



## SIM Venture Securities Exchange Listing Rules

## Annexure 3A

Half yearly/Yearly Disclosure

## References

Version 2, Operative 23/6/2010  
Chapter 3, SIM VSE Listing Rules

HOBSONS BAY COMMUNITY FINANCIAL SERVICES LIMITED

Name of entity

39 091 661 166

ABN ACN or ARBN

Half yearly (tick)

Annual (tick)



31 DECEMBER 2010

Half year/financial year ended  
(Current period)

## Summary

Sales revenue or operating revenue	up/down	18 %	to	\$A,000 1,435
Profit (loss) before abnormal items and after tax	up/down	78 %	to	279
Abnormal items before tax		gain (loss) of		—
Profit (loss) after tax but before outside equity interests	up/down	78 %	to	279
Extraordinary items after tax attributable to members		gain (loss) of		—
Profit (loss) for the period attributable to members	up/down	78 %	to	279
Dividends (distributions)	Franking rate applicable	100 %		
Current period	Final	12		¢
	Interim	—		¢
Previous corresponding period	Final	10		¢
	Interim	—		¢

**Annexure 3A**  
**Half Yearly Yearly Disclosure**

Record date for determining entitlements to the dividend, (in the case of a trust distribution)

—

Short details of any bonus or cash issue or other items(s) of importance not previously released to SIM VSE:

—

**Consolidated profit and loss account**

	Current period \$A'000	Previous corresponding period \$A'000
Sales revenue or operating revenue	1,435	1,216
Expenses from ordinary activities	1,030	985
Borrowing costs	—	—
Share of net profit (loss) of associates and joint venture entities	—	—
Profit (loss) from ordinary activities before tax	405	231
Income tax on ordinary activities	126	74
Profit (loss) from ordinary activities after tax	279	157
Outside equity interests	—	—
Profit (loss) from ordinary activities after tax attributable to members	279	157
Profit (loss) from extraordinary activities after tax attributable to members	—	—
Profit (loss) for the period attributable to members	279	157
Retained profits (accumulated losses) at the beginning of the financial period	727	503
Net transfers to and from reserves	—	—
Net effect of changes in accounting policies	168	140
Dividends paid or payable	—	—
Retained profits (accumulated losses) at end of financial period	838	520

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Profit restated to exclude amortisation of goodwill**

	Current period \$A'000	Previous corresponding period \$A'000
Profit (loss) from ordinary activities after tax before outside equity interests and amortisation of goodwill	279	157
Less (plus) outside equity interests	—	—
Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	279	157

**Revenue and expenses from operating activities**

Details of revenue and expenses	Current period \$A'000	Previous corresponding period \$A'000
REVENUE	1,435	1,216
OPERATING EXPENSES	(1,030)	(985)

**Intangible and extraordinary items**

	Consolidated - current period		
	Before tax \$A'000	Related tax \$A'000	After tax \$A'000
Amortisation of goodwill	—	—	—
Amortisation of other intangibles	18	5	13
<b>Total amortisation of intangibles</b>	<b>18</b>	<b>5</b>	<b>13</b>
Extraordinary items (details)	—	—	—
<b>Total extraordinary items</b>	<b>—</b>	<b>—</b>	<b>—</b>

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Comparison of half year profits**  
(Annual statement only)

	Current year - \$A'000	Previous year - \$A'000
Consolidated profit (loss) from ordinary activities after tax attributable to members reported for the 1st half year	279	157
Consolidated profit (loss) from ordinary activities after tax attributable to members for the 2nd half year	—	—

**Consolidated balance sheet**

	At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly statement \$A'000
<b>Current assets</b>			
Cash	1,365	1,188	963
Receivable	275	250	236
Investments	—	—	—
Inventories	5	9	8
Other (provide details if material)			
<b>Total current assets</b>	<b>1,645</b>	<b>1,447</b>	<b>1,207</b>
<b>Non-current assets</b>			
Receivables	—	—	—
Investments	—	—	—
Inventories	—	—	—
Other property, plant and equipment (net)	813	831	827
Intangibles (net)	55	73	91
Other (provide details if material)	45	44	26
<b>Total non-current assets</b>	<b>913</b>	<b>948</b>	<b>944</b>
<b>Total assets</b>	<b>2,558</b>	<b>2,395</b>	<b>2,151</b>
<b>Current liabilities</b>			
Accounts payable	170	128	139
Borrowings	69	66	65
Provisions	—	—	—
Other (provide details if material)	105	101	59

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

<b>Total current liabilities</b>	<b>344</b>	<b>295</b>	<b>263</b>
<b>Non-current liabilities</b>			
Accounts payable	—	—	—
Borrowings	—	—	—
Provisions	83	79	75
Other (provide details if material)	49	49	49
<b>Total non-current liabilities</b>	<b>132</b>	<b>128</b>	<b>124</b>
<b>Total liabilities</b>	<b>476</b>	<b>423</b>	<b>387</b>
<b>Net assets</b>	<b>2,082</b>	<b>1,972</b>	<b>1,764</b>
<b>Equity</b>			
Capital	1,130	1,130	1,130
Reserves	114	114	114
Retained profits (accumulated losses)	838	728	520
Equity attributable to members of the parent entity	—	—	—
Outside equity interests in controlled entities	—	—	—
<b>Total equity</b>	<b>2,082</b>	<b>1,972</b>	<b>1,764</b>
Preference capital and related premium included	—	—	—

**Consolidated statement of cash flows**

<b>Cash flows related to operating activities</b>	<b>Current period \$A'000</b>	<b>Previous corresponding period \$A'000</b>
Receipts from customers	1519	1,297
Payments to suppliers and employees	(1096)	(1,050)
Dividends received	—	—
Interest and other items of similar nature received	32	6
Interest and other costs of finance paid	(110)	(6)
Income taxes paid	—	(30)
Other (provide details if material)	—	—
<b>Net operating cash flows</b>	<b>345</b>	<b>217</b>
<b>Cash flows related to investing activities</b>		
Payments for purchases of property, plant	—	(2)

Date 23/06/2010

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		Annexure 3A	
		Half Yearly	Yearly Disclosure
and equipment			
Proceeds from sale of property, plant and equipment	—	—	
Payment for purchases of equity investments	—	—	
Proceeds from sale of equity investments	—	—	
Loans to other entities	—	—	
Loans repaid by other entities	—	—	
Other (provide details if material)	—	—	
<b>Net investing cash flows</b>	—		(2)
<b>Cash flows related to financing activities</b>			
Proceeds from issues of securities (shares, options, etc.)	—	—	
Proceeds from borrowings	—	—	
Repayment of borrowings	—	(183)	(183)
Dividends paid	(168)		(140)
Other (provide details if material)	—	—	—
<b>Net financing cash flows</b>	(168)		(323)
<b>Net increase (decrease) in cash held</b>			
Cash at beginning of period (see Reconciliation of cash)	1,188		1071
Exchange rate adjustments	—		—
<b>Cash at end of period</b> (see Reconciliation of cash)	1,365		963

**Non-cash financing and investing activities**

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows. If an amount is quantified, show comparative amount.

N/L

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Reconciliation of cash**

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding period \$A'000
Cash on hand and at bank	256	246
Deposits at call	1109	717
Bank overdraft	=	=
Other (provide details)		
Total cash at end of period	1,365	963

**Ratios****Profit before tax/sales**

Consolidated profit (loss) from ordinary activities before tax as a percentage of sales revenue

Current period

Previous  
corresponding period

28.2

19.0

**Profit after tax/equity interests**

Consolidated profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period

13.4

8.9

**Earnings per security (EPS)**

Calculation of basic, and fully diluted, EPS in accordance with AASB 1027: Earnings per Share

(a) Basic EPS

(b) Diluted EPS (if materially different from (a))

Current period

Previous  
corresponding period

19.9

11.2

**NTA backing**

Net tangible asset backing per ordinary security

Current period

Previous  
corresponding period

1.44

1.19

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Details of specific receipts/outlays, revenues/expenses**

	Current period A\$'000	Previous corresponding period \$A'000
Interest revenue included	32	6
Interest revenue included but not yet received (if material)	—	—
Interest costs excluded from borrowing costs capitalised in asset values	—	6
Outlays (excepts those arising from the acquisition of an existing business) capitalised in intangibles (if material)	—	—
Depreciation (excluding amortisation of intangibles)	19	19
Other specific relevant items	—	—

**Control gained over entities having material effect**

Name of entity

N/A

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity since the date in the current period on which control was acquired

\$

Date from which such profit has been calculated

Profit (loss) from ordinary activities and extraordinary items after tax of the entity for the whole of the previous corresponding period

\$

**Loss of control of entities having material effect**

Name of entity

N/A

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity for the current period to the date of loss of control

\$

Date from which the profit (loss) has been calculated

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the entity while controlled during the whole of the previous corresponding period

\$

Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

\$



# Annexure 3A

## Half Yearly/Yearly Disclosure

### Reports for industry and geographical segments

#### Segments

Operating Revenue

Sales to customers outside the economic entity

Inter-segment sales

Unallocated revenue

Total revenue

Segment result

Unallocated expenses

Consolidated profit from ordinary activities after tax (before equity accounting)

Segment assets

Unallocated assets

Total assets

Comparative data for segment assets should be as at the end of the previous corresponding period

#### Dividends

Date the dividend is payable

25/11/2010

Record date to determine entitlements to the dividend (ie. on the basis of registrable transfers received up to 5.00 pm)

17/11/2010

#### Amount per security

		Franking rate applicable	%	%	%
(annual report only)					
Final dividend:	Current year	12 ¢	N/A	100%	N/A
	Previous year	10 ¢	N/A	100%	N/A
(Half yearly and annual statements)					
Interim dividend:	Current year	— ¢	N/A	— ¢	N/A
	Previous year	— ¢	— ¢	— ¢	— ¢

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Total annual dividend (distribution) per security**  
(Annual statement only)

	Current year	Previous year
Ordinary securities	₹	₹
Preference securities	₹	₹

**Total dividend (distribution)**

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$ 168	\$ 140
Preference securities	\$ —	\$ —
<b>Total</b>	\$ 168	\$ 140

**Half yearly report – Interim dividend (distribution) on all securities or Annual report – final dividend (distribution) on all securities**

	Current period \$A'000	Previous corresponding period - \$A'000
Ordinary securities	\$ 168	\$ 140
Preference securities	\$ —	\$ —
<b>Total</b>	\$ 168	\$ 140

The dividend or distribution plans shown below are in operation.

**DIVIDENDS ARE REVIEWED BY DIRECTORS  
AFTER THE END OF YEAR ACCOUNTS.**

The last date(s) for receipt of election notices to the dividend or distribution plans

Any other disclosures in relation to dividends (distributions)

NIL

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Equity accounted associated entities and other material interests**

*Equity accounting information attributable to the economic entity's share of investments in associated entities must be disclosed in a separate notice. See AASB 1016: Disclosure of Information about Investments in Associated Companies.*

Entities share of:

N/A

Current period  
A\$'000

Previous corresponding  
period A\$'000

Profit (loss) from ordinary activities before tax.

N/A

N/A

Income tax

Profit (loss) from ordinary activities after tax

Extraordinary items net of tax

Net profit (loss)

Outside equity interests

Net profit (loss) attributable to members

**Material Interests in entities which are not controlled entities**

*The entity has an interest (that is material to it) in the following entities.*

Name of entity

Percentage of ownership  
interest held at end of period or  
date of disposal

Contribution to profit (loss)  
from ordinary activities and  
extraordinary items after tax

**Equity accounted  
associates and joint  
venture entities**

Current period

Previous  
corresponding  
period

Current period  
A\$'000

Previous  
corresponding  
period  
A\$'000

N/A

**Total**

**Other material  
interests**

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

<b>Total</b>				

**Issued and listed securities**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

**Category of securities**

	Number issued	Number listed	Issue Price (cents)	Paid-up value (cents)
<b>Preference securities</b> <i>(description)</i>	—	—	—	—
Changes during current period	—	—	—	—
<b>Ordinary securities</b>	1,403,133	1,403,133	100	100
Changes during current period	—	—	—	—
<b>Convertible debt securities</b> <i>(description and conversion factor)</i>	—	—	—	—
Changes during current period	—	—	—	—

			Exercise price	Expiry date
<b>Options</b> <i>(description and conversion factor)</i>	—	—	—	—
Changes during current period	—	—	—	—
Exercised during current period	—	—	—	—
Expired during current period	—	—	—	—

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

<b>Debentures</b>	—	—
<b>Unsecured Notes</b>	—	—

**Discontinuing Operations****Consolidated profit and loss account**

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Sales revenue or operation revenue	1435	1216	—	—	1435	1216
Other revenue	—	—	—	—	—	—
Expenses from ordinary activities	1030	985	—	—	1030	985
Profit (loss) before tax	405	231	—	—	405	231
Less tax	126	74	—	—	126	74
Profit (loss) from ordinary activities after tax	279	157	—	—	279	157

**Consolidated statement of cash flows**

	Continuing operations		Discontinuing operations		Total entity	
	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000	Current period - \$A'000	Previous corresponding period - \$A'000
Net operating cash flows	345	217	—	—	345	217
Net investing cash flows	—	(2)	—	—	—	(2)

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

Net financing cash flows

(168)	(323)	—	—	(168)	(323)
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**Other disclosures**

	Current period A\$'000	Previous corresponding period A\$'000
Carrying amount of items to be disposed of:		
- total assets	—	—
- total liabilities	—	—
Profit (loss) on disposal of assets or settlement of liabilities	—	—
Related tax	—	—
Net profit (loss) on discontinuance	—	—

**Description of disposals**

—
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**Comments by directors****Basis of accounts preparation**

*If this statement is a half yearly statement it should be read in conjunction with the last annual report and any announcements to the market made by the entity during the period.*

Material factors affecting the revenues and expenses of the entity for the current period including seasonal or cyclical factors

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**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

A description of each event since the end of the current period which has had a material effect and is not related to matters already reported, with financial effect quantified (if possible)

NIL

Franking credits available and prospects for paying fully or partly franked dividends for at least the next year

\$400 K FRANKING CREDITS AT 31 DECEMBER  
2010 WHICH ARE AVAILABLE FOR FUTURE DIVIDENDS.

Changes in accounting policies since the last annual report and estimates of amounts reported in prior years are disclosed as follows.

NIL

Changes in the amounts of contingent liabilities or assets since the last annual report are disclosed as follows.

NIL

**Additional disclosure for trusts**

Number of units held by the management company or responsible entity to their related parties.

N/A

A statement of the fees and commissions payable to the management company or responsible entity.

Identify:

- Initial service charges
- Management fees
- Other fees

N/A

**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

**Annual meeting**  
*(Annual statement only)*

The annual meeting will be held as follows:

Place

Date

Time

Approximate date the annual report will be available

**Compliance statement**

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act.
- 2 This statement, and the financial statements under the Corporations Act (if separate), use the same accounting policies.
- 3 In the case of a half-yearly report the same accounting standards and methods of computation are followed as compared with the most recent annual accounts.
- 4 This statement gives a true and fair view of the matters disclosed.
- 5 This statement is based on financial statements to which one of the following applies:  
*(Tick one)*
  - ☐ The financial statements have been audited.
  - ☒ The financial statements have been subject to review by a registered auditor (or overseas equivalent).
  - ☐ The financial statements are in the process of being audited or subject to review.
  - ☐ The financial statements have *not* yet been audited or reviewed.
- 6 If the accounts have been or are being audited or subject to review and the audit report is not attached, details of any qualifications are attached/will follow immediately they are available\* *(delete one)*.
- 7 The entity has/does not have\* *(delete one)* a formally constituted audit committee.

Sign here:

*(Signature)*  
 Director/Company secretary

Date: 10-3-2011

Print name:

MICHAEL PERNAR



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**Annexure 3A**  
**Half Yearly/Yearly Disclosure**

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**Notes**

**True and fair view** If this statement does not give a true and fair view of a matter (for example, because compliance with an Accounting Standard is required) the entity must attach a note providing additional information and explanations to give a true and fair view.

**Income tax** If the amount provided for income tax in this statement differs (or would differ but for compensatory items) by more than 15% from the amount of income tax *prima facie* payable on the profit before tax, the entity must explain in a note the major items responsible for the difference and their amounts.

**Additional Information** An entity may disclose additional information about any matter, and must do so if the information is material to an understanding of the financial statements. The information may be an expansion of the material contained in this statement, or contained in a note attached to the statement.

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**

**A.B.N. 39 091 661 166**

**Interim Financial Report**

**For the half year ended 31 December 2010**

**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**  
**A.B.N. 39 091 661 166**

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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 2010.

**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	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 \$185,642. The Altona Branch made a net profit for the half year of \$126,745. The Point Cook Branch made a net loss for the half year of (\$33,775). The overall net profit of the company after providing for income tax was \$278,612 (2009 \$156,911).

**Review of Operations**

The net assets of the company have increased by \$101,236 from 01 July 2010 to \$2,082,120 during the half year.

The company has continued to grow with assets under management now exceeding \$296 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. This will reduce the sales revenue and operating profit by \$18,000 after tax in the year ending 30 June 2011 and possibly \$77,000 for 2011/2012. 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.

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

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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



.....  
Director - Michael Stephen Pernar

Dated this 10 day of MARCH 2011

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

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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 2010 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 63 085 401 683



Ross Clarke Director

Dated this 10 day of October 2011.

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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR  
ENDED 31 DECEMBER 2010**

	Note	31-12-2010	31-12-2009
		\$	\$
<b>Revenues from Ordinary Activities</b>	2	<u>1,435,473</u>	<u>1,215,818</u>
Amortisation of franchise fee	3	(18,000)	(17,987)
Depreciation of furniture & equipment	3	(18,562)	(19,139)
Employment expenses		(589,469)	(539,562)
Other expenses from ordinary activities		<u>(404,117)</u>	<u>(407,969)</u>
<b>Total Expenses from Ordinary Activities</b>		<u>(1,030,148)</u>	<u>(984,657)</u>
<b>Profit from Ordinary Activities before Income Tax</b>		405,325	231,161
Income Tax (Expenses) relating to Ordinary Activities	5	<u>(126,713)</u>	<u>(74,250)</u>
<b>Profit from Ordinary Activities after Income Tax</b>		278,612	156,911
Profit attributable to extraordinary items		-	-
<b>Net Profit Attributable to Members</b>		<u>278,612</u>	<u>156,911</u>
<b>Overall Operations</b>			
Basic & Diluted earnings per share (cents per share)	17	19.85	11.18

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

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010**

	Note	31-12-2010	30-6-2010
		\$	\$
<b>Current Assets</b>			
Cash assets	6	1,365,032	1,187,610
Receivables	7	274,954	249,648
Other	8	5,013	9,653
<b>Total Current Assets</b>		<b>1,644,999</b>	<b>1,446,911</b>
<b>Non-Current Assets</b>			
Property, Furniture and Equipment	9	812,855	831,417
Deferred tax asset	10	45,523	43,666
Intangible assets	11	54,947	72,947
<b>Total Non-Current Assets</b>		<b>913,325</b>	<b>948,030</b>
<b>Total Assets</b>		<b>2,558,324</b>	<b>2,394,941</b>
<b>Current Liabilities</b>			
Payables	12	170,523	128,278
Tax liabilities	14	105,071	100,359
Provisions	15	68,615	65,903
<b>Total Current Liabilities</b>		<b>344,209</b>	<b>294,540</b>
<b>Non-Current Liabilities</b>			
Interest-bearing liabilities	13	-	-
Tax Liabilities	14	48,866	48,866
Provisions	15	83,129	79,651
<b>Total Non-Current Liabilities</b>		<b>131,995</b>	<b>128,517</b>
<b>Total Liabilities</b>		<b>476,204</b>	<b>423,057</b>
<b>Net Assets</b>		<b>2,082,120</b>	<b>1,971,884</b>
<b>Equity</b>			
Issued capital	16	1,130,008	1,130,008
Retained Profits/(Accumulated Losses)		838,091	727,855
Revaluation Reserve		114,021	114,021
<b>Total Equity</b>		<b>2,082,120</b>	<b>1,971,884</b>



**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED  
31 DECEMBER 2010**

	<b>Issued Capital</b>	<b>Revaluation Reserve</b>	<b>Retained Profits (Accumulated Losses)</b>	<b>Total</b>
<b>Balance 1/07/2009</b>	<b>1,130,008</b>	<b>114,021</b>	<b>503,476</b>	<b>1,747,505</b>
Dividend paid during year	-	-	(140,337)	(140,337)
Profit attributable to members of the company	-	-	156,911	156,911
<b>Balance 31/12/2009</b>	<b>1,130,008</b>	<b>114,021</b>	<b>520,050</b>	<b>1,764,079</b>
<b>Balance 1/07/2010</b>	<b>1,130,008</b>	<b>114,021</b>	<b>727,855</b>	<b>1,971,884</b>
Dividend paid during year	-	-	(168,376)	(168,376)
Profit attributable to members of the company	-	-	278,612	278,612
<b>Balance 31/12/2010</b>	<b>1,130,008</b>	<b>114,021</b>	<b>838,091</b>	<b>2,082,120</b>

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Note	31-12-2010	31-12-2009
		\$	\$
<b>Cash Flow from Operating Activities</b>			
Receipts from Bendigo Bank Limited		1,518,855	1,297,300
Payments to suppliers and employees		(1,094,829)	(1,050,356)
Interest received		31,692	6,599
Interest and other costs of finance		-	(6,168)
Income tax paid		(109,920)	(29,906)
Net cash provided by (used in) operating activities	19	<u>345,798</u>	<u>217,469</u>
<b>Cash Flow from Investing Activities</b>			
Purchases of Property, Plant & Equipment		<u>-</u>	<u>(2,336)</u>
Net cash provided by (used in) investing activities		<u>-</u>	<u>(2,336)</u>
<b>Cash Flow from Financing Activities</b>			
Dividends Paid		(168,376)	(140,337)
Repayment of borrowings		<u>-</u>	<u>(183,168)</u>
Net cash provided by (used in) financing activities		<u>(168,376)</u>	<u>(323,505)</u>
Net increase (decrease) in cash held		177,422	(108,372)
Cash at the beginning of the year		1,187,610	1,071,702
Cash at the end of the year	18	<u><u>1,365,032</u></u>	<u><u>963,330</u></u>

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED  
31 DECEMBER 2010**

**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 2010 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.

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED**  
**31 DECEMBER 2010**

**(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 12<sup>th</sup> March 2008.

**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.

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED  
31 DECEMBER 2010**

**(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.

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED  
31 DECEMBER 2010**

**(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.

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Note	31-12-2010	31-12-2009
		\$	\$
<b>Note 2: Revenue</b>			
<b>Operating Activities:</b>			
Franchise income		1,403,781	1,209,219
Interest revenue		31,692	6,599
Other operating revenue:			
- Other income		-	-
<b>Total Revenue from Ordinary Activities</b>		<u><u>1,435,473</u></u>	<u><u>1,215,818</u></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	17,987
Total amortisation expenses		<u>18,000</u>	<u>17,987</u>
Bad and doubtful debts		2,605	3,637
Interest paid		-	6,168
Depreciation of non-current assets:			
- Plant and equipment		18,562	19,139

**Note 4: Auditors' Remuneration**

Remuneration of the auditor of the company for:

Audit Services		3,626	5,000
Other services		-	-
		<u><u>3,626</u></u>	<u><u>5,000</u></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><u>405,325</u></u>	<u><u>231,161</u></u>
Prima facie income tax payable on operating profit @ 30%		121,598	69,348
Add:			
Tax effect of:			
Amortisation of franchise fee		5,400	5,396
Capital works/Tax Break deduction		(285)	(494)
<b>Income tax expense attributable to ordinary activities</b>		<u><u>126,713</u></u>	<u><u>74,250</u></u>

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Note	31-12-2010	30-6-2010
<b>Note 6: Cash Assets</b>			
Bank accounts:			
- Cash at Bank		255,331	255,939
- Term Deposits		1,108,963	930,827
- Cash on hand		738	844
		<u>1,365,032</u>	<u>1,187,610</u>
<b>Note 7: Receivables</b>			
<b>Current</b>			
Trade debtors		<u>274,954</u>	<u>249,648</u>
<b>Note 8: Other Assets</b>			
<b>Current</b>			
Prepayments		<u>5,013</u>	<u>9,653</u>
<b>Note 9: Property, Furniture and Equipment</b>			
<b>Land and Buildings:</b>			
- At valuation		<u>529,000</u>	<u>529,000</u>
<b>Furniture and equipment:</b>			
- At cost		643,387	643,387
- Less accumulated depreciation		<u>(359,532)</u>	<u>(340,970)</u>
		<u>283,855</u>	<u>302,417</u>
<b>Leased assets:</b>			
- 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>812,855</u>	<u>831,417</u>



**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Note	31-12-2010	30-6-2010
		\$	\$
<b>Note 10: Deferred Tax Assets</b>			
Deferred Tax asset		<u>45,523</u>	<u>43,666</u>
The deferred tax asset is made up of the following estimated tax benefits:			
- timing differences		<u>45,523</u>	<u>43,666</u>
<b>Note 11: Intangibles</b>			
Franchise fee:			
- At cost		179,881	179,881
- Less accumulated amortisation		<u>(124,934)</u>	<u>(106,934)</u>
		<u>54,947</u>	<u>72,947</u>
<b>Note 12: Payables</b>			
<b>Current</b>			
Unsecured:			
- Trade creditors		89,427	63,133
- Other creditors and accruals		<u>81,096</u>	<u>65,145</u>
<b>Total Current Liabilities</b>		<u>170,523</u>	<u>128,278</u>
<b>Note 13: Interest-Bearing Liabilities</b>			
<b>Non-Current</b>			
Bank loan		<u>--</u>	<u>-</u>

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

	Note	31-12-2010	30-6-2010
		\$	\$
<b>Note 14: Tax Liabilities</b>			
<b>Current</b>			
Current tax liability		41,795	45,488
GST payable		54,950	47,481
Amounts withheld from salary and wages		<u>8,326</u>	<u>7,390</u>
		<b><u>105,071</u></b>	<b><u>100,359</u></b>
<b>Non-Current</b>			
Deferred tax liability		<u>48,866</u>	<u>48,866</u>
<b>Note 15: Provisions</b>			
<b>Current</b>			
Employee entitlements		<u>68,615</u>	<u>65,903</u>
<b>Non-Current</b>			
Employee entitlements		<u>83,129</u>	<u>79,651</u>
Aggregate employee entitlements liability		151,744	145,554
Number of employees at end of year		13	13
<b>Note 16: Issued Capital</b>			
1,403,133 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 17: Earnings per Share**

Earnings used to calculate basis EPS	278,612	156,911
Number of ordinary shares used to calculate basic EPS	1,403,133	1,403,133

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2010**

Note	31-12-2010	31-12-2009
	\$	\$

**Note 18: 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	255,331	244,349
Term deposits	1,108,963	717,366
Cash on hand	<u>738</u>	<u>1,615</u>
	<u><b>1,365,032</b></u>	<u><b>963,330</b></u>

**Note 19: Reconciliation of Net Cash Provided by/Used in Operating Activities to Net Profit**

Operating profit after income tax	278,612	156,911
Depreciation	18,562	19,139
Amortisation of franchise fee	18,000	17,987
Increase/(decrease) in deferred tax asset	(1,857)	(1,087)
Increase/(decrease) in provision for income tax	(3,693)	51,945

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

(Increase) decrease in trade and term debtors	(25,306)	(32,841)
(Increase) decrease in prepayments	4,642	4,945
Increase (decrease) in trade creditors and accruals	42,245	(20,906)
Increase (decrease) in employee entitlements	6,190	8,726
Increase (decrease) in sundry provisions	<u>8,403</u>	<u>12,650</u>
<b>Net cash provided by operating activities</b>	<u><b>345,798</b></u>	<u><b>217,469</b></u>

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements, notes and cashflow statement.
  - (a) comply with Accounting Standards and the Corporations Law; and
  - (b) give a true and fair view of the financial position as at 31 December 2010 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 10 day of MARCH 2011

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

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**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 2010 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**

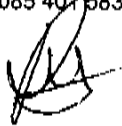
In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

### **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 2010 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 & Associates P/L  
Certified Practising Accountants  
ABN 63 085 401 683



Ross Clarke Director

Dated this 10 day of MARCH 2011.

**HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**  
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**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 110 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) 9369 8081

The registered office of the Company is located at:

4B Pyke Street

Werribee Vic 3030

Phone: (03) 9741 3151