

MARKET RELEASE

RE: Community Financial Services Victoria Limited – ASIC Compliance Review

CFSV Ltd. has been made aware of ASIC's concerns regarding the Company's Compliance with AASB 1047. The Company has commenced transitioning its accounting policies and financial reporting from current Australian Standards to Australian equivalents of International Financial Reporting Standards (IFRS). With consultation with our external auditors, the Company is ensuring that the impact of the transition to IFRS is fully reviewed and completed.

Based on current requirements, the financial statements of the Company prepared at June 30 2006 will need to comply with IFRS. Comparative figures for the year ended 30 June 2005 and the half year ended 31 Dec 2005, within the 30 June 2006 financial year, will also need to comply with IFRS.

The currently identified key potential implications to the Company of the conversion to IFRS are:

- a) income tax will be calculated based on the "balance sheet" approach, which may result in more deferred tax assets and liabilities;
- b) changes in accounting policies will be recognised by restating prior year figures, rather than making current year adjustments and the impact will be disclosed in the notes to the financial statements.

The impact on future years will depend on circumstances prevailing at the time of preparing relevant financial reports.

This statement has been made at the request of ASIC.

Tania Hansen
Company Secretary

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