

Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

Name of Entity	FSA Group Limited
ABN	98 093 855 791
Financial Year Ended	30 June 2003
Previous Corresponding Reporting Period	30 June 2002

Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue from ordinary activities	11,015,928	1,086%
Profit / (loss) from ordinary activities after tax attributable to members	(1,542,219)	-
Net profit / (loss) for the period attributable to members	(1,542,219)	-
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	-	-
Interim Dividend	-	-
Record date for determining entitlements to the dividends (if any)	-	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
<p>During the year ended 30 June 2003 FSA Group Limited ("FSA Group") completed the acquisition of the financial services group, the Fox Symes group of companies. In February 2003 the gogo7 virtual tour business was closed. Therefore comparison of the financial performance of the group to the previous corresponding period are of little benefit.</p>		

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Dividends

Date the dividend is payable	-
Record date to determine entitlement to the dividend	-
Amount per security	-
Total dividend	-
Amount per security of foreign sourced dividend or distribution	-
Details of any dividend reinvestment plans in operation	-
The last date for receipt of an election notice for participation in any dividend reinvestment plans	-

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset backing per ordinary security	\$0.08	\$0.02

Commentary on the Results for the Period

During the year ended 30 June 2003, the directors of FSA Group Limited ("FSA Group") completed the acquisition of the financial services group, the Fox Symes group of companies. In February 2003 the gogo7 virtual tour business was closed.

The consolidated entity's operating loss before tax (EBITDA) was \$577,960 before allowing for the write off of the carrying value of the Intellectual Property relating to the gogo7 business. The overall loss (EBIT) for the consolidated entity was \$1,416,194 after tax, depreciation, amortisation and the write off of Intellectual Property of \$499,995.

Segmental Analysis

Financial services (Continuing operations)

FSA Group's core business is to provide financial services to individuals in financial distress. This part of the group made an operating loss (EBITDA) of \$20,993 during the 11 month period from August to June, since its acquisition.

During the period, FSA Group has focused on further improving the Company's internal operating systems and procedures, strengthening stakeholder relations and growing quality revenue streams.

Particular focus has centered on enhancing internal efficiencies to enable the business to better cope with future revenue growth. While much of this work is nearing completion this process has taken longer and is proving to be more complex than originally foreshadowed, resulting in inflated overheads during the period. While this period's result is below the Board's expectations, the Board considers that a sound platform upon which to grow profitability is being achieved and expects to see the full benefits of these improvements, which include reduced overheads and increased productivity, to impact the 2004 full financial year.

Changes to the advertising and marketing strategy during the year had mixed results. Revenue of \$10,487,985 for the 11 month period was lower than expected.

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Virtual tours – gogo7 (Discontinuing operations)

On 29 January 2003, the Directors announced their intention to close the gogo7 real estate virtual tour division. The gogo7 division was non-core – a review was undertaken which concluded that it was unlikely that the division would generate sufficient profits in the near future. Following the review the directors decided in the best interests of the FSA Group to close the division.

The closure of the gogo7 division was completed in February. The value of the gogo7 Intellectual Property at 31 December 2002 was \$499,995, which has been fully written off.

For the 8 months prior to its closure the gogo7 division made an operating loss (EBITDA) of \$556,968. Depreciation and amortisation charges during the period were \$165,683.

The value of the gogo7 Intellectual Property at 31 December 2002 was \$499,995. As a result of the closure, this has been written off at 31 December 2002 and treated as “Write down of Intellectual Property - discontinued operations”.

LIKELY DEVELOPMENTS

The Board expects that FSA Group will benefit, in terms of improved internal efficiencies and lower overheads, from the ongoing efforts to improve profitability within the next few months.

The recently passed Bankruptcy Legislation Amendment Bill 2002 has raised the income cutoff for debtors eligible to submit a Debt Agreement proposal by 50% from about \$32,614 to \$48,000 after tax. This has real significance for Part IX Debt Agreements as it will result in an increase in the number of debtors able to seek relief from their financial difficulties by relying on a Debt Agreement.

The Bill took effect on 5 May this year and will have a significant positive impact on FSA Group revenue for the financial year ending 30 June 2004 and beyond.

We are in an exciting phase of the Company’s development. We are improving our internal systems and procedures, lowering overheads, have a market-leading product (administering Part IX’s) and are developing other products to assist a greater number of the 60,000 to 75,000 people a year who contact FSA Group seeking help with their financial difficulties.

We note that consumer debt has grown to \$87 billion, a rise of some 11.7% over the year to November 2002. Consumer debt excludes mortgages. Delinquent debt and individuals in financial difficulties continues to increase. The Company remains confident that the demand for its services will continue to grow.

The Company will continue to develop and trial new products capable of leveraging off the existing infrastructure that have the capacity to contribute to the Company’s bottom line and grow shareholder value.

Audit/Review Status

This report is based on accounts to which one of the following applies:

(Tick one)

The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	X	The accounts have not yet been audited or reviewed	

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Draft Financial Statements**

Statement of Financial Performance

YEAR ENDED 30 JUNE 2003	Notes	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS		TOTAL COMPANY	
		2003	2002	2003	2002	2003	2002
		\$	\$	\$	\$	\$	\$
REVENUE FROM ORDINARY ACTIVITIES	1	10,522,877	n/a	493,051	1,013,875	11,015,928	1,013,875
EXPENSES FROM ORDINARY ACTIVITIES (excluding borrowing costs and write downs)	2	(10,656,905)	n/a	(1,189,557)	(2,511,197)	(11,846,462)	(2,511,197)
BORROWING COSTS	2(a)	(26,976)	n/a	(58,689)	(18,813)	(85,665)	(18,813)
WRITE DOWN OF INTELLECTUAL PROPERTY	2(b)	-	n/a	(499,995)	-	(499,995)	-
WRITE DOWN OF INVESTMENT	2(b)	-	n/a	-	(603,600)	-	(603,600)
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE		(161,004)	n/a	(1,255,190)	(2,119,735)	(1,416,194)	(2,119,735)
INCOME TAX EXPENSE ATTRIBUTABLE TO ORDINARY ACTIVITIES	3	(126,025)	n/a	-	-	(126,025)	-
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE		(287,029)	n/a	(1,255,190)	(2,119,735)	(1,542,219)	(2,119,735)
Basic earnings per share (cents per share) Diluted earnings per share is the same as Basic earnings per share.						(1.90)	(7.19)

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Statement of Financial Position

At 30 June 2003	Notes	CONSOLIDATED	
		2003 \$	2002 \$
CURRENT ASSETS			
Cash assets		2,033,686	935,956
Receivables	4	4,534,517	391,352
Investments	5	68,299	102,456
Inventories	6	-	43,749
Other	7	158,757	212,991
TOTAL CURRENT ASSETS		6,795,259	1,686,504
NON-CURRENT ASSETS			
Plant and equipment	10	340,040	82,236
Intangibles	11	650,964	600,000
TOTAL NON-CURRENT ASSETS		991,004	682,236
TOTAL ASSETS		7,786,263	2,368,740
CURRENT LIABILITIES			
Payables	12	3,605,082	362,797
Interest-bearing liabilities	13	-	72,345
Provisions	14	83,439	6,357
Unallocated Share Proceeds		-	280,805
TOTAL CURRENT LIABILITIES		3,688,521	722,304
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	15	931,000	580,609
Deferred Income Tax Liabilities	16	923,157	-
TOTAL NON-CURRENT LIABILITIES		1,854,157	580,609
TOTAL LIABILITIES		5,542,678	1,302,913
NET ASSETS		2,243,585	1,065,827
EQUITY			
Contributed equity	17	9,634,375	6,914,398
Accumulated losses	18	(7,390,790)	(5,848,571)
TOTAL EQUITY		2,243,585	1,065,827

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Statement of Cash Flows

YEAR ENDED 30 JUNE 2003	Notes	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS		TOTAL COMPANY	
		2003	2002	2003	2002	2003	2002
		\$	\$	\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers		14,275,008	n/a	635,254	1,216,693	14,910,262	1,216,693
Payments to suppliers and employees		(8,374,607)	n/a	(1,051,511)	(2,318,634)	(9,426,118)	(2,318,634)
Interest received		30,536	n/a	31,979	23,558	62,515	23,558
Interest and other costs of finance paid		(30,828)	n/a	(23,898)	(18,813)	(54,726)	(18,813)
Distribution of funds on behalf of financial institutions		(4,583,840)	n/a	-	-	(4,583,840)	-
	19	1,316,269	n/a	(408,176)	(1,097,196)	908,093	(1,097,196)
NET CASH FLOWS USED IN OPERATING ACTIVITIES							
CASH FLOWS FROM INVESTING ACTIVITIES							
Acquisition of plant and equipment		(201,635)	n/a	-	(23,268)	(201,635)	(23,268)
Proceeds from disposal of plant and equipment		-	n/a	10,225	13,584	10,225	13,584
Acquisition of controlled entity – net of cash		276,703	n/a	(590,992)	-	(314,289)	-
Loans to other entities		-	n/a	-	(180,000)	-	(180,000)
Proceeds from disposal of liquid marketable securities		-	n/a	34,157	141,839	34,157	141,839
		75,068	n/a	(546,610)	(47,845)	(471,542)	(47,845)
NET CASH FLOWS USED IN INVESTING ACTIVITIES							
CASH FLOWS FROM FINANCING ACTIVITIES							
Borrowings - commercial loan		-	n/a	-	33,128	-	33,128
Share subscription proceeds		-	n/a	288,739	280,805	288,739	280,805
Convertible Note proceeds		-	n/a	455,000	545,000	455,000	545,000
Finance lease principal		-	n/a	(82,559)	(67,031)	(82,559)	(67,031)
		-	n/a	661,180	791,902	661,180	791,902
NET CASH FLOWS FROM FINANCING ACTIVITIES							
		1,391,337	n/a	(293,606)	(353,139)	1,097,731	(353,139)
NET INCREASE/(DECREASE) IN CASH HELD							
Add opening cash brought forward		-	n/a	935,955	1,289,095	935,955	1,289,095
CLOSING CASH CARRIED FORWARD							
		1,391,337	n/a	642,349	935,956	2,033,686	935,956

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	CONTINUING OPERATIONS		DISCONTINUED OPERATIONS		TOTAL COMPANY	
	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$
1. REVENUE FROM ORDINARY ACTIVITIES						
Revenues from operating activities						
Sales revenues – Services	10,487,985	n/a	-	-	10,487,985	-
Sales revenues – sale of goods	-		464,148	848,478	464,148	848,478
Revenues from non- operating activities						
Interest received	34,892		28,903	23,558	63,795	23,558
Proceeds on sale of listed marketable securities	-		-	141,839	-	141,839
Total revenues from operating activities	10,522,877	n/a	493,051	1,013,875	11,015,928	1,013,875
2. EXPENSES FROM ORDINARY ACTIVITIES						
(excluding borrowing costs and write downs)						
Personnel costs	4,164,940		523,166	587,899	4,688,106	587,899
Corporate and Administrative expenses	6,491,965		666,391	1,923,298	7,158,356	1,923,298
	10,656,905	n/a	1,189,557	2,511,197	11,846,462	2,511,197
(a) Borrowing costs						
Finance leases	26,976		4,203	18,813	31,179	18,813
Interest bearing debt	-		54,486	-	54,486	-
	26,976	n/a	58,689	18,813	85,665	18,813
(b) Significant item						
Loss from ordinary activities before income tax expense includes the following expense whose disclosure is relevant in explaining the financial performance of the entity:						
Write down of Intellectual Property – discontinued operations	-	n/a	499,995	-	499,995	-
Write down of Investment	-	n/a	-	603,600	-	603,600
(c) Expenses and Losses / (Gains)						
Loss from ordinary activities before income tax expense is after charging / crediting the following items:						
Depreciation of non-current assets						
- Plant and equipment	140,011	n/a	22,671	58,376	162,682	58,376
- Plant and equipment under lease	-	n/a	43,004	74,928	43,004	74,928
Amortisation of non-current assets - Intellectual Property	32,544	n/a	100,000	200,000	132,544	200,000
Total depreciation and amortisation expenses	172,555	n/a	165,675	333,304	338,230	333,304
Loss on Disposal Fixed Assets	232,912	n/a	-	-	232,912	-
Bad and doubtful debts – trade debtors	2,813,320	n/a	33,836	72,977	2,847,156	72,977
Operating lease rental	-	n/a	74,826	143,413	-	143,413
Obsolete stock	-	n/a	32,446	-	32,446	-
Unrealised losses / (gains) on investments – listed marketable securities	-	n/a	(1,932)	84,138	(1,932)	84,138

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	CONSOLIDATED	
	2003	2002
	\$	\$
3. INCOME TAX		
The prima facie tax, using tax rates applicable in the country of operation (2002: 30%), on operating profit differs from the income tax provided in the financial statements as follows:		
Prima facie tax benefit on loss from ordinary activities	(424,858)	(635,920)
Tax effect of permanent differences		
Amortisation of intangible assets	9,763	60,000
Write down of investment	-	181,080
Amortisation of intellectual property	180,000	-
Other items (net)	4,648	145
Tax effect of timing differences	356,471	394,695
Income tax expense attributable to ordinary activities	<u>126,025</u>	<u>-</u>
4. RECEIVABLES (CURRENT)		
Trade debtors	7,604,616	137,501
Provision for doubtful debts	(3,084,932)	(33,210)
	<u>4,519,684</u>	<u>104,291</u>
Other	14,833	-
Other related parties – associated company	-	7,061
Loan receivable from other external entity	-	280,000
	<u>4,534,517</u>	<u>391,352</u>
Australian dollar equivalents of amounts receivable in New Zealand Dollars (2002:NZD8,840) not effectively hedged:	-	7,061

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	CONSOLIDATED	
	2003	2002
	\$	\$
5. INVESTMENTS (CURRENT)		
Listed marketable securities on a prescribed stock exchange at net market value.	<u>68,299</u>	<u>102,456</u>
There would be no material capital gains tax payable if these assets were sold at reporting date.		
6. INVENTORIES (CURRENT)		
Finished goods – at cost	<u>-</u>	<u>43,749</u>
7. OTHER CURRENT ASSETS		
Prepayments	158,157	57,238
Capital raising costs	-	155,753
	<u>158,157</u>	<u>212,991</u>
8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Investment in associate	<u>-</u>	<u>-</u>

During the 2002 period FSA Group Ltd sold its 25% share in Prospex Profile Ltd (“Prospex New Zealand”), a company incorporated in New Zealand, for \$1.

9. INTERESTS IN SUBSIDIARIES

Name	Country of Incorporation	Percentage of equity interest held by the consolidated entity		Investment	
		2003	2002	2003	2002
		%	%	\$	\$
Prospex Profile Pty Ltd (previously Prospex Holdings Pty Ltd)	Australia	100	100	2	2
FSA Australia Pty Ltd *	Australia	100	-	2,784,495	-
Debt Relief Solutions Pty Ltd ** ^	Australia	100	-	2	-
FSA Finance Pty Ltd *^	Australia	100	-	2	-
Fox Symes & Associates Pty Ltd *^	Australia	100	-	50	-
Debt Relief Services Pty Ltd *^	Australia	100	-	2	-
FSA Services Group Pty Ltd *#	Australia	100	-	2	-

* Acquired 30 July 2002

** Incorporated 6 March 2003

^ Investment held by FSA Australia Pty Ltd

Investment held by Fox Symes & Associates Pty Ltd

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	CONSOLIDATED	
	2003	2002
	\$	\$
10. PLANT AND EQUIPMENT		
<i>Plant and equipment</i>		
At cost	636,520	134,284
Accumulated depreciation	(296,480)	(90,396)
	340,040	43,888
<i>Plant and Equipment under lease</i>		
At cost	229,452	224,797
Accumulated depreciation	(229,452)	(186,449)
	-	38,348
Total plant and equipment		
At cost	865,972	359,081
Accumulated depreciation and amortisation	(525,932)	(276,845)
	340,040	82,236
11. INTANGIBLES (NON-CURRENT)		
Intellectual property – at cost	2,344,959	2,344,959
Accumulated amortisation	(729,914)	(629,909)
	1,615,045	1,715,050
Write down to recoverable amount	(1,615,045)	(1,115,050)
	-	600,000
Goodwill	682,233	
Accumulated amortisation	(31,269)	
	650,964	
12. PAYABLES (CURRENT)		
Trade creditors	237,712	305,189
Institutional Creditors	2,145,270	-
Other creditors	1,222,100	57,608
	3,605,082	362,797
13. INTEREST-BEARING LIABILITIES (CURRENT)		
Lease liability – secured (a)	-	39,217
Commercial loan – unsecured	-	33,128
	-	72,345
14. PROVISIONS (CURRENT)		
Employee entitlements	83,439	6,357
	83,439	6,357
15. INTEREST-BEARING LIABILITIES (NON-CURRENT)		
Lease liability – secured (a)	-	35,609
Convertible Note – unsecured	931,000	545,000
	931,000	580,609

(a) – secured over plant and equipment under lease in Note 10

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16. NON- INTEREST- BEARING LIABILITIES (NON-CURRENT)

Future Income Tax Benefit	(969,868)	-
Gross Deferred Income Tax Liability	1,893,025	-
Net Deferred Income Tax Liability	923,157	-

CONSOLIDATED

	2003	2002
	\$	\$
17. CONTRIBUTED EQUITY		
(a) Issued and paid up capital		
87,178,353 ordinary shares fully paid	9,634,375	6,914,398
(b) Movements in shares on issue		
Balance at beginning of period	6,914,398	6,914,398
Issued during the period:		
On 30 July 2002, 53,000,000 fully paid ordinary shares was issued in exchange for shares in FSA Group Pty Ltd (now known as FSA Australia Pty Ltd)	2,088,144	-
On 30 July 2002, 4,166,667 \$0.20 options exercisable on or before 31 December 2005 were issued as a result of the initial public offering	20,833	-
On 30 July 2002, 3,000,000 fully paid ordinary shares were issued as a result of the initial public offering	600,000	-
On 10 January 2003, 333,333 ordinary shares issued in accordance with an executive service contracts (CEO)	11,000	-
Balance at 30 June 2003, 86,178,353 ordinary shares fully paid (30 June 2001: 29,500,020)	9,634,375	6,914,398

(c) Movements in number of securities on offer since 30 June 2002 to the date of this report

	Ordinary shares	\$0.75 options exercisable on or before 31 December 2002	\$0.20 options exercisable on or before 31 December 2005
Balance at 30 June 2002	29,500,020	4,166,667	-
Securities issued under the FSA Agreement	53,000,000	-	11,266,667
Securities offered under the prospectus dated 3 May 2002 (closed 26 July 2002)	3,000,000	-	10,166,667
Convertible Note equity conversions	345,000	-	690,000
Securities issued in accordance with executive services contracts CEO)	539,927	-	1,000,000
Option expiry	-	(4,166,667)	-
Securities issued to employees and external consultants	-	-	-
Balance as at the date of this report	86,384,947	-	23,123,334

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(c) Movements in number of securities on offer since 30 June 2002 to the date of this report (con't)

	Unlisted \$0.60 options exercisable on or before 30 November 2006	Unlisted \$0.10 ESOP options exercisable on or before 9 June 2006	Unlisted \$0.10 options exercisable on or before 9 June 2006
Balance at 30 June 2002	-	-	-
Securities issued under the FSA Agreement	25,000,000	-	n/a
Securities offered under the prospectus dated 3 May 2002 (closed 26 July 2002)	-	-	-
Convertible Note equity conversions	-	-	-
Securities issued in accordance with executive service contracts (CEO)	-	1,000,000	-
Option expiry	-	-	-
Securities issued to employees and external consultants	-	856,666	737,566
Balance as at the date of this report	25,000,000	1,856,666	737,566

CONSOLIDATED

	2003 \$	2002 \$
18. ACCUMULATED LOSSES		
Balance at the beginning of period	(5,848,571)	(3,728,836)
Net profit/(loss) attributable to members of FSA Group Limited	(1,542,219)	(2,119,735)
Total available for appropriation	(7,390,790)	(5,848,571)
Dividends provided for or paid	-	-
Balance at end of period	(7,390,790)	(5,848,571)

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19. STATEMENT OF CASH FLOWS

(a) Reconciliation of the operating profit after tax to the net cash flows from operations

Profit / (loss) from ordinary activities after tax	(1,542,219)	(2,119,735)
<i>Non-Cash Items</i>		
Depreciation of non-current assets	162,682	58,376
Amortisation of non-current assets	43,004	74,928
Amortisation of intellectual property	132,544	200,000
Write down of intellectual property	499,995	
Write down on P&E and Disposal	232,912	-
Write down of investment	-	603,600
Unrealised losses / (gain) on investments – listed marketable securities	(1,932)	84,138
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in trade and other receivables	(52,365)	223,557
(Increase)/decrease in inventory	43,749	5,174
(Increase)/decrease in other current assets	466,100	(129,310)
(Decrease)/increase in trade and other creditors	(45,479)	(57,284)
(Decrease)/increase in employee entitlements	10,272	(40,640)
(Decrease)/increase in other current liabilities	958,830	-
	<u>908,090</u>	<u>(1,097,196)</u>

(b) Reconciliation of cash

Cash balance comprises:

Cash on hand	2,033,686	862,206
Deposits	-	73,750
Closing cash balance	<u>2,033,686</u>	<u>935,956</u>

(c) Financing facilities available

At balance date the following financing facilities had been negotiated and were available:

Used leasing facilities	-	74,826
Unused leasing facilities	-	-
Total facility	<u>-</u>	<u>74,826</u>

(d) Non-cash Financing and Investing Activities

During the financial period the consolidated entity did not acquire any plant and equipment by means of finance leases (2002: Nil)

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	Notes	CONSOLIDATED	
		2003	2002
		\$	\$
20. EXPENDITURE COMMITMENTS			
(a) Capital expenditure commitments			
Estimated capital expenditure contracted for at balance date, but not provided for, payable:			
– not later than one year		-	-
– later than one year and not later than five years		-	-
– later than five years		-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>
(b) Lease expenditure commitments			
<i>(i) Operating leases (non-cancellable):</i>			
Minimum lease payments			
– not later than one year		182,133	75,079
– later than one year and not later than five years		86,310	34,177
– later than five years		-	-
		<u>268,443</u>	<u>109,256</u>
		<u>268,443</u>	<u>109,256</u>
<i>(ii) Finance leases:</i>			
– not later than one year		-	44,550
– later than one year and not later than five years		-	37,012
– later than five years		-	-
– total minimum lease payments		<u>-</u>	<u>81,562</u>
– future finance charges		-	(6,736)
– lease liability		<u>-</u>	<u>74,826</u>
		<u>-</u>	<u>74,826</u>
– current liability	13	-	39,217
– non-current liability	15	-	35,609
		<u>-</u>	<u>74,826</u>
		<u>-</u>	<u>74,826</u>
21. EMPLOYEE ENTITLEMENTS COMMITMENTS			
Employee entitlements			
The aggregate employee entitlement liability is comprised of:			
Accrued wages, salaries and on-costs		79,137	58,845
Provisions (current)		83,439	6,357
		<u>162,576</u>	<u>65,202</u>
		<u>162,576</u>	<u>65,202</u>
At balance date the economic entity had 55 employees.			

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21. EMPLOYEE ENTITLEMENTS COMMITMENTS (cont'd)

Employee Share Incentive Scheme

An employee share incentive scheme has been established where executives and certain members of staff of FSA Group Limited are issued with options over the ordinary shares of FSA Group Limited. The options, issued for nil consideration, are issued in accordance with performance guidelines established by the directors of FSA Group Limited. The options cannot be transferred and will not be quoted on the ASX.

Information with respect to the number of options granted under the employee share incentive scheme is as follows:

	2003	2002	2002
	Number of Options	Number of Options	Weighted average exercise price
Balance at beginning of period	-	500,000	
- granted	1,856,666	-	10 cents
- forfeited	-	(500,000)	
- exercised	-	-	
Balance at end of period	<u>1,856,666</u>	<u>-</u>	10 cents
Exerciseable at end of period	<u>-</u>	<u>-</u>	

22. CONTINGENT LIABILITIES

There are no contingent liabilities that the economic entity is aware of.

23. EARNINGS PER SHARE

	2003	2002
Basic earnings / (losses) per share [cents per share]	(1.90)	(7.19)
Diluted earnings / (losses) per share [cents per share]	(1.90)	(7.19)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	81,200,828	29,500,020

In calculating earnings per share, the weighted average number of the potential ordinary shares was not included as they were considered not dilutive.

Signed By Company Secretary	
Print Name	Duncan Cornish
Date	12 September 2003