's internal and external environment;

- The full Annual Financial Report is available to all shareholders should they request it;

- the half-yearly report contains summarised financial information and a review of the operations of the Group during the period. The half-year reviewed financial report is lodged with the Australian Securities and Investments Commission and the ASX, and sent to any shareholder who requests it;

- proposed major changes in the Group which may impact on share ownership rights are submitted to a vote of shareholders; and

- the external auditor attends the Annual General Meeting to answer questions concerning the conduct of the audit, the preparation and content of the auditor's report, accounting policies adopted by the Company and the independence of the auditor in relation to the conduct of the audit.

The board encourages full participation of shareholders at the Annual General Meeting, to ensure a high level of accountability and identification with the Group's strategy and goals. Important issues are presented to the shareholders as single resolutions.

The shareholders are requested to vote on the appointment and aggregate remuneration of directors, the granting of options and shares to directors, the Remuneration report and changes to the Constitution. Copies of the Constitution are available to any shareholder who requests it.

15. Dividends

No dividends were paid during the year and no dividends have been declared subsequent to 30 June 2009.

16. Indemnification and insurance of officers and auditors

The Company had agreed to indemnify the following directors of the Company, The Hon. Rob Borbidge, Mr P A S Hare and Mr R F Percival against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as directors of the company and its controlled entities, except where the liability

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
Directors' Report
For the year ended 30 June 2009

arises out of conduct involving a lack of good faith. The agreement stipulated that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company had also agreed to indemnify the directors of its controlled entities for all liabilities to another person (other than the company or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith. The agreement stipulated that the Company will meet the full amount of any such liabilities, including costs and expenses.

During the previous financial year, the Group paid a premium of $45,837 in respect of directors and officers for liability insurance contracts for the period 3 November 2007 to 3 November 2008. No new premiums were paid as the Group entered external Administration on 9 September 2008.

The insurance policies outlined above do not contain details of the premiums paid in respect of individual officers of the Company.

17. Non-Audit Services

During the year KPMG, the Company's auditor, has not performed any other services in addition to their statutory duties.

Details of the amounts paid or payable to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below.

	Consolidated	
	2009 **$**	**2008** **$**
Audit services:		
Auditors of the Company		
Audit and review of financial reports (KPMG Australia)	50,000	90,000
	50,000	90,000
Services other than statutory audit:		
Accounting assistance	-	-
Review procedures	-	-
Taxation compliance services (KPMG Australia)	-	-
	-	-
	50,000	90,000

18. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 22 and forms part of the directors' report for financial year ended 30 June 2009.

This report is made with a resolution of the directors:

Harry Fung

Director

6 April 2011

Robert Pertich

Director

6 April 2011

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the directors of ASQ Financial Group Limited (formerly known as Asset Loans Limited)

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Adam Twemlow
Partner

Bundall

6 April 2011

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
Income statements
For the year ended 30 June 2009

		Consolidated		Company	
	Note	**2009***	**2008**	**2009**	**2008**
		$000	**$000**	**$000**	**$000**
Interest revenue	*6*	153	5,068	-	2,262
Fee revenue	*7*	(1)	129	-	-
Borrowing costs		(1,327)	(3,583)	(1,242)	(1,608)
		(1,175)	1,614	(1,242)	654
Other income	*8*	5,573	296	920	2
		4,398	1,910	(322)	656
Expenses					
Employee expenses		186	1,624	-	-
Administrative expenses		607	1,096	404	261
Advertising and marketing expenses		11	151	4	136
Loan administration costs		-	17	-	-
Occupancy costs		104	379	10	187
Impairment losses	*9*	-	10,645	-	16,101
Change in fair value of financial assets	*10*	-	6,561	-	-
Write-down of Inventory	*11*	-	12,982	-	-
Financial guarantee expense	*22*	818	-	818	3,964
Depreciation		-	138	-	-
Other expenses		134	33	1	-
Profit (Loss) before income tax		2,538	(31,716)	(1,559)	(19,993)
Income tax expense (benefit)	*12*	-	(1,621)	-	88
Profit (Loss) for the period attributable to equity holders		2,538	(30,095)	(1,559)	(20,081)
Earnings per share:					
Basic earnings per share (AUD)	*19*	0.055	(0.646)	(0.033)	(0.431)
Diluted earnings per share (AUD)	*19*	0.055	(0.646)	(0.033)	(0.431)

* The results of its subsidiaries are consolidated up to 9 September 2008, when the Company and its subsidiaries entered Administration and the Company ceased to control its subsidiaries. Refer to note 29 of the financial report.

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
Statements of recognised income and expense
For the year ended 30 June 2009

		Consolidated		Company	
	Note	2009*	2008	2009	2008
		$000	$000	$000	$000
Revaluation / (write back) of property, plant & equipment	18	-	(788)	-	-
Income and expense recognised directly in equity		-	(788)	-	-
Profit / (loss) for the period	18	2,538	(30,095)	(1,559)	(20,081)
Total recognised income and expense for the period attributable to equity holders	18	2,538	(30,883)	(1,559)	(20,081)

Other movements in equity arising from transactions with owners as owners are set out in note 18. The amounts recognised directly in equity are disclosed net of tax – see note 18.

* The results of its subsidiaries are consolidated up to 9 September 2008, when the Company and its subsidiaries entered Administration and the Company ceased to control its subsidiaries. Refer to note 29 of the financial report.

The statements of recognised income and expenses are to be read in conjunction with the notes to and forming part of the financial statements.

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
Balance sheets
As at 30 June 2009

		Consolidated		Company	
		2009*	**2008**	**2009**	**2008**
	Note	**$000**	**$000**	**$000**	**$000**
Assets					
Cash and cash equivalents	*16a*		1,343	23	382
Loans and advances	*15*		1,088	-	-
Other assets			-	-	-
Current tax assets			-	-	-
Total current assets			2,431	23	382
Inventories	*14*		4,887	-	-
Other investments	*17*		-	1	1
Deferred tax assets	*14*		-	-	-
Property, plant and equipment	*13*		2,482	-	-
Total non-current assets			7,369	1	1
Total assets			9,800	24	383
Liabilities					
Trade and other payables	*22*		1,389	1,227	340
Loans and borrowings	*20*		28,444	11,727	12,232
Provisions	*21*		217	4,782	3,964
Deferred income			-	-	-
Total current liabilities			30,050	17,736	16,536
Loans and borrowings	*20*		-	-	-
Provisions			-	-	-
Deferred tax liabilities	*14*		-	-	-
Total non-current liabilities			-	-	-
Total liabilities			30,050	17,736	16,536
Net assets / (liabilities)			(20,250)	(17,712)	(16,153)
Equity					
Share capital	*18*		4,026	4,026	4,026
Reserves	*18*		-	-	-
Retained earnings	*18*		(24,276)	(21,738)	(20,179)
Total equity attributable to equity holders			(20,250)	(17,712)	(16,153)

* No consolidated Balance Sheet has been presented as at 30 June 2009 as the Company ceased to consolidate its subsidiaries on 9 September 2008. The Company will re-consolidate its subsidiaries at the point in time control is deemed to have been regained. Refer to note 29 of the financial report.

The balance sheets are to be read in conjunction with the notes to and forming part of the financial statements.

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
Statements of cash flows
For the year ended 30 June 2009

	Note	Consolidated		Company	
		2009* **$000**	**2008** **$000**	**2009** **$000**	**2008** **$000**
Cash flows from operating activities					
Cash receipts from customers - other		-	526	-	-
Cash paid to suppliers and employees		(896)	(3,427)	(452)	(377)
Mortgage loans advanced		-	2,068	-	-
Interest received		-	1,827	-	-
Interest paid		(322)	(1,295)	(322)	(1,683)
Income taxes (paid) refund		-	752	-	-
Net cash from / (used in) operating activities	*16b*	**(1,218)**	**451**	**(774)**	**(2,060)**
Cash flows from investing activities					
Acquisition of property, plant and equipment		-	(4)	-	-
Acquisition of property developments - Inventories		-	(4,926)	-	-
Net proceeds of property developments - Inventories		-	630	-	-
Deposits received (paid)		-	165	-	-
Acquisition of subsidiary, net of cash acquired		-		-	-
Repayment of loans from subsidiaries		-	-	-	6,671
Loans to controlled entities		-	-	-	-
Net cash from / (used in) investing activities		**-**	**(4,135)**	**-**	**6,671**
Cash flows from financing activities					
Proceeds from issue of unsecured notes		-	1,594	-	1,594
Repayment of unsecured notes		(505)	(6,264)	(505)	(6,264)
Proceeds from borrowings - secured		-	7,303	-	-
Proceeds from borrowings – other parties		-	3	517	-
Proceeds from Public Trustee of Qld		403		403	
Repayment of borrowings		-	(2,789)	-	-
Payment of finance lease liabilities		-	(176)	-	-
Net cash from / (used in) financing activities		**(102)**	**(329)**	**415**	**(4,670)**
Net increase in cash and cash equivalents		(1,320)	(4,013)	(359)	(59)
Cash and cash equivalents at 1 July		1,343	5,356	382	441
Cash and cash equivalents at 30 June	*16a*	**23**	**1,343**	**23**	**382**

* The cashflows of its subsidiaries are consoliated up to 9 September 2008, when the Company and its subsidiaries entered Administration and the Company ceased to control its subsidiaries. Refer to note 29 of the financial report.

The statements of cash flows are to be read in conjunction with the notes to and forming part of the financial statements.

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
Notes to the financial statements

1. Reporting entity

Asset Loans Limited (the "Company") is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Stock Exchange. The Company's shares were suspended from trading as a result of a request for voluntary suspension on 29 August 2008 and the Company subsequently entering into External Administration on 9 September 2008. Subsequent to the completion of a Recapitalisation Deed included in the varied Deed of Company Arrangement the Company came out of Administration on 28 June 2010.

The address of the Company's registered office during the 2009 financial year was "Huntington Apartments" Level 2, 10 Marine Parade, Southport, Queensland, 4215.

2. Basis of preparation

a) Statement of compliance & basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The consolidated financial report of the Group and the financial report of the Company comply with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The financial statements were approved by the Board of Directors on 6 April 2011.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following:

- derivative financial instruments and buildings included within property, plant and equipment are measured at fair value
- loan and receivable assets measured at amortised cost less impairment
- interests in jointly controlled entities in which the Group is a venturer (and so has joint control) are accounted for under the equity method in the Consolidated financial statements
- Provision for financial guarantee contracts are measured at fair value

The methods used to measure fair values are discussed further in note 4.

c) Going concern

(i) Appointment of Administrators

The Company's securities were suspended from trading on the official list of the Australian Stock Exchange ("ASX") on 29 August 2008.

On 9 September 2008 Mr Richard Hughes and Mr John Greig of Deloitte Touche Tohmatsu ("Administrators") were appointed as Administrators of the Company in accordance with the provisions of Part 5.3A of the Corporations Act.

A first meeting of creditors was held on 19 September 2008. Deloitte's appointment as Administrators was confirmed at this meeting. The Administrators advised they would undertake an investigation into the affairs of the Group while pursuing both restructuring strategies and a sale process in order to formulate a proposed Deed of Company

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
Notes to the financial statements

Arrangement ("DOCA") to be presented to creditors for their approval at a second meeting. A Committee of Creditors was also formed.

A second meeting of creditors was held on 5 December 2008 and, at that meeting, creditors voted that the Company enter into a DOCA. The Company subsequently entered into a Recapitalisation Deed on 30 October 2009 with the group of investors represented by Harmsup Pty Ltd ("Harmsup") to recapitalise the Company (Recapitalisation Deed). At this stage Harmsup paid a deposit of $25,000 to the Administrators.

On 21 December 2009, the Company obtained the approval of its creditors to vary the existing DOCA to reflect the recapitalisation of the Company in accordance with the Recapitalisation Deed. The varied DOCA was executed by the Company on 10 January 2010.

On completion of the Recapitalisation Deed:

a) Certain loans of Asset Loans Co. Pty Ltd (ALC) (in liquidation), a wholly owned subsidiary of Asset Loans, have been assigned to Asset Loans to be part of an "Instant Loans" business post recapitalisation (Retained Loans);

b) The Company has paid $325,000 to the Administrators who have transferred this amount to a Creditors' Trust;

c) The Creditors' Trust has been:

(i) Paid $325,000 (as referred to above) together with a $25,000 deposit previously paid by Harmsup to the Administrators; and

(ii) Transferred all of Asset Loans' assets, excluding company records, the loans from ALC assigned to Asset Loans as mentioned above and all the shares of Asset Life Pty Ltd (Asset Life), a wholly owned subsidiary of Asset Loans which held intellectual property for a "Life Settlements" business and was previously granted an Australian Financial Services Licence (AFS Licence), but including any amounts paid to the Company or ALC in connection with the Loan Management Agreement.

d) The Company has come out of administration; and

e) The current board of directors of Asset Loans have been removed and replaced by nominees of Harmsup, being Mr Harry Fung, Mr Giuseppe Cossari and Mr Robert Pertich.

To raise the funds necessary to complete the Recapitalisation Deed, Harmsup indicated it is prepared to undertake the following capital raisings:

a) The issue of 100,000,000 Shares at an issue price of 0.05 cents each to persons nominated by Harmsup to raise $50,000. This has been completed at the date of this report;

b) The issue of 150,000,000 Shares at an issue price of 0.5 cents each to raise $750,000. This has been completed at the date of this report;

c) The issue of up to 100,000,000 Shares at an issue price of 1 cent each to raise up to $1,000,000. This has not been completed at the date of this report; and

d) The ASX has confirmed that it will only approve the re-instalment of Shares to the ASX if Asset Loans re-complies with Chapters 1 and 2 of the ASX Listing Rules, therefore ASQ propose the issue of up to an additional 75,000,000 Shares at an issue price of 1 cent each to raise up to an additional $750,000. This has not been completed at the date of this report.

The ASX has advised that the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules before its Shares will be re-instated to trading on the ASX once it comes out of administration. As a result, Harmsup has indicated that:

a) It has completed the capital raisings under clauses (a) and (b) above but has not at this stage completed the capital raisings under clauses (c) or (d) above;

b) It will use the funds raised to expand the existing business of the Company and to investigate additional opportunities to acquire assets or a business that have the potential to provide an attractive return to Shareholders. It will not seek to have its Shares re-listed on the ASX while it is seeking suitable opportunities; and

c) In the event a suitable opportunity is identified, it will seek to complete the capital raisings under clauses (c) and (d) and to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Resolutions proposed in the Notice of General Meeting 28 June 2010 have been passed and enabled the terms of the DOCA to be completed on 28 June 2010 and the external Administrators were removed on 28 June 2010.

The Company is subject to all necessary ASX, ASIC and any other required shareholder, regulatory or other necessary approvals being obtained for the re-quotation of the Company's shares on ASX.

(ii) Continuity as a Going Concern

The principal terms of the varied Deed of Company Arrangement entered into on 21 December 2009 are set out above. The Deed of Company Arrangement was effectuated on 28 June 2010 resulting in liabilities of $19,416,000 being derecognised from the balance sheet at 28 June 2010.

Subsequent to 30 June 2009 the Company raised funds of $1,881,000 through the issue of shares, convertible notes and loans. Refer note 31(c).

The continuing viability of the Company and its ability to continue as a going concern and meet debts and commitments as they fall due are dependent upon the Company being successful in:

- Receiving the support of its shareholders and/or others in successfully concluding the recapitalisation program;
- Converting to equity, repaying or extending the terms of the convertible notes and loans of $715,000 which have a fixed term expiring 31 May 2011; and
- Identifying suitable opportunities that will sustain a viable business for the foreseeable future.

The Directors consider that the matters outlined above will be achieved. In the event that the matters outlined above are not achieved there is significant uncertainty as to whether the Company would be able to continue as a going concern and therefore whether it would be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to recoverability and reclassification of recorded amounts that would be necessary should the Company not continue as a going concern.

d) Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency and the functional currency of the majority of the Group. All financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

e) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 2 (c) – going concern
- Note 10 – change in fair value of financial assets
- Note 13 – property, plant and equipment
- Note 12 – utilisation of tax losses
- Note 11 – inventories
- Note 15 – loans and advances
- Note 21 – provisions
- Note 28 – group entities

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group.

a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

In the Company's financial statements, investments in subsidiaries are carried at cost.

(ii) Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iii) Jointly controlled entities

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual agreement and requiring unanimous consent for strategic financial and operating decisions.

Jointly controlled entities are accounted for using the equity method (equity accounted investees) and are initially recognised at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of income and expenses and equity movements, after adjustments to align the accounting policies with those of the Group, from the date that joint control commences until the date that joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

b) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Group commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income and expense is discussed in note 3(j).

Loans and Receivables

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Financial guarantee liabilities

Liabilities arising from financial guarantee contracts, including Company guarantee of subsidiary liabilities, are initially recognised at fair value and subsequently at the higher of the amount determined in accordance with the measurement requirements of a provision and the amount initially recognised less accumulated amortisation.

(ii) Derivative financial instruments

The Group holds derivative financial instruments. Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss.

Derivatives are recognised initially at fair value. Attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

(iii) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax benefit.

Dividends

Dividends are recognised as a liability in the period in which they are declared.

c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. Borrowing costs related to the acquisition or construction of qualifying assets are recognised in profit or loss as incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retain earnings.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the consolidated entity and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- Buildings 40 years
- Plant and Equipment 4 to 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

d) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Group's balance sheet.

e) Inventories

Inventories are measured at the lower of cost and net realisable value and include expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Inventories comprise land holdings for property development or sale.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

f) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

The recoverable amount of the Group's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets). The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

g) Employee benefits

(i) Defined contribution superannuation funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution superannuation funds are recognised as an expense in profit or loss when they are due.

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated Commonwealth Government bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed using the projected unit credit method. Any gains or losses are recognised in profit or loss in the period in which they arise.

(iii) Short-term benefits

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

(iv) Share-based payment transactions

The grant date fair value of options granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the options. The amount recognised is adjusted to reflect the actual number of share options that vest, except for those that fail to vest due to market conditions not being met.

h) Revenue

(i) Services

Revenue from services rendered is recognised in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed. No revenues are recognised if there are significant uncertainties regarding recovery of the consideration due, the costs incurred or to be incurred cannot be measured reliably or there is continuing management involvement.

(ii) Mortgage loan and bank interest revenue

Mortgage loan and bank interest revenue is recognised in the income statement as it accrues using the effective interest method.

(iii) Unwinding net present value discount on impaired mortgage loans

After an impairment loss has been recognised in the income statement, interest income is recognised as revenue based on the rate used to discount the future cash flows, when measuring the amount of the impairment loss.

(iv) Fee revenue

Management fee income is recognised as it accrues using the effective interest method.

i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

j) Finance income and expenses

Finance income comprises dividend income and changes in the fair value of financial assets at fair value through profit or loss. Dividend income is recognised on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, changes in the fair value of financial assets at fair value through profit or loss, and impairment losses recognised on financial assets. All borrowing costs are recognised in profit or loss using the effective interest method.

k) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

The Company and its wholly-owned Australian resident entities have not elected to form a tax consolidated group.

l) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

m) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

n) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group comprises one business and geographical segment being mortgage lending within Australia which has been determined based on the Group's management and internal reporting structure of operating results to the Chief Operating Decision Maker.

o) New standards and interpretations early adopted

The directors have elected under s.334(5) of the Corporations Act 2001 to apply AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* even though these standards are not required to be adopted until annual reporting periods beginning on or after 1 January 2009. The early adoption of this standard has not had any impact on the segment disclosures made in the financial statements.

p) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2009, but have not been applied in preparing this financial report:

Revised AASB 101 Presentation of Financial Statements

This standard introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Group's 30 June 2010 financial statements. The Group has determined the potential effect of the revised standard on the Group's disclosures to be insignificant.

Revised AASB 123 Borrowing Costs

This removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised AASB 123 will become mandatory for the Group's 30 June 2010 financial statements and will constitute a change in accounting policy for the Group. In accordance with the transitional provisions the Group will apply the revised AASB 123 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date. The Group has determined the potential effect of the revised standard on future earnings to be insignificant.

Revised AASB 3 Business Combinations

This standard changes the application of acquisition accounting for business combinations and the accounting for non-controlling (minority) interests. Key changes include: the immediate expensing of all transaction costs; measurement of contingent consideration at acquisition date with subsequent changes through the income statement; measurement of non-controlling (minority) interests at full fair value or the proportionate share of the fair value of the underlying net assets; guidance on issues such as reacquired rights and vendor indemnities; and the inclusion of combinations by contract alone and those involving mutuals. The revised standard becomes mandatory for the Group's 30 June 2010 financial statements. The Group has determined that there will be no effect of the revised standard on the Group's financial report.

Revised AASB 127 Consolidated and Separate Financial Statements

This standard changes the accounting for investments in subsidiaries. Key changes include: the remeasurement to fair value of any previous/retained investment when control is obtained/lost, with any resulting gain or loss being recognised in profit or loss; and the treatment of increases in ownership interest after control is obtained as transactions with equity holders in their capacity as equity holders. The revised standard will become mandatory for the Group's 30 June 2010 financial statements. The Group has determined the potential effect of the revised standard on the Group's financial report to be insignificant.

AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payment: Vesting Conditions and Cancellations

This amendment changes the measurement of share-based payments that contain non-vesting conditions. AASB 2008-1 becomes mandatory for the Group's 30 June 2010 financial statements. The Group has determined that there will not be a significant effect of the amending standard on the Group's financial report.

AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Process and 2008-6 Further Amendments to Australian Accounting Standards arising from The Annual Improvements Process

These amendments affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2010 financial statements, are not expected to have any impact on the financial statements.

AASB 2008-7 Amendments to Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

This amendment changes the recognition and measurement dividend receipts as income and addresses the accounting of a newly formed parent entity in the separate financial statements. The amendments become mandatory for the Group's 30 June 2010 financial statements. The Group has determined the potential effect of the amendments to be insignificant.

AASB 124 Related Party Disclosures (revised December 2009)

This standard simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The amendments, which will become mandatory for Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.

AASB 2009-5 Further amendments to Australian Accounting Standards arising from the Annual Improvements Process

This amendment affects various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

4. Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

a) Loans and advances

The fair value of loans and advances is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

b) Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date. For finance leases the market rate of interest is determined by reference to similar lease agreements.

c) Share-based payment transactions

The fair value of employee stock options is measured using the Black-Scholes model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behaviour), expected dividends, and the risk-free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

d) Financial guarantees

For financial guarantee contract liabilities, the fair value at initial recognition is determined using a probability weighted discount cash flow approach. This method takes into account the probability of default by the guaranteed party over the term of the contract, the loss given default (being the proportion of the exposure that is not expected to be recovered in the event of default) and exposure at default (being the maximum loss at the time of default).

5. Segment reporting

The consolidated group has predominantly one main business segment being mortgage lending within Australia. This is in-line with the way in which operating results are viewed by the Chief Operating Decision Maker.

6. Interest revenue

	Consolidated		Company	
	2009	2008	2009	2008
	$000	$000	$000	$000
Mortgage loan interest	153	3,110	-	-
Unwinding finance discount on impaired mortgage loans	-	1,947	-	-
Bank interest	-	11	-	2
Intercompany Interest	-	-	-	2,260
	153	**5,068**	**-**	**2,262**

7. Fee Revenue

Management fees	-	91	-	-
Application fees	-	-	-	-
Brokerage	-	25	-	-
Other fees	(1)	13	-	-
	(1)	**129**	**-**	**-**

8. Other Income

Recoveries	14	-	-	-
Rental income from property subleases	79	296	-	-
Contribution from Public Trustee of Queensland	403	-	403	-
Gain on deconsolidation of subsidiaries	4,614	-	-	-
Other income	463	-	517	2
	5,573	**296**	**920**	**2**

9. Impairment Losses

Bad and doubtful debts	-	9,772	-	16,101
Effective interest impairment	-	274	-	-
Impairment of property, plant and equipment	-	599	-	-
	-	**10,645**	**-**	**16,101**

10. Change in fair value of financial assets

Net change in fair value of financial assets*	-	6,561	-	-
	-	**6,561**	**-**	**-**

* This represents the fair value movement of an option held by the Group to acquire a 51% interest in Jag Marine Pty Ltd, who was looking to develop the Bowen Marina. Jag Marine Pty Ltd had sought to sell its rights to develop the Marina. Furthermore, Queensland Transport have not signed the operating lease to allow development of the Bowen

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Boat Harbour. Given the inherent uncertainties surrounding the project, it was considered appropriate to fair value the option held by the Group at nil as at 30 June 2008.

Refer to note 16 for additional information regarding the Group's allowance for impairment and to note 25 for additional information regarding the Group's exposure to credit risk on mortgage loans receivable.

11. Write-down of Inventory

	Consolidated		Company	
	2009	2008	2009	2008
	$000	$000	$000	$000
Write-down of inventory to net realisable value	-	12,982	-	-
	-	**12,982**	**-**	**-**

The basis of write-down of inventory is outlined in note 15.

12. Income tax expense

	Consolidated		Company	
	2009	2008	2009	2008
Current tax expense recognised in the income statement	$000	$000	$000	$000
Current period		-	-	-
Adjustment for prior periods		-	-	-
		-	-	-
Deferred tax expense				
Origination and reversal of temporary differences		(1,621)	-	88
Excess imputation credits		-	-	-
Utilisation of previously unrecognised tax losses		-	-	-
		(1,621)	-	88
Total income tax expense/(benefit)		(1,621)	-	88

Numerical reconciliation between tax expense and pre-tax net profit

	Consolidated 2009	Consolidated 2008	Company 2009	Company 2008
Profit/(loss) for the period		(30,095)	(1,559)	(20,081)
Total income tax expense/(benefit)		(1,621)	-	88
Profit/(loss) excluding income tax		(31,716)	(1,559)	(19,993)
Income tax expense/(benefit) using the Company's domestic tax rate of 30% (2008: 30%)		(9,515)	(468)	(5,997)
Non-deductible expenses		5	-	-
Gross up franked dividends		-	-	-
Tax incentives not recognised in income statement		-	-	-
Imputation credits claimed		-	-	-
Effect of tax losses recognised		-	-	-
Under/(over) provided in prior periods		(72)	-	88
Deferred tax assets not brought to account		7,961	468	5,997
		(1,621)	-	88

Income tax recognised directly in equity

Revaluation of property, plant and equipment		338	-	-
Total income tax (expense)/benefit recognised directly in equity		338	-	-

Deferred tax assets have not been brought to account as the directors believe that it is not probable that the tax losses and deductible temporary differences will be available to the Group in future years on taxable income due to the Group entering Administration and subsequently entering into a Deed of Arrangement (refer to Note 31 for detailed commentary which includes debt forgiveness). The directors also consider that there is uncertainty in respect of the tax position in satisfying the continuity of ownership and the same business tests.

13. Property, plant and equipment

	Consolidated			Company		
	Land and buildings $000	Plant and equipment $000	Total $000	Land and buildings $000	Plant and equipment $000	Total $000
Cost or deemed cost						
Balance at 1 July 2007	4,200	203	4,403	-	-	-
Additions	-	7	7	-	-	-
Disposals	-	(2)	(2)	-	-	-
Revaluation	(1,727)	-	(1,727)	-	-	-
Reversal upon revaluation	-	-	-	-	-	-
Balance at 30 June 2008	2,473	208	2,681	-	-	-
Balance at 1 July 2008	2,473	208	2,681	-	-	-
Additions	-	-		-	-	-
Disposal on deconsolidation	(2,473)	(208)	(2,681)	-	-	-
Revaluation / (write-back)	-	-	-	-	-	-
Reversal upon revaluation	-	-	-	-	-	-
Balance at 30 June 2009	-	-	-	-	-	-
Depreciation and impairment losses						
Balance at 1 July 2007	-	61	61	-	-	-
Depreciation for the year	108	30	138	-	-	-
Reversal upon revaluation	-	-	-	-	-	-
Balance at 30 June 2008	108	91	199	-	-	-
Balance at 1 July 2008	108	91	199	-	-	-
Depreciation for the year	-	-	-	-	-	-
Reversal upon deconsolidation	(108)	(91)	(199)	-	-	-
Balance at 30 June 2009	-	-	-	-	-	-
Carrying amounts						
At 1 July 2007	4,200	142	4,342	-	-	-
At 30 June 2008	2,365	117	2,482	-	-	-
At 1 July 2008	2,365	117	2,482	-	-	-
At 30 June 2009	-	-	-	-	-	-

Land & buildings and plant & equipment were owned by subsidiary entities within the Group and have therefore been deconsolidated on 9 September 2008 due to the Company ceasing to control the subsidiaries within the Group on entering into Administration.

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'Huntington' building

The land and buildings represents the 'Huntington' building. Subsequent to year-end, Receivers and Managers, McGrath Nicol, entered into control of the building at 10 Marine Parade, Southport pursuant to the first mortgagee's charge. The property was subsequently sold by McGrath Nicol. No sale proceeds were available to the Group. Accordingly, and in compliance with AASB 116 Property, plant and equipment, this property has been written down to its deemed recoverable value of $2,364,761 as at 30 June 2008 which reflects the subsequent sale proceeds less estimated selling costs of 5%. The directors have determined this value based on estimations of market value and information received from the Group's Administrators subsequent to year end.

The property was revalued upward by $656,817 during 2006 and $468,461 during 2007 pursuant to independent valuations. The impairment has firstly been applied to reduce these balances (net of deferred tax) in the asset revaluation reserve. The balance of the impairment loss of $599,000 is shown as an expense in the income statement.

14. Tax assets and liabilities

a) Unrecognised deferred tax assets and liabilities

Deferred tax assets have not been recognised at 30 June 2009 and 30 June 2008 as the directors believe that it is not probable that the tax losses and temporary differences will be available to the Group in future years (refer to Note 12).

Deferred tax assets have not been recognised in respect of the following items:

	Consolidated		Company	
	2009	2008	2009	2008
	$000	$000	$000	$000
Deductible temporary differences		(674)	4,940	4,896
Tax loss carry-forwards		8,372	344	-
		7,698	5,284	4,896

Inventories

Non Current	Consolidated		Company	
	2009	2008	2009	2008
	$000	$000	$000	$000
Work in progress – property developments		4,887	-	-
Inventories stated at lower of cost and net realisable value		4,887	-	-

Inventories have been written down as at 30 June 2008 where it was assessed that carrying values exceeded net realisable value. Estimates of net realisable value take into consideration fluctuations in prices to the extent that they provide evidence of conditions existing at the end of the reporting period.

The directors are of the opinion that, due to the Group entering Administration on 9 September 2008 and all property developments subsequently being actively marketed for sale, the best estimate of recoverable amounts as at 30 June 2008 had been determined based upon a mixture of sales proceeds received, less costs to sell and independent property valuations received. The directors believe that the length of time to sell certain assets is in line with the current economic environment in which the assets are marketed for sale and is not indicative of changes in conditions that would significantly impact on the assessed net realisable amounts as at 30 June 2008.

As inventories were held in subsidiary entities within the Group, these have been derecognised on 9 September 2008 due to the Group entering into Administration and the Company ceased to control the subsidiaries within the Group.

15. Loans and advances

Current	**Consolidated**		**Company**	
	2009	**2008**	**2009**	**2008**
		$000	**$000**	**$000**
Mortgage loans receivable at impaired value		1,035	-	-
Other trade receivables and prepayments		53	-	-
		1,088	-	-

The Group's exposure to credit and currency risk and maturity profiles of loans and advances are disclosed in note 25. Mortgage loans impaired and expensed as an impairment loss during the year ended 30 June 2009 amounted to $nil (2008: $10,046,138). Refer to note 9 for additional disclosures.

Mortgage loans receivable are not reflected in the 30 June 2009 financial report due to the Company losing control of the subsidiary entity in which the mortgage loans were held. This loss of control occurred on 9 September 2008 due to the Company and the subsidiaries within the Group entering External Administration (refer to note 7(b) of the Directors Report and note 29 of the financial report).

16. Cash and cash flows

a) Cash and cash equivalents

	Consolidated		**Company**	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Bank balances		1,332	23	382
Call deposits		11	-	-
Cash and cash equivalents in the statement of cash flows		1,343	23	382

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 25.

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b) Reconciliation of cash flows from operating activities

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Profit (loss) for the period		(30,095)	(1,559)	(20,081)
Adjustments for:				
Depreciation		138	-	-
Write-down in inventories		13,344	-	-
Unwinding of NPV discount for loans and advances		(1,947)	-	-
Write-down in property, plant and equipment		599		
Contribution from Public Trustee of Queensland		-	(403)	-
Impairment of and NPV discount expense for loans and advances		379	-	16,101
Change in fair value of derivatives		6,561	-	-
Other income		-	(517)	-
Write-down in licenses		76	-	-
Reclassify lease payments as financing		46	-	-
Reclassify WIP developments as financing		(630)	-	-
Income tax expense (benefit)		(1,621)	-	88
Operating profit before changes in working capital and provisions		(13,150)	(2,479)	(3,892)
Change in mortgage loans receivable		10,997	-	-
Change in trade and other receivables		(19)	-	(2,040)
Change in trade and other payables		2,243	887	(92)
Change in prepayments		20	-	-
Change in provisions and employee benefits		79	818	3,964
Change in deferred income		(472)	-	-
		(301)	1,705	1,832
Income taxes (paid) received		752	-	-
Net cash from operating activities		**451**	**(774)**	**(2,060)**

17. Other investments

Licence deposit		-	-	-
Investments – controlled entities		-	1	1
Financial assets designated at fair value through profit & loss		-	-	-
		-	**1**	**1**

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18. Capital and reserves

a) Reconciliation of movement in capital and reserves attributable to equity holders

	Consolidated			
	Share capital $000	Revaluation reserve $000	Retained earnings $000	Total $000
Balance at 1 July 2007	4,026	788	5,819	10,633
Total recognised income and expense	-	(788)	(30,095)	(30,883)
Dividends to equity holders	-	-	-	-
Balance at 30 June 2008	4,026	-	(24,276)	(20,250)

	Company			
	Share capital	Revaluation reserve	Retained earnings	Total equity
Balance at 1 July 2007	4,026	-	(98)	3,928
Total recognised income and expense	-	-	(20,081)	(20,081)
Dividends to equity holders	-	-	-	-
Balance at 30 June 2008	4,026	-	(20,179)	(16,153)
Balance at 1 July 2008	4,026	-	(20,179)	(16,153)
Total recognised income and expense	-	-	(1,559)	(1,559)
Dividends to equity holders	-	-	-	-
Balance at 30 June 2009	4,026	-	(21,738)	(17,712)

b) Share Capital

	Company Ordinary Shares	
	2009	2008
On issue at 1 July	46,568,000	46,568,000
On issue at 30 June – fully paid	46,568,000	46,568,000

Effective 1 July 1998, the Company Law Review Act abolished the concept of par value shares and the concept of authorised capital. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

c) Dividends

No dividends were recognised in the current or prior year by the Group.

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19. Earnings per share

The calculation of basic earnings per share and dilutive earnings per share at 30 June 2009 was based on the profit attributable to ordinary shareholders of the Company of $2,537,538 and a weighted average number of ordinary shares outstanding of 46,568,000 (2008: 46,568,000), calculated as follows:

a) Profit attributable to ordinary shareholders

	Consolidated	
	2009	**2008**
Net profit/(loss) attributable to ordinary shareholders	2,537,538	(30,095,176)

b) Weighted average number of ordinary shares

Issued ordinary shares at 1 July	46,568,000	46,568,000
Weighted average number of ordinary shares at 30 June	46,568,000	46,568,000

c) Weighted average number of ordinary shares (diluted)

Weighted average number of ordinary shares (basic)	46,568,000	46,568,000
Effect of share options on issue	-	-
Weighted average number of ordinary shares (diluted) at 30 June	46,568,000	46,568,000

Options have not been included in the calculation of diluted earnings per share as they are not dilutive.

20. Loans and Borrowings

This note provides information about the contractual terms of the Company's and Group's (for prior year) interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Company's and Group's exposure to interest rate and foreign currency risk, see note 25.

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$000	**$000**	**$000**	**$000**
Current liabilities				
Loans other parties		2,550	-	-
Unsecured notes		12,232	11,727	12,232
Loans secured		13,200	-	-
Finance lease liabilities		462	-	-
		28,444	11,727	12,232
Non-current liabilities				
Loans secured		-	-	-
Unsecured notes		-	-	-
Finance lease liabilities		-	-	-
		-	-	-

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a) Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

	Currency	Nominal interest rate	Year of maturity	Consolidated 30 June 2009 Face value $000	Consolidated 30 June 2009 Carrying amount $000	Consolidated 30 June 2008 Face value $000	Consolidated 30 June 2008 Carrying amount $000
Secured bank loan	AUD	9.90%*	2020			2,399	2,399
Secured bank loan	AUD	10.80%	2008			2,350	2,350
Secured bank loan	AUD	10.09%	2009			999	999
Secured bank loan	AUD	11.25%	2009			4,455	4,455
Secured bank loan	AUD	10.18%	2009			705	705
Secured bank loan	AUD	10.00%	2008			2,292	2,292
Unsecured loans	AUD	15.00%	2008			950	950
Unsecured loans	AUD	18.00%	2008			1,600	1,600
Unsecured notes	AUD	9.00%	2008			7,883	7,883
Unsecured notes	AUD	10.00%	2009			3,350	3,350
Unsecured notes	AUD	11.00%	2010			999	999
Finance lease liabilities	AUD	8.37%	2011			462	462
Total interest-bearing liabilities						**28,444**	**28,444**

* Interest calculated at the bank's 30-day bill rate plus facility margin of 1.55%.

	Currency	Nominal interest rate	Year of maturity	Company 30 June 2009 Face value	Company 30 June 2009 Carrying amount	Company 30 June 2008 Face value	Company 30 June 2008 Carrying amount
Unsecured notes	AUD	9.0%	2008	7,378	7,378	7,883	7,883
Unsecured notes	AUD	10.0%	2009	3,350	3,350	3,350	3,350
Unsecured notes	AUD	11.0%	2010	999	999	999	999
				11,727	**11,727**	**12,232**	**12,232**

b) Finance lease liabilities

Finance lease liabilities of the Group are payable as follows:

Consolidated	Minimum lease payments 2009	Interest 2009	Principal 2009	Minimum lease payments 2008	Interest 2008	Principal 2008
Less than one year				176	33	143
Between one and five years				347	28	319
More than five years				-	-	-
				523	**61**	**462**

The finance lease is for the refurbishment of the office premises at 10 Marine Parade, Southport, purchased by a wholly owned subsidiary, Asset Loan Investments Pty Ltd.

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c) Unsecured notes

The unsecured notes were issued under a prospectus lodged on 14 September 2006 to raise a maximum of $30 million at a rate of 9%, 10% or 11% for a one year, two year or three year term, respectively. A first ranking charge is held by the Public Trustee of Queensland over the assets of the Group on behalf of the note holders. The funds raised are lent by the holding company at an interest rate of 12% pa to the subsidiary Asset Loan Co. Pty Ltd to enable financing of new loans to borrowers. The unsecured notes have been reclassified to current liabilities as the Company is in breach of the conditions of the agreement at 30 June 2009.

21. Provisions

	Consolidated		Company	
	2009	2008	2009	2008
Current	$000	$000	$000	$000
Employee benefits – liability for long service leave		190	-	-
Employee benefits – liability for annual leave		27	-	-
Provision for financial guarantee contracts		-	4,782	3,964
Total provisions - current		**217**	**4,782**	**3,964**

Provision for financial guarantee contracts is discussed in note 24 below

Share based payments

During the 2005 year, the Company granted options for no consideration over unissued ordinary shares in Asset Loans Limited to the directors, key management personnel and senior employees.

The terms and conditions of the grants are as follows; whereby all options are to be settled by physical delivery of shares:

Grant date / employees entitled	Number of instruments	Vesting conditions	Contractual life of options
Option grant to directors on 11 November 2004	1,000,000	1 and 3 years continuous service	5 years
Option grant to key management on 11 November 2004	30,000	Nil	5 years
Option grant to senior employees on 11 November 2004	90,000	Nil	5 years

The number and weighted average exercise prices of share options is as follows:

	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	2009	2009 $000	2008	2008 $000
Outstanding at 1 July	$0.63	1,120,000	$0.63	1,120,000
Forfeited during the period	-	-	-	-
Exercised during the period	-	-	-	-
Granted during the period	-	-	-	-
Outstanding at 30 June	**$0.63**	**1,120,000**	**$0.63**	**1,120,000**
Exercisable at 30 June		**1,120,000**		**1,120,000**

The options outstanding at 30 June 2009 have an exercise price of $0.50, $0.60, and $0.70.

The fair value of services received in return for share options granted is based on the fair value of share options granted, measured using the Black-Scholes option-pricing model.

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No options were issued during 2009 (2008: nil).

22. Trade and other payables

	Consolidated		Company	
	2009	2008	2009	2008
	$000	$000	$000	$000
Other trade payables		463	18	18
GST		568	(28)	-
Interest payable on unsecured notes and other loans		358	1,237	322
		1,389	1,227	340

The Group' exposure to currency and liquidity risk related to trade and other payables is disclosed in note 25.

23. Guarantees

The Company has guaranteed the following on behalf of subsidiary entities:

- A loan made to Asset Loan Investments Pty Ltd with respect to the purchase of 10 Marine Parade, Southport, Qld;
- A lease rental agreement made to Asset Loan Investments Pty Ltd for the fit-out of the office premises at 10 Marine Parade, Southport, Qld;
- A loan made to Asset Loan Investments Pty Ltd with respect to the purchase of 98 Pulgal Street, Urangan, Qld; and
- A loan made to Asset Loan Investments Pty Ltd with respect to the development of 255 Charlton Esplanade, Pialba, Hervey Bay, Qld and refinancing of 10 Marine Parade, Southport, Qld.

Under the terms of the financial guarantee contracts, the Company or the Group will make payments to reimburse the lenders upon failure of the guaranteed entity to make payments when due.

A provision has been recognised for the extent to which loans exceed the value of security pledged. As such, the Company has made a provision of $4,781,696 (2008: $3,963,879) as at 30 June 2009.

24. Financial instruments

a) Financial risk management

(i) Overview

The Company and Group have exposure to the following risks from their use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework and risk is discussed and assessed at each board meeting when the monthly financial statements and projected cash flows are tabled.

(ii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. For the Company it arises from receivables due from subsidiaries.

(iii) Mortgage loan receivables

The Company's and Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis. Credit evaluations are conducted on all customers requiring credit.

The Group obtains mortgaged backed securities for all loan advances. These securities have predominantly first or second mortgage positions secured against land and buildings. The Group's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets.

The Group has established an allowance for impairment that represents their estimate of incurred losses in respect of mortgage loans. The impairment represents the specific loss component that relates to specific mortgage loans.

(iv) Guarantees

Refer to note 23 for details of outstanding guarantees provided by the Group.

(v) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient working capital to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group maintains detailed cash flow forecasts projected forward 18 months and updated continuously for changed circumstances. These assist to identify liquidity issues for corrective action by management and to ensure there is sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations. However, this would exclude the potential impact of extreme circumstances that cannot reasonably be predicted.

(vi) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group has no exposure to currency risk.

(vii) Capital management

The Board's policy has been to pursue higher returns that might be possible with higher levels of borrowings. However the overriding policy is that the capital base of the Group is not eroded with a minimum target rate of return on capital of 15% pa. During the year ended 30 June 2009 the return was lower than expected due to the significant increase in cost of capital due to the tightening of credit markets locally and internationally.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

b) Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2009 **$000**	**2008** **$000**
Derivative Financial instruments	-	-
Mortgage loans and receivables at impaired value	-	1,035
Cash and cash equivalents	23	1,343
	23	2,378

c) Liquidity risk

The following are the contractual maturities of financial liabilities, representing undiscounted cash flows for the respective upcoming financial years. Cash flows for financial liabilities without fixed amounts or timing are based on the conditions existing at 30 June 2009.

Consolidated	**2009**						
Financial liabilities	**Carrying amount $000**	**Contractual cash flows $000**	**6 months or less $000**	**6-12 months $000**	**1-2 years $000**	**2-5 years $000**	**More than 5 years $000**
Trade and other payables							
Bank loans – secured							
Loans – other unsecured*							
Unsecured notes							
Finance lease liabilities							

*Available on call

Consolidated	**2008**						
Financial liabilities	**Carrying amount $000**	**Contractual cash flows $000**	**6 months or less $000**	**6-12 months $000**	**1-2 years $000**	**2-5 years $000**	**More than 5 years $000**
Trade and other payables	1,389	1,389	1,389	-	-	-	-
Bank loans - secured	13,200	16,786	16,786	-	-	-	-
Loans – other unsecured*	2,550	2,550	2,550	-	-	-	-
Unsecured notes	12,232	12,232	12,232	-	-	-	-
Finance lease liabilities	462	523	523	-	-	-	-
	29,833	33,480	33,480	-	-	-	-

*Available on call

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Company	2009						
Financial liabilities	**Carrying amount $000**	**Contractual cash flows $000**	**6 months or less $000**	**6-12 months $000**	**1-2 years $000**	**2-5 years $000**	**More than 5 years $000**
Trade and other payables	1,227	1,227	1,227	-	-	-	-
Unsecured notes	11,727	11,727	11,727	-	-	-	-
	12,954	12,954	12,954	-	-	-	-

Company	2008						
Financial liabilities	**Carrying amount $000**	**Contractual cash flows $000**	**6 months or less $000**	**6-12 months $000**	**1-2 years $000**	**2-5 years $000**	**More than 5 years $000**
Trade and other payables	340	340	340	-	-	-	-
Unsecured notes	12,232	12,232	12,232	-	-	-	-
	12,572	12,572	12,572	-	-	-	-

d) Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

e) Interest rate sensitivity analysis for variable rate instruments

The tables below show the effect on finance costs and profit/(loss) after tax if interest rates had been 100 basis points (bps) higher or lower at reporting date on the Company's floating rate financial instruments. A 100 basis point sensitivity is considered reasonable given the current level of both short-term and long-term Australian interest rates. This would represent approximately 4 rate increases/(decreases) and in the current economic environment, where pressure remains on the employment market, it is unlikely that the Reserve Bank of Australia will commence a sharp upwards or downwards movement in the interest rate cycle over the next 12 months beyond the 100 basis points margin. The analysis is based on interest rate risk exposures at balance date on both financial assets and financial liabilities.

	Consolidated Profit/(loss) after tax	
	2009 $000	**2008 $000**
If interest rates increased by 100bps – Increase equity/(decrease equity)		(34)
If interest rates decreased by 100bps – Increase equity/(decrease equity)		34

	Company Profit/(loss) after tax	
	2009 $000	**2008 $000**
If interest rates increased by 100bps – Increase equity/(decrease equity)	-	4
If interest rates decreased by 100bps – Increase equity/(decrease equity)	-	(4)

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25. Operating leases

The Group leases out part of its property as operating leases. The future minimum lease receipts under non-cancellable leases are as follows:

	Consolidated		Company	
	2009 $000	2008 $000	2009 $000	2008 $000
Less than one year		178	-	-
Between one and five years		229	-	-
More than five years		-	-	-
		407	-	-

26. Contingencies

The Company and Group is involved in litigation with borrowers in the normal course of business as at 30 June 2009. The directors are of the opinion that a provision is not required in respect of this litigation, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement. In the directors' opinion, disclosure of further information would be prejudicial to the interests of the company.

27. Related parties

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors
The Hon. Robert Borbidge (Chairman)
Executive directors
Mr Paul A S Hare (Chief Executive Officer)
Mr Russell F Percival

Executives
Ms Lisa Karlis (Company Secretary and Chief Financial Officer)
Mr Andrew Mortlock (Head of Property)

a) Key management personnel compensation

The key management personnel compensation is as follows:

	Consolidated		Company	
	2009 $	2008 $	2009 $	2008 $
Short-term employee benefits	162,080	866,615	-	-
Other long term benefits	-	-	-	-
Post-employment benefits	14,588	80,785	-	-
Termination benefits	-	-	-	-
Share-based payments	-	-	-	-
	176,668	947,400	-	-

Other remuneration

In their report to creditors dated 27 November 2008, the Administrators of the Company advised that Mr Paul Hare 'cashed in' approximately $21,000 of his annual leave on 21 May 2008 and $11,000 of accrued time in lieu (after tax) on 25 January 2008. These amounts have been included in the remuneration disclosures above.

The above amounts have not been rounded to the nearest thousand dollar as ASIC Class Order [CO 98/100] restricts the rounding of information in relation to the remuneration of directors, executive officers and auditors.

b) Individual directors and executives compensation disclosures

Information regarding individual directors and executive compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 are provided in the Remuneration Report section of the Directors' report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year-end.

c) Loans to key management personnel and their related parties

No loans were made to key management personnel and their related parties during the year and there are no outstanding balances.

d) Other key management personnel transactions

There were no other transactions with key management personnel during the year.

e) Options and rights over equity instruments

There was no movement during the reporting period in the number of options over ordinary shares in Asset Loans Limited held directly, indirectly or beneficially, by each key management person including their related parties. The number of options held by key management personnel is as follows:

Directors	Held at 1 July 2008	Granted as compensation	Exercised	Held at 30 June 2009	Vested during the year	Vested and exercisable at 30 June 2009
Mr P A S Hare	500,000	-	-	500,000	250,000	500,000
Mr R F Percival	500,000	-	-	500,000	250,000	500,000

Directors	Held at 1 July 2007	Granted as compensation	Exercised	Held at 30 June 2008	Vested during the year	Vested and exercisable at 30 June 2008
Mr P A S Hare	500,000	-	-	500,000	-	250,000
Mr R F Percival	500,000	-	-	500,000	-	250,000

f) Movements in shares

The movement during the reporting period in the number of ordinary shares in Asset Loans Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Directors	Held at 1 July 2008	Purchases	Received on exercise of options	Sales	Held at 30 June 2009
Mr P A S Hare	15,351,040	-	-	-	15,351,040
Mr R F Percival	15,351,000	-	-	-	15,351,000

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
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	Held at 1 July 2007	Purchases	Received on exercise of options	Sales	Held at 30 June 2008
Directors					
Mr P A S Hare	15,351,040	-	-	-	15,351,040
Mr R F Percival	15,351,000	-	-	-	15,351,000

No shares were granted to key management personnel during the reporting period as compensation in 2009 or 2008.

g) Non-key management personnel disclosures

(i) Identity of related parties

The Group has a related party relationship with its subsidiaries (see Note 29) and with its key management personnel (see Note 28(a)).

(ii) Subsidiaries

Loans are made by the Company to wholly owned subsidiaries for capital purchases and/or working capital on normal terms and conditions.

28. Group entities

Parent entity	Country of incorporation	Ownership interest	
Asset Loans Limited		**2009**	**2008**
Significant subsidiaries			
Asset Loan Co. Pty Ltd	Australia	100	100
Asset Loan Investments Pty Ltd	Australia	100	100
Asset Life Pty Ltd (formerly Huntington Mercantile Pty Ltd)	Australia	100	100
Instant Business Loans Pty Ltd	Australia	100	100
Gallipoli Developments Pty Ltd	Australia	100	100
Hervey Bay Marina Motel Pty Ltd	Australia	100	100
Asset Loan Developments Pty Ltd	Australia	100	100
Laidley Properties Pty Ltd (acquired 12 October 2007)	Australia	100	100
CAL DEV Pty Ltd (incorporated 15 November 2007)	Australia	100	100
Miriwinni Developments Pty Ltd (incorporated 3 August 2007)	Australia	100	100
AL Retirement Living Pty Ltd (incorporated 12 November 2007)	Australia	100	100

In the financial statements of the Company, investments in subsidiaries are measured at cost.

Loss of control of subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
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On 9 September 2008 the Company ceased to control the subsidiaries within the Group. The loss of control of the subsidiaries within the Group occurred without a change in absolute or relative ownership levels and without a transaction occurring. The loss of control occurred on 9 September 2008 when the subsidiaries, along with the Company, became subject to the control of Administrators.

On 9 September 2008, the Company ceased to consolidate its subsidiaries by derecognising the assets and liabilities of the subsidiaries attributable to the Company. The Company will re-consolidate its subsidiaries at the point in time control is deemed to have been regained. The directors consider this will be the time at which the subsidiaries, and the Company, are no longer under Administration. For the year ended 30 June 2009, all subsidiaries were under administration or had been deregistered.

The financial effects of this event have been included in the financial report at 30 June 2009.

29. Auditor's remuneration

	Consolidated		Company	
	2009	**2008**	**2009**	**2008**
	$	**$**	**$**	**$**
Audit services				
Auditors of the Company				
KPMG Australia:				
Audit and review of financial reports	50,000	90,000	-	-
Other services				
Auditors of the Company				
KPMG Australia				
Review procedures	-	-	-	-
Accounting assistance	-	-	-	-
Taxation services	-	-	-	-
	-	-	-	-

The above amounts have not been rounded to the nearest thousand dollar as ASIC Class Order [CO 98/100] restricts the rounding of information in relation to the remuneration of directors, executive officers and auditors.

30. Events subsequent to year end

a) External Administration and Deed of Company Arrangement

On 21 December 2009, the Company obtained the approval of its creditors to vary the existing DOCA to reflect the recapitalisation of the Company in accordance with the Recapitalisation Deed. The varied DOCA was executed by the Company on 10 January 2010.

On completion of the Recapitalisation Deed:

a) Certain loans of Asset Loans Co. Pty Ltd (ALC) (in liquidation), a wholly owned subsidiary of Asset Loans, have been assigned to Asset Loans to be part of an "Instant Loans" business post recapitalisation (Retained Loans);

b) The Company has paid $325,000 to the Administrators who have transferred this amount to a Creditors' Trust;

c) The Creditors' Trust have been:

(i) Paid $325,000 (as referred to above) together with a $25,000 deposit previously paid by Harmsup to the Administrators; and

(ii) Transferred all of Asset Loans' assets, excluding company records, the loans from ALC assigned to Asset Loans as mentioned above and all the shares of Asset Life Pty Ltd (Asset Life), a wholly owned subsidiary of Asset Loans which held intellectual property for a "Life Settlements" business and was previously granted an Australian Financial Services Licence (AFS Licence), but including any amounts paid to the Company or ALC in connection with the Loan Management Agreement.

d) The Company has come out of administration; and

e) The current board of directors of Asset Loans have been removed and replaced by nominees of Harmsup, being Mr Harry Fung, Mr Giuseppe Cossari and Mr Robert Pertich.

To raise the funds necessary to complete the Recapitalisation Deed, Harmsup indicated it is prepared to undertake the following capital raisings:

a) The issue of 100,000,000 shares at an issue price of 0.05 cents each to persons nominated by Harmsup to raise $50,000. This has been completed at the date of this report;

b) The issue of 150,000,000 shares at an issue price of 0.5 cents each to raise $750,000. This has been completed at the date of this report;

c) The issue of up to 100,000,000 shares at an issue price of 1 cent each to raise up to $1,000,000. This has not been completed at the date of this report; and

d) The ASX has confirmed that it will only approve the re-instalment of shares to the ASX if Asset Loans re-complies with Chapters 1 and 2 of the ASX Listing Rules, therefore ASQ propose the issue of up to an additional 75,000,000 shares at an issue price of 1 cent each to raise up to an additional $750,000. This has not been completed at the date of this report.

The ASX has advised that the Company will need to re-comply with Chapters 1 and 2 of the ASX Listing Rules before its shares will be re-instated to trading on the ASX once it comes out of administration. As a result, Harmsup has indicated that:

a) It has completed the capital raisings under clauses (a) and (b) above but has not at this stage completed the capital raisings under clauses (c) or (d) above;

b) It will use the funds raised to expand the existing business of the Company and to investigate additional opportunities to acquire assets or a business that have the potential to provide an attractive return to Shareholders. It will not seek to have its shares re-listed on the ASX while it is seeking suitable opportunities; and

c) In the event a suitable opportunity is identified, it will seek to complete the capital raisings under clauses (c) and (d) and to re-comply with Chapters 1 and 2 of the ASX Listing Rules.

Resolutions proposed in the Notice of General Meeting have been passed and enabled the terms of the DOCA to be completed on 28 June 2010 and the external Administrators were removed on 28 June 2010.

The financial effects of the External Administration and Deed of Company Arrangement have not been included at 30 June 2009, with the exception of the deconsolidation of subsidiary entities where the Company ceased to control subsidiaries within the Group as a result of entering into Administration (refer to note 29 of the financial report).

b) Change of Company name

The Company changed its name from Asset Loans Limited to ASQ Financial Group Limited on 28 June 2010.

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
Notes to the financial statements

c) Funds raised

Subsequent to year end the Company raised the following funds:

	Company	
	Number	$'000
Shares issued – ordinary shares – 0.05 cents per share	100,000,000	50
Shares issued – ordinary shares – 0.5 cents per share	150,000,000	750
Secured convertible notes	5,500,000	550
Convertible loan		531
		1,881

Secured convertible notes

The Company issued 5,500,000 secured convertible notes. These notes are convertible to fully paid ordinary shares with conversion consideration equal to 50% of the price at which new shares are issued under a prospectus or similar instrument. These notes are convertible on the event of relisting to the ASX, subject to shareholder approval and at the election of the noteholder. The notes have a fixed term expiring 31 May 2011. Interest is payable at 10% per annum.

Convertible loan, secured by guarantee

The Company borrowed funds from investors. Upon shareholder approval, these loans convert immediately to fully paid ordinary shares with a face value of 10 cents per share subsequent to a 1 for 8 cent proposed share consolidation. These loans have a fixed term expiring 31 May 2011, interest of 10% per annum is only payable if the loan is not converted and these loans are secured by guarantee.

d) Appointment of Novus Capital as Sponsoring Broker

On 1 December 2010 ASQ announced that it has entered into a mandate with Novus Capital Group ("Novus") to assist the Company with seeking business opportunities. The Directors of ASQ consider the appointment of Novus will provide a number of opportunities in new projects, capital raising and board expertise moving forward.

e) Proposed acquisition of Consolidated Steel Group Pty Limited

On 9 December 2010 ASQ announced that the Company has entered into an exclusive due diligence phase with Consolidated Steel Group Pty Limited ("CSG"), with a view to acquire all of the issued capital of CSG. CSG is in the business of steel trading, principally tubular pipe products, for sale to steel distributors in Australia and for resource projects in Australia and overseas.

In January 2011 ASQ signed a Heads of Agreement with CSG, for the acquisition of 100% of the shares of CSG. The cash consideration for the purchase is $1,000,000, of which $884,000 has been paid at the date of this report.

ASQ Financial Group Limited (formerly known as Asset Loans Limited)
Directors' declaration
For the year ended 30 June 2009

1 In the opinion of the directors of ASQ Financial Group Limited (formerly known as Asset Loans Limited) ('the Company'):

(a) the financial statements and notes on pages 23 to 58, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2009 and of the Company's and Group's performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a);

(c) the remuneration disclosures that are contained in the Remuneration Report in the Directors' report, set out on pages 13 to 17 are in accordance with the Corporations Act 2001; and

(d) as at the date of this declaration 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 The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from two officers of the Company for the financial year ended 30 June 2009.

Signed in accordance with a resolution of the directors:

6 April 2011

Harry Fung
Director

Robert Pertich
Director

Independent auditor's report to the members of ASQ Financial Group Limited (formerly known as Asset Loans Limited)

Report on the financial report

We have audited the accompanying financial report of ASQ Financial Group Limited (formerly known as Asset Loans Limited) (the Company), which comprises the Company's balance sheet as at 30 June 2009, and the Company's and Group's income statements, statements of recognised income and expense and statements of cash flows for the year ended on that date, notes 1 to 31 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company and the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 2(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group and the Company comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Company's financial position and of the Company's and Group's performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Independent auditor's report to the members of ASQ Financial Group Limited (formerly known as Asset Loans Limited)

Auditor's opinion

In our opinion:

(a) the financial report of ASQ Financial Group Limited (formerly known as Asset Loans Limited) is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2009 and of the Company's and Group's performance for the year ended on that date; and

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

(b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2(a).

Material uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 2(c), "Going Concern" in the financial report. The conditions disclosed in Note 2(c) indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 13 to 17 of the directors' report for the year ended 30 June 2009. 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 Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of ASQ Financial Group Limited (formerly known as Asset Loans Limited) for the year ended 30 June 2009, complies with Section 300A of the *Corporations Act 2001*.

KPMG

KPMG

Adam Twemlow
Partner

Bundall

6 April 2011

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Shareholdings (as at 25 March 2011)

Substantial shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Number
H Fung (and associated entities)	45,000,000
ZJC investment	45,680,000

Voting rights

Ordinary shares

Refer to note 19 in the financial statements

Options

Refer to note 19 in the financial statements

Distribution of equity security holders

Category	NUMBER OF EQUITY SECURITY HOLDERS Ordinary shares	Options
1 - 1,000	4	-
1,001 - 5,000	167	-
5,001 - 10,000	70	-
10,001 - 100,000	104	-
100,001 and over	93	-
	438	-

Other information

ASQ Financial Group Limited (formerly known as Asset Loans Limited), incorporated and domiciled in Australia, is a publicly listed company limited by shares.

Twenty largest shareholders

Name	Number of ordinary shares held	Percentage of capital held
ZJC Investments Pty Ltd	45,680,000	15.41
Mr Harry Fung (Meng Seng Unit Trust A/c)	25,000,000	8.44
Harmsup Pty Ltd	20,000,000	6.74
Voolia Pty Ltd	10,544,000	3.55
Mr Gerry Byrne (Butterfly Super Fund A/c)	10,000,000	3.37
Mrs Maria Byrne (Butterfly Super Fund A/c)	10,000,000	3.37
Sacco Developments Australia Pty Ltd (The Sacco Family A/c)	8,000,000	2.70
A & J Tannous Nominees Pty Ltd	6,000,000	2.02
Mr Stefano Sacco	6,000,000	2.02
Mr Aldo Sacco	6,000,000	2.02
Rimoyne Pty Ltd	5,000,000	1.69
XanderCo Pty Ltd	4,139,000	1.40
Rage Trading Pty Ltd	4,000,000	1.35
Vanbas International Inc.	3,990,000	1.34
Mr Jon Grant	3,000,000	1.01
Mrs Lisa Grant	3,000,000	1.01
Ms Stefana Depasquale	3,000,000	1.01
Mr Shane Marlon	3,000,000	1.01
Mr Jason Blake	3,000,000	1.01
Mr Zaki Alajaji	3,000,000	1.01
	182,353,000	61.48

Offices and officers

Company Secretary

Mr Robert Pertich

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