Appendix 4D

Half yearly report

Introduced 1/1/2003.

Name of entity

FSA Group Limited

ABN or equivalent company reference	Half year ended ('current reporting period')	'Previous corresponding period'
98 093 855 791	31 December 2007	31 December 2006

Results for announcement to the market

				$A'000
Revenues from ordinary activities	up	5.5%	To	17,345
Profit from ordinary activities after tax attributable to members	down	64%	To	872
Net profit for the period attributable to members	down	64%	To	872

Dividends

It is not proposed to pay a dividend.

NTA backing	Current period	Previous corresponding Period
Net tangible asset backing per ordinary security	14.3 cents	10 cents

FSA GROUP LTD

ABN 98 093 855 791

FINANCIAL REPORT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

DIRECTORS' REPORT

The directors submit their report for the half-year ended 31 December 2007.

DIRECTORS

The names of the directors of FSA Group Limited ("FSA Group") in office during the half-year and until the date of this report are shown below. Directors were in office for this entire period unless otherwise stated.

Sam Doumany	(Non-Executive Chairman)
Tim Odillo Maher	(Executive Director)
Deborah Southon	(Executive Director)
Hugh Parsons	(Non-Executive Director)
Stan Kalinko	(Non-Executive Director)

RESULTS AND REVIEW OF OPERATIONS

RESULTS

The consolidated entity's profit after tax attributable to members of the company for the half-year ended 31 December 2007 of $872,020. Other key performance measures, compared to the previous corresponding half, are as follows:

- Revenue of $17.35 million up 5.5%
- Profit After Tax (attributable to members of the company) of $872,020 down 64%
- Net Assets of $20.40 million up 7.9%
- Basic Earnings per Share of 0.80c down 68.2%

SUMMARY

Unusual trading conditions in first-half

Profit before tax for the first-half of FY 2008 was suppressed by approximately $2.5m due to significant investment by FSA Group in the successful launch of its mortgage lending business and also due to Federal Government reforms.

The reforms took effect on 1 July 2007 and had a once off effect on the number of clients assisted during the first-half of FY 2008.

FSA Group well positioned in challenging economic conditions

The directors expect that the current economic conditions, including record levels of debt and pressure from rising interest rates, will see an increase in the number of individuals and businesses requiring solutions to resolve their debt.

FSA Group has experienced record enquiry levels and has assisted its highest ever number of clients across all divisions in both January and again in February 2008.

Long-term confidence

As a counter-cyclical business, FSA Group is very well positioned to assist an increasing number of clients with its comprehensive range of debt solutions and direct lending services. Direct lending will be the second core platform for future growth.

The benefits of transitioning from being a mortgage broker to a mortgage lender, with a long term annuity income stream, will result in a stronger and more profitable business. Securing funding of $10 million for bridging finance and factoring finance will enable greater growth within this high potential area of the business.

REVIEW OF OPERATIONS

About FSA Group

FSA Group is the leading provider of debt solutions to individuals and businesses in Australia.

Its subsidiary **Fox Symes** offers a range of debt solutions to individuals which includes budgeting assistance, informal creditor arrangements, consolidation loans, mortgage finance, debt agreements, personal insolvency agreements and bankruptcy assistance.

Its subsidiary **180 Group** offers a range of debt solutions to businesses that are experiencing short term cash flow problems. These include the preparation of strategic plans, creditor negotiation, provision of finance, sale of business, liquidation of the company and contingent liability management.

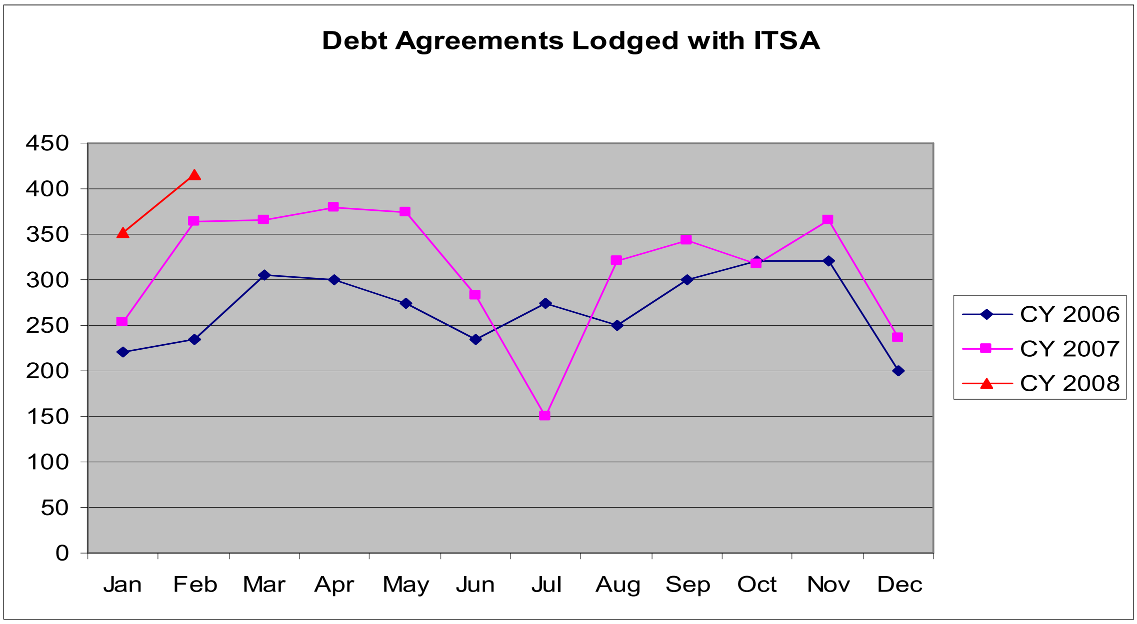
FSA Group has broadened its debt solutions to include a range of direct lending services. These now include mortgage finance, bridging finance and factoring finance. It has been able to provide these services since it secured funding lines of $220 million (of which $210 million is non-recourse) from Westpac Banking Corporation.

First-half trading conditions

1. Federal Government Reforms to the Debt Agreement Legislation

On 1 July 2007 the Federal Government reforms to the *Bankruptcy Act* took effect. The reforms introduced major changes to the administration of debt agreements. FSA Group, as the largest administrator of debt agreements in Australia, is supportive of the reforms which will achieve positive outcomes for debtors and creditors.

The reforms meant that FSA Group, as an administrator, had to re-train its staff and significantly amend its IT operating platform and systems to incorporate the changes. The efficient roll out of this time consuming process was impeded by the late release of the amended statutory documents. This shortened implementation period placed unusual pressure on FSA Group and as a consequence we were temporarily unable to assist the expected number of clients.



The above graph clearly shows the effects the 1 July 2007 reforms had on the number of debt agreements FSA Group lodged with ITSA in June and July 2007. The period January to May 2007 saw strong sustained growth in debt agreement numbers of around a 32% increase when compared with the same period in the prior year. Debt agreement numbers for June 2007 leading up to the key rollover date of 1 July 2007 fell sharply. Debt agreement numbers for July 2007 fell to their lowest levels in three years.

Adjustment to the reforms continued to effect the debt agreement business during the entire period from July to December 2007. The net effect was that the number of debt agreements lodged with ITSA increased by only 4% for the period July to December 2007 when compared to the same period in the prior year. This effected net profit before tax for the first-half of FY 2008 by around $1.16 million.

The reforms had an effect on all debt agreement administrators. This is evidenced by the fact that FSA Group maintained its market share of debt agreements of around 50% during the period July to December 2007.

FSA Group discounts it Non-Current Receivables to their net present value, where the discounting is material, in accordance with Australian Accounting Standards. The reforms to the *Bankruptcy Act* as previously mentioned have now required that we receipt our Administration Fee in parity with the returns to other creditors named in the debt agreement. This has increased the effective average collection period of our Administration Fee by between 1 and 2 years and has increased the discounting affect on profit. The effect of discounting the non current receivables for debt agreements entered into after the reforms became effective, has resulted in a reduction in profit before tax for the first-half of FY 2008 of $399,360.This discounted amount is then progressively added back to profit as effective interest income over the collection period, subject to collectability.

January and February 2008 saw a complete turn around in the debt agreement business. During this period FSA Group lodged a record number of debt agreements with ITSA. These figures are shown in the above graph.

2. Launch of residential mortgage lending business

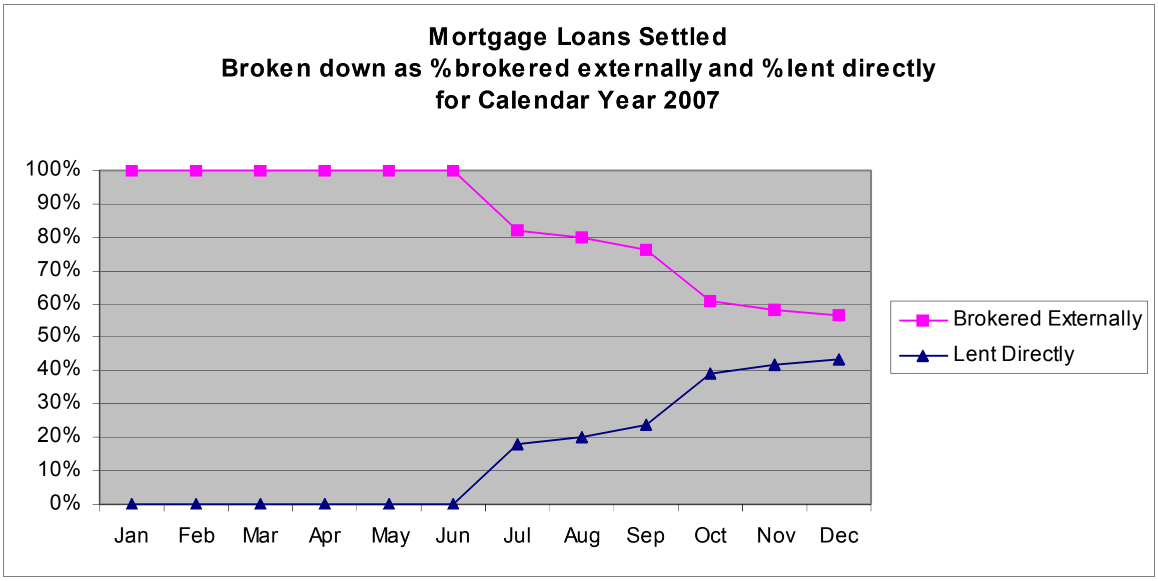
In July 2007, FSA Group launched its residential mortgage lending business with Westpac Banking Corporation committing **non-recourse** funding of $210 million. The funding facility allows FSA Group to act as principal mortgage lender. This will lead to a greater lending margin being retained by FSA Group rather than being passed on to external mortgage lenders.

Fox Symes Home Loans Pty Ltd ("FSHL") is the operating company. FSA Group owns 90% of FSHL with the balance of the equity equally shared between Westpac Direct Equity Investments and FSHL senior management.

The mortgage loan pool is funded through the "Fox Symes Warehouse Trust" with Westpac Banking Corporation and FSA Group committing funding of $210 million and $2 million respectively.

The maximum capital at risk for FSA Group in the "Fox Symes Warehouse Trust" is $2 million.

The graph below shows the transition from mortgage broker to mortgage lender during the first-half of FY 2008. It is expected the percentage of mortgage loans lent directly by FSA Group will move from around 44% in December 2007 to around 65% during the second-half of FY 2008. The balance will continued to be brokered through external mortgage lenders.



The chart below shows the mortgage loan pool originated by FSA Group as at the 31 December 2007. The mortgage loan pool due to its high quality is expected to require low levels of credit support.

Mortgage Loan Pool	**31 December 2007**
Loan Pool	34,014,958
Average Loan Size	181,754
Average "Loan to Valuation" Ratio	**59.5%**
Borrower Type	85% Full Doc
Geographical Spread	NSW 24% QLD 26% VIC 24%

This transition from mortgage broker to mortgage lender means FSA Group shifts from an upfront revenue model (i.e. the upfront commission paid by lenders to brokers) to a longer term annuity model.

This transition has in the short term reduced profit before tax for the half-year of FY 2008 by around $983,000. This downward impact on profitability is expected to be contained within FY 2008. However, in the long term it will create a far stronger and much more profitable business.

The mortgage loan pool as at 29 February 2008 has grown to around $50 million. We expect the mortgage loan pool to grow to just under $100 million by 30 June 2008.

It is expected the mortgage lending business will break even when the mortgage loan pool grows to around $70 million and will contribute profits in the second-half of FY 2008.

The mortgage lending business is expected to contribute up to $5 million before tax annually, based on existing business levels, by FY 2010.

OUTLOOK

Increase in enquiry levels expected

FSA Group has experienced record enquiry levels in the number of individuals and businesses requiring solutions to resolve their debt for both January and February 2008. It is likely this upward trend will continue given the pressure that interest rate increases are having on the capacity to service debt.

Increase in clients assisted expected

FSA Group has assisted its highest ever number of clients across all divisions in both January and February 2008. It lodged record debt agreements with ITSA and generated record conditional approvals for mortgage finance for January and again in February 2008.

FSA Group now provides a comprehensive range of debt solutions and direct lending services to meet client needs and it is expected that these new divisions will make strong contributions during the second-half of FY 2008, particularly from the personal insolvency agreements and bankruptcy division.

In November 2007, FSA Group announced it had secured funding for its bridging finance and factoring finance lending activities with Westpac Banking Corporation committing funding of $10 million. The provision of finance plays a critical role in the debt solutions provided to businesses. Bridging finance and factoring finance is seen as a high growth area within the business.

In January 2008, FSA Group appointed five business development managers to its mortgage lending business to develop its external mortgage broker channel. This initiative is expected to see FSA Group's mortgage loan pool grow faster than currently budgeted.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under Section 307C is attached to this financial report on page 5.

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

Tim Odillo Maher
Director
Sydney
29 February 2008

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of FSA Group Limited for the half year ended 31 December 2007, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

(b) no contraventions of any applicable code of professional conduct in relation to the review.

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

PKF
Chartered Accountants

Wayne Wessels
Partner

Dated at Brisbane this 29th day of February 2008

FSA Group Limited
Condensed Income Statement

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007	CONSOLIDATED	
	2007	2006
	$	$
REVENUE	**17,345,375**	16,444,718
OTHER INCOME	**338,138**	-
SHARE OF PROFITS OF AN ASSOCIATE USING THE EQUITY ACCOUNTING METHOD	**116,255**	75,889
MARKETING EXPENSES	**(2,553,347)**	(2,263,728)
ADMINISTRATIVE EXPENSES	**(981,733)**	(1,113,926)
OPERATING EXPENSES	**(4,697,508)**	(3,975,493)
EMPLOYEE BENEFITS EXPENSE	**(6,973,065)**	(5,315,456)
FINANCIAL COSTS	**(826,791)**	(126,576)
PROFIT BEFORE INCOME TAX EXPENSE	**1,767,324**	3,725,428
INCOME TAX EXPENSE	**(604,789)**	(1,177,434)
PROFIT FOR THE PERIOD	**1,162,535**	2,547,994
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	**290,515**	102,679
PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE PARENT	**872,020**	2,445,315
Basic earnings per share (cents per share)	0.80	2.52
Diluted earnings per share (cents per share)	0.80	2.50

FSA Group Limited
Condensed Balance Sheet
AS AT 31 DECEMBER 2007

	Note	CONSOLIDATED As at 31 December 2007 $	(Restated) As at 30 June 2007 $
CURRENT ASSETS			
Cash and cash equivalents		**8,130,759**	6,670,521
Trade and other receivables		**14,785,006**	14,130,516
Current tax assets		**869,777**	-
Other		**277,084**	151,802
TOTAL CURRENT ASSETS		**24,062,626**	20,952,839
NON-CURRENT ASSETS			
Trade and other receivables		**7,880,209**	4,255,545
Investment in associate		**255,703**	139,449
Plant and equipment		**750,583**	701,744
Investment property		**333,922**	1,359,387
Other financial assets		**594,716**	594,716
Deferred tax assets		**614,187**	812,622
Intangible assets		**3,830,835**	3,830,835
TOTAL NON-CURRENT ASSETS		**14,260,155**	11,694,298
ASSETS FINANCED BY NON-RECOURSE FINANCIAL LIABILITIES			
Cash and cash equivalents		**3,432,462**	1,750,365
Trade and other receivables		**72,846**	160,264
Specialty Finance Assets	7	**34,014,958**	565,000
TOTAL ASSETS FINANCED BY NON-RECOURSE FINANCIAL LIABILITIES		**37,520,266**	2,475,629
TOTAL ASSETS		**75,843,047**	35,122,766
CURRENT LIABILITIES			
Trade and other payables		**10,448,744**	7,098,919
Current tax liabilities		**-**	929,350
Borrowings		**658,940**	698,218
Provisions		**461,332**	1,259,810
TOTAL CURRENT LIABILITIES		**11,569,016**	9,986,297
NON-CURRENT LIABILITIES			
Borrowings		**3,974,318**	1,099,542
Provisions		**56,515**	39,218
Deferred tax liabilities		**2,818,299**	2,615,673
TOTAL NON-CURRENT LIABILITIES		**6,849,132**	3,754,433
NON-RECOURSE FINANCIAL LIABILITIES			
Warehouse facilities	7	**37,024,666**	2,478,095
TOTAL NON-RECOURSE FINANCIAL LIABILITIES		**37,024,666**	2,478,095
TOTAL LIABILITIES		**55,442,814**	16,218,825
NET ASSETS		**20,400,233**	18,903,941

FSA Group Limited
Condensed Balance Sheet *Continued*
AS AT 31 DECEMBER 2007

	Note	CONSOLIDATED As at 31 December 2007	Restated As at 30 June 2007
EQUITY			
Share Capital		**7,137,472**	6,943,472
Reserves		**281,376**	141,619
Retained earnings		**12,122,565**	11,250,545
Minority equity interest		**858,820**	568,305
TOTAL EQUITY		**20,400,233**	18,903,941

FSA Group Limited
Condensed Cash Flow Statement

FOR THE HALF-YEAR ENDED 31 DECEMBER 2007	CONSOLIDATED	
	2007	2006
	$	$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	**24,792,404**	24,901,048
Payments to institutional creditors, suppliers and employees	**(23,684,589)**	(24,005,061)
Cash generated from operations	**1,107,815**	895,987
Interest received	**1,043,620**	218,083
Interest and other costs of finance paid	**(826,791)**	(126,576)
Income taxes paid	**(1,977,432)**	(1,479,369)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	**(652,788)**	(491,875)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	**(223,462)**	(1,216,027)
Increase in specialty finance assets	**(33,449,958)**	-
NET CASH FLOWS USED IN INVESTING ACTIVITIES	**(33,673,420)**	(1,216,027)
CASH FLOWS FROM FINANCING ACTIVITIES		
Unsecured notes repaid	**(50,000)**	(75,000)
Share capital issued – net of issue costs	**194,000**	42,450
Net Proceeds/(Repayment) of borrowings	**37,324,543**	735,624
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	**37,468,543**	703,074
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS	**3,142,335**	(1,004,828)
Cash and cash equivalents at the beginning of the half-year	**8,420,886**	7,954,396
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	**11,563,221**	6,949,568

Cash and cash equivalents at the end of the half year is represented by:

CURRENT ASSETS	
Cash and cash equivalents	**8,130,759**
ASSETS FINANCED BY NON-RECOURSE FINANCIAL LIABILITIES	
Cash and cash equivalents	**3,432,462**
Total Cash and cash equivalents at the end of the half year	**11,563,221**

FSA Group Limited
Condensed Statement of Changes in Equity
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007
CONSOLIDATED

	Share Capital	Reserves	Retained earnings	Minority Interest	Total
	$	$	$	$	$
At 1 July 2006	6,891,022	38,848	4,730,855	266,409	11,927,134
Profit for the period	-	-	2,445,315	102,679	2,547,994
Share capital issued (net of issue costs)	42,450	-	-	-	42,450
At 31 December 2006	**6,933,472**	**38,848**	**7,176,170**	**369,088**	**14,517,578**
At 1 July 2007	6,943,472	141,619	11,250,545	568,305	18,903,941
Profit for the period	-	-	872,020	290,515	1,162,535
Options issued	-	139,757	-	-	139,757
Share capital issued (net of issue costs)	194,000	-	-	-	194,000
At 31 December 2007	**7,137,472**	**281,376**	**12,122,565**	**858,820**	**20,400,233**

Notes to the Consolidated Condensed Half-Year Financial Statements

31 DECEMBER 2007

1. BASIS OF PREPARATION OF THE FINANCIAL REPORTS

This interim consolidated financial report has been prepared in accordance with Accounting Standard AASB 134 "Interim Financial Reporting" and is to be read in conjunction with the 30 June 2007 Annual Report and any public announcements made by the FSA Group Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001. It is a general purpose financial report which has been prepared in accordance with AASB 134 "Interim Financial Reporting", other authoritative pronouncements of the Australian Accounting Standards Board and Australian Accounting Interpretations as applicable to interim financial reports.

Notes of a type normally included in an annual financial report are not included.

The accounting policies and methods of computation have been consistently applied by the entities in the consolidated group and are consistent with those presented in the comparative financial information in the financial report, except as follows:

Reclassification of the Condensed Balance Sheet

In accordance with AASB 134 "Interim Financial Reporting" the presentation of the Condensed Income Statement, Balance Sheet and Statement of Changes in Equity for the half-year ended 31 December 2007 is presented based on the guidance provided in AASB 101 "Presentation of Financial Statements". AASB 101 "Presentation of Financial Statements" allows an entity to present some of its assets and liabilities using a current/non-current classification and others in order of liquidity when this provides information that is reliable and more relevant. FSA Group Limited has amended the presentation of its Condensed Balance Sheet and adopted this mixed basis of presentation as the non-current/current allocation is the more relevant presentation for the consolidated group generally, whilst the assets and liabilities of the consolidated group's special purpose entity, Fox Symes Warehouse Trust #1, which creates Residential Mortgage Backed Securities are more relevantly presented on the liquidity basis.

The effect of this re-classification on 30 June 2007 Balance Sheet is as follows:

	CONSOLIDATED		
	Previously reported As at 30 June 2007 $	**Reclassification $**	**Restated As at 30 June 2007 $**
CURRENT ASSETS			
Cash and cash equivalents	8,420,886	(1,750,365)	6,670,521
Trade and other receivables	14,295,004	(164,488)	14,130,516
Other	151,802	-	151,802
TOTAL CURRENT ASSETS	22,867,692	(1,914,853)	20,952,839
NON-CURRENT ASSETS			
Trade and other receivables	4,816,321	(560,776)	4,255,545
Investment in Associate	139,449	-	139,449
Plant and equipment	701,744	-	701,744
Investment Properties	1,359,387	-	1,359,387
Other financial assets	594,716	-	594,716
Deferred tax assets	812,622	-	812,622
Intangible assets	3,830,835	-	3,830,835
TOTAL NON-CURRENT ASSETS	12,255,074	(560,776)	11,694,298
ASSETS FINANCED BY NON-RECOURSE FINANCIAL LIABILITIES			
Cash and cash equivalents	-	1,750,365	1,750,365
Trade and other receivables	-	160,264	160,264
Specialty Finance Assets	-	565,000	565,000
TOTAL ASSETS FINANCED BY NON-RECOURSE FINANCIAL LIABILITIES	-	2,475,629	2,475,629
TOTAL ASSETS	35,122,766	-	35,122,766

	CONSOLIDATED		
	Previously reported As at 30 June 2007 $	Reclassification $	Restated As at 30 June 2007 $
CURRENT LIABILITIES			
Trade and other payables	7,098,919	-	7,098,919
Current tax liabilities	929,350	-	929,350
Borrowings	3,176,313	(2,478,095)	698,218
Provisions	1,259,810	-	1,259,810
TOTAL CURRENT LIABILITIES	12,464,392	(2,478,095)	9,986,297
NON-CURRENT LIABILITIES			
Borrowings	1,099,542	-	1,099,542
Provisions	39,218	-	39,218
Deferred tax liabilities	2,615,673	-	2,615,673
TOTAL NON-CURRENT LIABILITIES	3,754,433	-	3,754,433
NON-RECOURSE FINANCIAL LIABILITIES			
Warehouse facilities	-	2,478,095	2,478,095
TOTAL NON-RECOURSE FINANCIAL LIABILITIES	-	2,478,095	2,478,095
TOTAL LIABILITIES	16,218,825	-	16,218,825
NET ASSETS	18,903,941	-	18,903,941
EQUITY			
Share Capital	6,943,472	-	6,943,472
Reserves	141,619	-	141,619
Retained earnings	11,250,545	-	11,250,545
Minority equity interest	568,305	-	568,305
TOTAL EQUITY	18,903,941	-	18,903,941

For the purpose of preparing the half-year consolidated financial statements, the half-year has been treated as a discrete reporting period.

2. SEGMENT INFORMATION

FSA Group Limited is an Australian entity whose principal activities are:

- Personal and Corporate Debt Services
- Lending

The Company operates in one geographical segment being Australia.

Business segment Revenue and Results

Half-year ended 31 December

Notes to the Consolidated Condensed Half-Year Financial Statements

31 DECEMBER 2007 Continued

2. SEGMENT INFORMATION Continued

	Personal and Corporate debt services		Lending Services		Other/Unallocated		Consolidated Total	
	2007 $	2006 $	2007 $	2006 $	2007 $	2006 $	2007 $	2006 $
Revenue								
External sales	12,645,229	13,731,981	-	-	1,168,327	536,234	13,813,556	14,268,215
Interest and fees - Lending services	-	-	3,107,383	1,843,811	-	-	3,107,383	1,843,811
Interest revenue - non operating	395,712	249,928	7,606	7,578	21,118	75,186	424,436	332,692
Internal revenue	578,469	127,771	265,068	-	149,632	177,473	993,169	305,244
Eliminations							(993,169)	(305,244)
Total Revenue							**17,345,375**	**16,444,718**
Results								
Segment profit before tax	1,223,567	3,232,779	360,035	361,384	183,722	131,265	1,767,324	3,725,428
Income tax expense	(376,687)	(990,344)	(88,925)	(124,273)	(139,177)	(62,817)	(604,789)	(1,177,434)
Segment profit	**846,880**	**2,242,435**	**271,110**	**237,111**	**44,545**	**68,448**	**1,162,535**	**2,547,994**

Total Assets for which there has been a material change from the amount disclosed in the previous financial statements

Included in the "Lending Services" segment are assets relating the Fox Symes Home Loans Warehouse Trust #1, which have changed materially from the previous reported financial statements. The amount of the change is as follows:

	As at 30 June 2007 $	As at 31 December 2007 $	Increase/(Decrease)
Cash and cash equivalents	1,750,365	**3,432,462**	1,682,097
Specialty Finance Assets	565,000	**34,014,958**	33,449,958

The increase in Specialty Finance Assets has been financed by Non-Recourse Financial Liabilities.

3. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no changes in contingent assets and contingent liabilities of the group at 31 December 2007 since that reported at 30 June 2007.

4. CHANGES IN THE COMPOSITION OF THE ENTITY DURING THE INTERIM PERIOD

There were no changes in the composition of the entity during the interim period other than as follows:

2007

Nil

2006

Investments in associates

Acquisitions

Name and description of the entity	Acquisition date	Voting rights acquired	Consideration
Huntingdale Smythe Lawyers – Legal practitioners	1 July 2006	50%	$7,963

5. SUBSEQUENT EVENTS

There have been no events since 31 December 2007 that impact upon the financial report as at 31 December 2007.

6. DISPOSAL OF INVESTMENT PROPERTY

Included in other income and the profit for the period is a profit on the disposal of an Investment property. The property had a carrying value at the date of disposal of $1,011,852. The disposal realised a profit of $338,138.

7. MATURITY ANALYSIS

Specialty Finance Assets

	31 December 2007	30 June 2007
Amounts to be received in less than 1 year	234,778	4,224
Amounts to be received in greater than 1 year	33,780,180	560,776
	34,014,958	**565,000**

Warehouse Facilities

	31 December 2007	30 June 2007
Amounts payable in less than 1 year	37,024,666	2,478,095
	37,024,666	**2,478,095**

Warehouse facilities are used to fund mortgages prior to securitisation and include revolving Senior and Mezzanine Note facilities (the facilities). The drawdown limit under the Senior and Mezzanine Note facilities is $200 million and $10 million respectively.

The Warehouse facilities are 364 day facilities that are renewable annually.

8. SHARE CAPITAL

The following movements in Share Capital are material to the understanding of the current interim period:

2007

On 2 October 2007, 8 Convertible Redeemable Preference Shares (“CRPS”) were converted pursuant to the terms of the purchase agreement of 180 Group, which was acquired on 21 April 2006 and 180 Group exceeding its second profit target. The 8 CRPS were converted into 8,000,000 ordinary shares. The remaining number of Convertible Redeemable Preference shares on issue at this date is 16.

2006

On 9 October 2006, 8 Convertible Redeemable Preference Shares (“CRPS”) were converted pursuant to the terms of the purchase agreement of 180 Group, which was acquired on 21 April 2006 and 180 Group exceeding its first profit target. The 8 CRPS were converted into 8,000,000 ordinary shares. The remaining number of Convertible Redeemable Preference shares on issue at that date was 24.

Directors' Declaration

The Directors of FSA Group Limited declare that they are of the opinion that:

(1) the financial statements and notes to the financial statements of FSA Group Limited are in accordance with the Corporations Act 2001 including that they:

  (a) comply with Australian Accounting Standard AASB 134 "Interim financial reporting" and the Corporations Regulations 2001;

  (b) give a true and fair view of the financial position as at 31 December 2007 and of the performance for the half-year ended on that date of FSA Group Limited ; and

(2) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:

Tim Odillo Maher
Director
Sydney
29 February 2008

Independent Review Report

To the members of FSA Group Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of FSA Group Limited, which comprises the condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed cash flow statement for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the consolidated entity. The consolidated entity comprises the company and the entities it controlled at 31 December 2007 or from time to time during the half year ended on that date.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of FSA Group Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Conclusion

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

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

PKF
Chartered Accountants

Wayne Wessels
Partner

Dated at Brisbane this 29th day of February 2008