

HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD

A.B.N. 39 091 661 166

Interim Financial Report

For the half year ended 31 December 2011

HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD
A.B.N. 39 091 661 166

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HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD
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DIRECTORS' REPORT

The directors present their report, together with the financial statements of the Hobson's Bay Community Financial Services Ltd for the half year ended 31 December 2011.

Directors

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

| | | | |
|-----------------------|-------------|--------------|-----------|
| H Da Silva | M S Pernar | W M Gray | G Glasson |
| G Inserra | B J Cahoon | A D Shanahan | |
| F J Porter (Deceased) | G J Murdoch | M A Boyd | |

Principal Activities

During the period the company continued to operate the Laverton / Altona Meadows Community Bank, Altona Community Bank and Point Cook Community Bank with the support of the Bendigo Bank Ltd.

Operating Results

The Laverton Branch made a net profit for the half year of \$212,361. The Altona Branch made a net profit for the half year of \$74,041. The Point Cook Branch made a net profit for the half year of \$5,724. The overall net profit of the company after providing for income tax was \$292,126 (2010 \$278,612).

Review of Operations

The net assets of the company have increased by \$67,620 from 01 July 2011 to \$2,447,952 during the half year.

The company has continued to grow with assets under management now exceeding \$312 million at the date of this report.

Significant Changes in State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the company that occurred during the half-year which have not been disclosed in this report.

Matters Subsequent to the End of the Reporting Period

Assuming the current economic environment continues, the Board expects to exceed its profit target for the full year. This is despite changes to certain margin product share with Bendigo Bank Ltd, due to the impact of market forces. The Board will continue to work with Bendigo Bank Ltd to monitor these changes in the interest of shareholders.

An exciting expansion to our Point Cook Community Bank Branch Bendigo Bank will result in a refit write off of approximately \$35,000 after tax. The Board expects significant long term benefits from this investment.

Following a private ruling by the Administrative Appeals Tribunal regarding Franchise Renewal Fees on a particular Community Bank, it is anticipated this will result in a \$41,374 tax refund to Hobsons Bay CFS Ltd.

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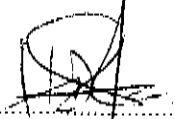
Audit Services

The Company's Auditor has not provided any non audit services during the period.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is included on page 5 of the Report

Signed in accordance with a resolution of the Board of Directors.


.....
Director - Henry DaSilva

Dated this 19 day of March 2012


.....
Director - Michael Stephen Pernar

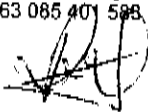
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AUDITOR'S INDEPENDENCE DECLARATION

I declare that to the best of my knowledge and belief, during the half year ended 31 December 2011 there have been:

- i. No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- ii. No contraventions of any applicable code of professional conduct in relation to the audit.

Ross Clarke Pty Ltd
Certified Practising Accountants
ABN 63 085 401 588



Ross Clarke Director

Dated this 9th day of March 2012.

HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD
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**STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR
ENDED 31 DECEMBER 2011**

| | Note | 31-12-2011 | 31-12-2010 |
|--|------|--------------------|--------------------|
| | | \$ | \$ |
| Revenues from Ordinary Activities | 2 | <u>1,565,018</u> | <u>1,435,473</u> |
| Amortisation of franchise fee | 3 | (18,000) | (18,000) |
| Depreciation of furniture & equipment | 3 | (20,218) | (18,562) |
| Employment expenses | | (640,518) | (589,469) |
| Community Development expenses | | (113,338) | (69,152) |
| Other expenses from ordinary activities | | <u>(356,028)</u> | <u>(334,965)</u> |
| Total Expenses from Ordinary Activities | | <u>(1,148,102)</u> | <u>(1,030,148)</u> |
| Profit from Ordinary Activities before Income Tax | | 416,916 | 405,325 |
| Income Tax (Expenses) relating to Ordinary Activities | 5 | (124,790) | (126,713) |
| Profit from Ordinary Activities after Income Tax | | <u>292,126</u> | <u>278,612</u> |
| Profit attributable to extraordinary items | | - | - |
| Net Profit Attributable to Members | | <u>292,126</u> | <u>278,612</u> |
| Overall Operations | | | |
| Basic & Diluted earnings per share (cents per share) | 16 | 20.82 | 19.85 |

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

| | Note | 31-12-2011 | 30-6-2011 |
|---------------------------------------|------|------------------|------------------|
| | | \$ | \$ |
| Current Assets | | | |
| Cash assets | 6 | 1,732,187 | 1,736,665 |
| Receivables | 7 | 281,023 | 265,494 |
| Other | 8 | 7,607 | 35,368 |
| Total Current Assets | | 2,020,817 | 2,037,527 |
| Non-Current Assets | | | |
| Property, Furniture and Equipment | 9 | 824,260 | 798,887 |
| Deferred tax asset | 10 | 42,052 | 39,353 |
| Intangible assets | 11 | 18,971 | 36,971 |
| Total Non-Current Assets | | 885,283 | 875,211 |
| Total Assets | | 2,906,100 | 2,912,738 |
| Current Liabilities | | | |
| Payables | 12 | 212,978 | 241,978 |
| Tax liabilities | 13 | 55,828 | 110,085 |
| Provisions | 14 | 60,431 | 56,759 |
| Total Current Liabilities | | 329,237 | 408,822 |
| Non-Current Liabilities | | | |
| Tax Liabilities | 13 | 49,166 | 49,166 |
| Provisions | 14 | 79,745 | 74,418 |
| Total Non-Current Liabilities | | 128,911 | 123,584 |
| Total Liabilities | | 458,148 | 532,406 |
| Net Assets | | 2,447,952 | 2,380,332 |
| Equity | | | |
| Issued capital | 15 | 1,130,008 | 1,130,008 |
| Retained Profits/(Accumulated Losses) | | 1,154,057 | 1,086,437 |
| Revaluation Reserve | | 163,887 | 163,887 |
| Total Equity | | 2,447,952 | 2,380,332 |

HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD
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**STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED
31 DECEMBER 2011**

| | Issued Capital | Revaluation Reserve | Retained Profits (Accumulated Losses) | Total |
|---|---------------------------|--------------------------------|--|------------------|
| Balance 1/07/2010 | 1,130,008 | 162,887 | 727,855 | 2,020,750 |
| Dividend paid during year | - | - | (168,376) | (168,376) |
| Profit attributable to members of the company | - | - | 278,612 | 278,612 |
| Balance 31/12/2010 | 1,130,008 | 162,887 | 838,091 | 2,130,986 |
| Balance 1/07/2011 | 1,130,008 | 163,887 | 1,086,437 | 2,380,332 |
| Dividend paid during year | - | - | (224,506) | (224,506) |
| Profit attributable to members of the company | - | - | 292,126 | 292,126 |
| Balance 31/12/2011 | 1,130,008 | 163,887 | 1,154,057 | 2,447,952 |

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STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

| | Note | 31-12-2011 | 31-12-2010 |
|---|------|-------------------------|-------------------------|
| | | \$ | \$ |
| Cash Flow from Operating Activities | | | |
| Receipts from Bendigo Bank Limited | | 1,637,782 | 1,518,855 |
| Payments to suppliers and employees | | (1,253,426) | (1,094,829) |
| Interest received | | 53,614 | 31,692 |
| Interest and other costs of finance | | - | - |
| Income tax paid | | (172,351) | (109,920) |
| Net cash provided by (used in) operating activities | 18 | <u>265,619</u> | <u>345,798</u> |
| Cash Flow from Investing Activities | | | |
| Purchases of Property, Plant & Equipment | | <u>(45,591)</u> | <u>-</u> |
| Net cash provided by (used in) investing activities | | <u>(45,591)</u> | <u>-</u> |
| Cash Flow from Financing Activities | | | |
| Dividends Paid | | (224,506) | (168,376) |
| Repayment of borrowings | | <u>-</u> | <u>-</u> |
| Net cash provided by (used in) financing activities | | <u>(224,506)</u> | <u>(168,376)</u> |
| Net increase (decrease) in cash held | | (4,478) | 177,422 |
| Cash at the beginning of the year | | 1,736,665 | 1,187,610 |
| Cash at the end of the year | 17 | <u><u>1,732,187</u></u> | <u><u>1,365,032</u></u> |

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
31 DECEMBER 2011**

Note 1: Statement of Accounting Policies

The significant accounting policies adopted in the preparation of this financial report are:

(a) Basis of Preparation

The half year financial statements are general purpose financial statements that have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative announcements of the Australian Accounting Standards Board.

It is recommended that these financial statements be read in conjunction with the annual financial statements for the year ended 30 June 2011 and any public announcements made by Hobson's Bay Community Financial Services Limited during the half year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial statements. These accounting policies have been consistently applied, unless otherwise stated.

The half year financial statements do not include disclosures of the type normally in the annual financial statements.

(b) Revenue Recognition

Revenues are recognised at fair value of the consideration received net of the amounts of goods and services tax (GST). Exchanges of goods or services of the same nature and value without any cash consideration are not recognised as revenues.

Franchise Revenue

Franchise revenue is recognised when the services are provided.

Interest Income

Interest income is recognised when it accrues.

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31 DECEMBER 2011**

(c) Income Tax

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

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation, and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less where applicable any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on a valuation by Landlink Property Group Pty Ltd, independent valuers dated 16th May 2011, less estimated cost of sale.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the directors to ensure it is not in excess of the amount recoverable from these assets.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
31 DECEMBER 2011**

(e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that ownership of the assets will be obtained or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(f) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by the directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

Dividends are brought to account in the profit and loss account when received.

(g) Franchise Fee

The Franchise Fee is initially recorded at the amount, which the Franchisee paid the Franchisor. The Franchise Fee is amortised on a straight line basis over the life of the agreement. The balance is reviewed annually and any balance representing future benefits for which the realisation is considered to be no longer probable is written off.

(h) Employee Entitlements

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

The company contributes to a superannuation fund as required by law. Contributions are charged against income as they are made.

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED
31 DECEMBER 2011**

(i) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions and investments in money market instruments maturing within less than two months, net of bank overdrafts.

(j) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(k) Payables

Liabilities are recognised for amounts to be paid in the future for goods, or services received, whether or not billed to the Company. Trade accounts payable are normally settled within 60 days.

(l) Receivables

Trade Debtors

The Bendigo Bank Limited is the company's only trade debtor. Accounts are settled every 30 days and no provision has been made for any portion of the amount due to be doubtful.

(m) Goods and Services Tax

Revenues, 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 Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

| | Note | 31-12-2011 | 31-12-2010 |
|---|------|-------------------------|-------------------------|
| | | \$ | \$ |
| Note 2: Revenue | | | |
| Operating Activities: | | | |
| Franchise income | | 1,503,616 | 1,403,781 |
| Interest revenue | | 53,614 | 31,692 |
| Other operating revenue: | | 7,788 | - |
| - Other income | | - | - |
| Total Revenue from Ordinary Activities | | <u>1,565,018</u> | <u>1,435,473</u> |

Note 3: Profit from Ordinary Activities

Profit from ordinary activities before income tax has been determined after:

Charging as expense:

| | | | |
|-------------------------------------|--|---------------|---------------|
| Amortisation of non-current assets: | | | |
| - Franchise fee | | 18,000 | 18,000 |
| Total amortisation expenses | | <u>18,000</u> | <u>18,000</u> |
| Bad and doubtful debts | | 1,504 | 2,605 |
| Interest paid | | - | - |
| Depreciation of non-current assets: | | | |
| - Plant and equipment | | 20,218 | 18,562 |

Note 4: Auditors' Remuneration

Remuneration of the auditor of the company for:

| | | | |
|----------------|--|---------------------|---------------------|
| Audit Services | | 5,000 | 3,626 |
| Other services | | - | - |
| | | <u>5,000</u> | <u>3,626</u> |

Note 5: Income Tax

The prima facie tax payable on operating profit is reconciled to the income tax provided in the accounts as follows:

| | | | |
|---|--|-----------------------|-----------------------|
| Operating profit before income tax | | <u>416,916</u> | <u>405,325</u> |
| Prima facie income tax payable on operating profit @ 30% | | 125,075 | 121,598 |
| Add: | | | |
| Tax effect of: | | | |
| Amortisation of franchise fee | | - | 5,400 |
| Capital works/Tax Break deduction | | (285) | (285) |
| Income tax expense attributable to ordinary activities | | <u>124,790</u> | <u>126,713</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

| | Note | 31-12-2011 | 30-6-2011 |
|--|------|------------------|------------------|
| Note 6: Cash Assets | | | |
| Bank accounts: | | | |
| - Cash at Bank | | 40,159 | 195,820 |
| - Term Deposits | | 1,691,957 | 1,540,658 |
| - Cash on hand | | 71 | 187 |
| | | <u>1,732,187</u> | <u>1,736,665</u> |
| Note 7: Receivables | | | |
| Current | | | |
| Trade debtors | | <u>281,023</u> | <u>265,494</u> |
| Note 8: Other Assets | | | |
| Current | | | |
| Sundry Debtors | | - | 25,553 |
| Prepayments | | <u>7,607</u> | <u>9,815</u> |
| | | <u>7,607</u> | <u>35,368</u> |
| Note 9: Property, Furniture and Equipment | | | |
| Land and Buildings: | | | |
| - At valuation | | <u>530,000</u> | <u>530,000</u> |
| Furniture and equipment: | | | |
| - At cost | | 690,878 | 645,287 |
| - Less accumulated depreciation | | <u>(396,618)</u> | <u>(376,400)</u> |
| | | <u>294,260</u> | <u>268,887</u> |
| Leased assets: | | | |
| - At cost | | 15,615 | 15,615 |
| - Less accumulated amortisation | | <u>(15,615)</u> | <u>(15,615)</u> |
| | | <u>-</u> | <u>-</u> |
| Total Property, Furniture and Equipment | | <u>824,260</u> | <u>798,887</u> |

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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

| | Note | 31-12-2011 | 30-6-2011 |
|--|------|-----------------------|-----------------------|
| | | \$ | \$ |
| Note 10: Deferred Tax Assets | | | |
| | | | |
| Deferred Tax asset | | <u>42,052</u> | <u>39,353</u> |
| The deferred tax asset is made up of the following estimated tax benefits: | | | |
| - timing differences | | <u>42,052</u> | <u>39,353</u> |
| | | | |
| Note 11: Intangibles | | | |
| | | | |
| Franchise fee: | | | |
| - At cost | | 179,881 | 179,881 |
| - Less accumulated amortisation | | <u>(160,910)</u> | <u>(142,910)</u> |
| | | <u>18,971</u> | <u>36,971</u> |
| | | | |
| Note 12: Payables | | | |
| | | | |
| Current | | | |
| Unsecured: | | | |
| - Trade creditors | | 112,308 | 149,697 |
| - Other creditors and accruals | | <u>100,670</u> | <u>92,281</u> |
| Total Current Liabilities | | <u>212,978</u> | <u>241,978</u> |

HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

| | Note | 31-12-2011 | 30-6-2011 |
|---|------|------------------|------------------|
| | | \$ | \$ |
| Note 13: Tax Liabilities | | | |
| Current | | | |
| Current tax liability | | (2,786) | 58,683 |
| GST payable | | 50,722 | 46,056 |
| Amounts withheld from salary and wages | | 7,892 | 5,346 |
| | | <u>55,828</u> | <u>110,085</u> |
| Non-Current | | | |
| Deferred tax liability | | <u>49,166</u> | <u>49,166</u> |
| Note 14: Provisions | | | |
| Current | | | |
| Employee entitlements | | <u>60,431</u> | <u>56,759</u> |
| Non-Current | | | |
| Employee entitlements | | <u>79,745</u> | <u>74,418</u> |
| Aggregate employee entitlements liability | | 140,176 | 131,177 |
| Number of employees at end of year | | 11 | 11 |
| Note 15: Issued Capital | | | |
| 1,403,164 Ordinary shares | | <u>1,130,008</u> | <u>1,130,008</u> |

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At shareholder meetings each member is entitled to one vote either when a poll is called, or otherwise each shareholder has one vote on a show of hands.

Note 16: Earnings per Share

| | | |
|---|-----------|-----------|
| Earnings used to calculate basis EPS | 292,126 | 278,612 |
| Number of ordinary shares used to calculate basic EPS | 1,403,164 | 1,403,164 |

HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD
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NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2011

| Note | 31-12-2011 | 31-12-2010 |
|------|------------|------------|
| | \$ | \$ |

Note 17: Reconciliation of Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

| | | |
|---------------|------------------|------------------|
| Cash at bank | 40,159 | 255,331 |
| Term deposits | 1,691,957 | 1,108,963 |
| Cash on hand | 71 | 738 |
| | <u>1,732,187</u> | <u>1,365,032</u> |

Note 18: Reconciliation of Net Cash Provided by/Used in Operating Activities to Net Profit

| | | |
|---|----------|---------|
| Operating profit after income tax | 292,126 | 278,612 |
| Depreciation | 20,218 | 18,562 |
| Amortisation of franchise fee | 18,000 | 18,000 |
| Increase/(decrease) in deferred tax asset | (2,699) | (1,857) |
| Increase/(decrease) in provision for income tax | (61,469) | (3,693) |

Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:

| | | |
|---|----------------|----------------|
| (Increase) decrease in trade and term debtors | (15,529) | (25,306) |
| (Increase) decrease in prepayments/sundry debtors | 27,761 | 4,642 |
| Increase (decrease) in trade creditors and accruals | (29,002) | 42,245 |
| Increase (decrease) in employee entitlements | 8,999 | 6,190 |
| Increase (decrease) in sundry provisions | 7,214 | 8,403 |
| Net cash provided by operating activities | <u>265,619</u> | <u>345,798</u> |

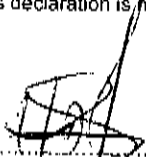
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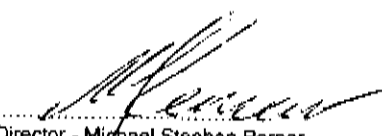
DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, are in accordance with the Corporations Act 2001, including
 - (a) Complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - (b) give a true and fair view of the financial position as at 31 December 2011 and performance for the half year ended on that date.
2. In the directors' opinion 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.


Director - Henry DaSilva


Director - Michael Stephen Pernar

Dated this 19 day of

March

2012

HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD
A.B.N. 39 091 661 166

INDEPENDENT REVIEW REPORT TO THE MEMBERS

Scope

We have reviewed the financial report of Hobson's Bay Community Financial Services Limited for the half-year ended 31 December 2011 as set out on pages 3 to 19. The company's directors are responsible for the financial report. We have performed an Independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the company's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

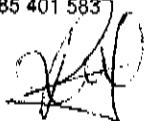
In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Statement

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 HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD is not in accordance with:

- a. the *Corporations Act 2001*, including:
 - (1) giving a true and fair view of the company's financial position as at 31 December 2011 and of its performance for the half year ended on that date; and
 - (11) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.
- b. other mandatory professional reporting requirements in Australia.

Ross Clarke Pty Ltd
Certified Practising Accountants
ABN 63 085 401 583



Ross Clarke Director

Dated this 9th day of March 2012.

HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD
A.B.N. 39 091 661 166

BSX INFORMATION

Each shareholder is entitled to 1 vote, irrespective of the number of shares held.

There are no substantial shareholders (holding more than 5% of voting rights) as each shareholder is entitled to 1 vote. Normally holding more than 5% of total issued shares would create a substantial shareholder, but this is not applicable due to the voting restrictions of the Company.

There were 109 shareholders holding less than a marketable parcel of shares.

There were no restricted securities on issue.

All shares on issue are ordinary shares fully paid to \$1 per share. There are no unquoted equity securities.

The security register (share register) is kept at:

26 Aviation Road

Laverton Vic 3028

Phone: (03) 9360 8081

The registered office of the Company is located at:

4B Pyke Street

Werribee Vic 3030

Phone: (03) 9741 3151