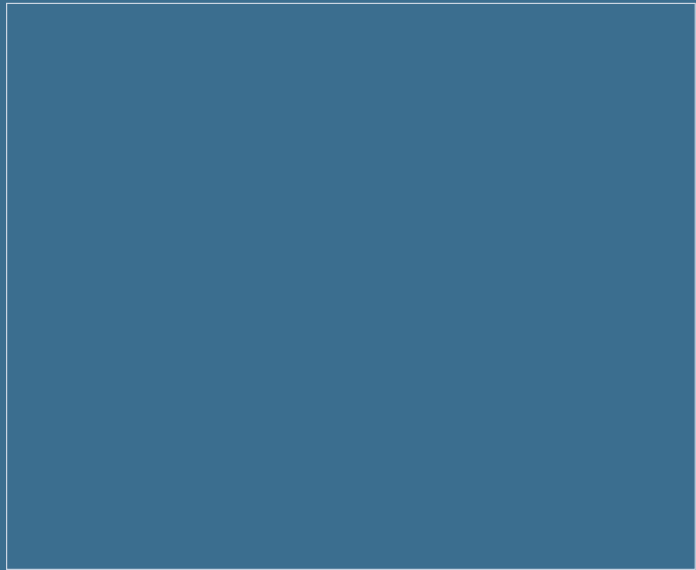
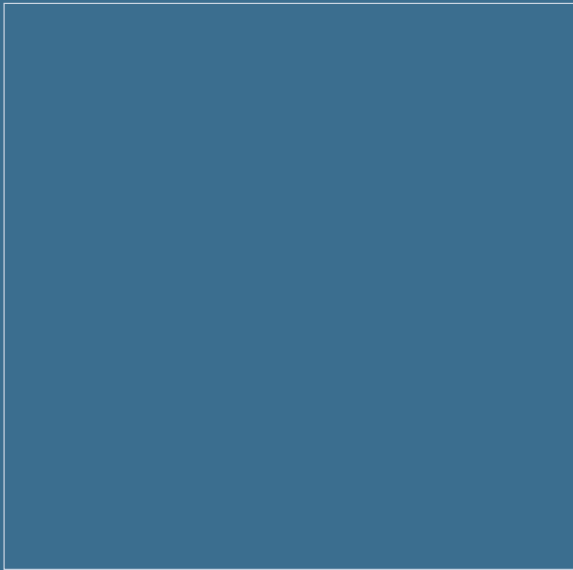


annual report | 2009



Hobsons Bay Community
Financial Services Limited
ABN 39 091 661 166

Altona, Laverton & Altona Meadows and Point Cook
Community Bank[®] branches of Bendigo Bank

Contents

Chairman's report	2
Senior Manager's report	3
Corporate governance statement	4
Directors' report	5-10
Auditor's independence declaration	11
Financial statements	12-15
Notes to the financial statements	16-26
Directors' declaration	27
Independent audit report	28-29
BSX report	30-32

Chairman's report

For year ending 30 June 2009

Since opening Laverton/Altona Meadows, Altona and Point Cook **Community Bank**[®] branches we have achieved our original goal of bringing banking services back to our local communities. Now, we are witnessing a phenomenon. Our **Community Bank**[®] branches not only deliver modern banking with old-fashioned service, they have also delivered dividends to local shareholders, and this year, we have distributed in excess of \$100,000 back to our local communities through sponsorships and donations.

I am pleased to be able to report yet another excellent result for our **Community Bank**[®] Company, for the financial year ending June 2009. You will see from the Financial report how the business has grown.

The report signifies the progress of our Company in terms of solid growth. Who would have imagined that within nine years of opening Laverton/Altona Meadows **Community Bank**[®] Branch we would have over \$235 million in balances and over 15,000 accounts.

The last 12 months have been very busy. We have continued to support our community groups through sponsorship and donations. It gives us great pleasure to annually come together with our communities as we help celebrate local festivals including the Bayside Festival, Christmas by the Lake and the Laverton Festival.

Your Board has worked hard, attending the regular monthly Board meetings and various sub-committee meetings. It is a full and busy schedule, and members have shown great dedication to the job. The Board of Directors continue to be active in ensuring that the business continues to grow so that we can achieve the best outcomes for our shareholders, customers, staff and the community in general. Directors have attended many functions throughout the year to help promote your bank in an endeavour to attract more business.

The Company owes a great deal to the Managers and staff of our branches. They have always worked with total commitment to support the business and increase the community benefit. I would like to take this opportunity to acknowledge and thank them for a tremendous performance over the past 12 months.

Whilst the bank staff and the Board of Directors are working very hard to ensure the success of the business I must urge all shareholders to help us achieve our goals by banking with us and by promoting to others the benefits that our **Community Bank**[®] branches have to offer the community as a whole.

In closing, I hope that you find this report satisfactory and thank you for your ongoing support throughout the year.

Yours sincerely,



Henry Da Silva
Chairman

Senior Manager's report

For year ending 30 June 2009

Hello to everyone for, yet another year has passed, and it's time for another annual report.

Every year at this time I reflect on how much we have grown, from humble beginnings, on that cold wet night nine years ago when Premier Steve Bracks declared our Laverton/Altona Meadows **Community Bank**[®] Branch open for business. By we I mean our Company, our three branches and especially our communities – Laverton/Altona Meadows, Altona and Point Cook.

I'm sure you'll hear from others too, however the good news is we continue to grow with over 15,000 accounts held and balances exceeding a quarter of a billion dollars across the three branches.

Our communities are the sum of its individuals. I feel that by helping individuals become successful, the Laverton/Altona Meadows, Altona and Point Cook communities can't help but be successful too.

As always I would like to take this opportunity to thank our shareholders for allowing this wonderful enterprise to happen. Again, as always please let me thank our hardworking Directors whom I must say deserve much acknowledgement and appreciation for the dedication and efforts over the past nine years.

Lastly I would like to thank my staff, a very loyal and dedicated group. Without our competent cheerful staff, we would not be as successful as we are. I am confident that by continuing to deliver the high standard of service our customers are now accustomed to, our value within the community will continue to prosper.

In summary it has been an extremely exciting nine years and I look forward to reporting to you again next year, when we celebrate our 10th year in the **Community Bank**[®] network.



John Dawson
Senior Manager

Corporate governance statement

The Board is comprised entirely of non executive independent Directors. The skills experience and composition of the Board is detailed in the Director's report. Details of the Directors' shareholdings, their remuneration and any transactions which they have conducted with the Company are included in the Directors' report and Notes to the financial statements.

The Board has committed to a high standard of corporate governance, financial reporting and integrity throughout the Company's operations. The following portfolios have been established as subcommittees to assist and advise the Board.

- Audit and Corporate Governance
- Finance and Asset Management
- Human Resources
- Business Development
- Sponsorship and Marketing

Independent professional advice

Directors have the right to seek independent professional advice in the furtherance of their duties as Directors at the Company's expense. Written approval must be obtained from the chairman prior to incurring any expense on behalf of the Company.

Identifying and managing business risks

The Board regularly monitors the operational and financial performance of the Company against budget and other key performance measures. The Board also receives advice on areas of operational and financial risks, and develops strategies in conjunction with management, to mitigate those risks.

Communication with shareholders

The Board of Directors aims to ensure that shareholders, on behalf of whom they act, are informed of all major developments affecting the Company's activities and its state of affairs, including information necessary to assess the performance of the Directors.

Communication with shareholders is achieved through the distribution of the following information:

- The Annual Report distributed to all shareholders.
- The Annual General Meeting to obtain shareholder approval for Board action as appropriate.
- Announcements on the Bendigo Stock Exchange (BSX) website www.bsx.com.au .
- Regular shareholder newsletter.

The Board strives to ensure that Company announcements via the BSX are made in a timely manner, are factual, do not omit material information and are expressed in a clear and objective manner. The Board has appointed the Audit and Corporate Governance Committee to be responsible for the disclosure processes of the BSX.

Directors' report

For year ending 30 June 2009

The Directors present their report, together with the financial statements of the Hobson's Bay Community Financial Services Ltd for the year ended 30 June 2009.

Directors

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

H Da Silva	M S Pernar	W M Gray	G H Glasson (Commenced 25/11/08)
G Inserra	B J Cahoon	A D Shanahan	
F J Porter	G J Murdoch	M A Boyd	

Principal activities

During the year the Company continued to operate the Laverton/Altona Meadows **Community Bank**[®] Branch, Altona **Community Bank**[®] Branch and Point Cook **Community Bank**[®] Branch with the support of the Bendigo and Adelaide Bank Ltd.

Operating results

The Laverton Branch made a net profit for the year of \$236,692 (2008 \$457,695). The Altona Branch made a net profit for the year of \$115,449. (2008 \$23,553) The Point Cook Branch made a net loss for the year of (\$145,617) (2008 (\$166,322)) The overall net profit of the Company after providing for income tax was \$206,524 (2008 \$314,926).

Dividends

Dividends paid or declared for payment are as follows:

Ordinary dividend paid on 26 November 2008, as recommended in last year's report	\$168,376
--	-----------

The Directors have recommended payment of a dividend of 10 cents per share	\$140,313
--	-----------

Review of operations

The net assets of the Company have increased by \$38,148 from 01 July 2008 to \$1,747,505 as at 30 June 2009.

The Company has continued to grow with assets under management now exceeding \$235.6 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 year which have not been disclosed in this report.

Directors' report continued

After balance date events

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in subsequent financial years.

Future developments

The Company will continue to work towards its budget targets for the three branches at Laverton, Altona and Point Cook.

Environmental regulations

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Information on Directors

Mr H DaSilva - Chairperson

Appointed Director 18 February 2000. Original Steering Committee member. Henry is a local businessman and owner of Ray White Real Estate Laverton.

Mr M S Pernar - Secretary

Appointed Director 18 February 2000. Original Steering Committee member. Michael has been employed as the Manager/CEO of the Laverton Community Centre since 1995. His community spirit lends to his involvement in many local groups.

Mr W M Gray - Treasurer

Appointed 18 February 2000. Original Steering Committee member. Wayne has extensive Business and Financial experience across a number of industry areas and is currently employed as a project director across Asia Pacific with IBM.

Mr G Inserra (OAM)

Appointed Director on 18 February 2000. Original Steering Committee member and local resident. He is also a respected community worker with membership of numerous organisations.

Mr B J Cahoon

Appointed Director 18 February 2000. Original Steering Committee member. Bruce worked for BASE Australia – Altona Plant for 25 years, was part owner of Double C Jeanery. He now operates his own business Sanctuary Corporate Wear. Bruce is a local resident and is involved in many local groups and associations.

Mr G J (Dick) Murdoch (OAM)

Appointed Director at 2001 AGM. Former Mayor of Hobson's Bay, retired school principal and councillor. Graham is a local resident and involved in many local groups and associations.

Directors' report continued

Mr F J Porter

Appointed Director at 2001 AGM. Frank has been a Justice of the Peace for the past 28 years and was previously a Commissioner for Affidavits. Frank is also a holder of a 25 years Volunteer Service Award from the Royal Victorian Association of Honorary Justices and also a holder of a Life Governors Jewell from the Freemasons Hospital of Victoria.

A D Shanahan

Appointed Director at 2001 AGM. Former clothing store proprietor and Accountant. Current member of Rotary.

Mr G H Glasson

Appointed 25 November 2008. Worked for thirty five years within with the Altona Petrochemical Industry. Graeme is an Accountant, Rotarian and past President of the Sanctuary Lakes Golf Club.

Mr M A Boyd

Appointed Director 29 November 2005. Former local business owner. Inaugural Chairperson for Hobson's Bay Community Financial Services Ltd.

The Directors and their associates have the following shares in the Company as at 30 June 2009.

	Director	Associates	Total
Henry DaSilva	2,627		2,627
Wayne Gray	7,967	919	8,886
Denis Shanahan	625	1,250	1,875
Michael Boyd	2,346	656	3,002
Michael Pernar	1,399		1,399
Frank Porter		4,250	4,250
Bruce Cahoon	12,877	2,000	14,877
Joe Inserra	6,564	11,001	17,565
Graeme Murdoch	1,250		1,250
Graeme Glasson		500	500

Directors' report continued

Directors' meetings

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. During the financial year, 11 meetings of Directors were held. Attendances were:

	Eligible to attend	Number attended
Mr H DaSilva (Chairperson)	11	11
Mr M S Pernar (Secretary)	11	9
Mr F J Porter	11	6
Mr G Inserra	11	11
Mr B J Cahoon	11	9
Mr W M Gray (Treasurer)	11	7
Mr G J Murdoch	11	9
Mr AD Shanahan	11	9
Mr G Glasson	10	10
Mr M A Boyd	11	9

Portfolio meetings

	Audit & corporate governance portfolio	Finance portfolio	Sponsorships and marketing portfolio	Business development portfolio	Human resources portfolio	Charitable trusts advisory committee
Total meetings held	8	11	11	11	10	2
Henry Da Silva	5	10	6	8	4	
Michael Pernar	8					
Wayne Gray		7				
Denis Shanahan	6	7		10	8	
Graeme Murdoch			10	7		2
Guiseppe Inserra			9		3	1
Bruce Cahoon			9			2
Frank Porter			4	1	6	
Michael Boyd			1	7	5	
Graeme Glasson	4	8				

Directors' report continued

Remuneration report

Total remuneration of Directors	2009	2008
Henry Da Silva	\$4,628.00	\$3,307.50
Michael Pernar	\$3,473.00	\$3,307.50
Wayne Gray	\$3,473.00	\$3,307.50
Frank Porter	\$3,473.00	\$3,307.50
Denis Shanahan	\$3,473.00	\$2,205.00
Graeme Murdoch	\$3,473.00	\$2,205.00
Guiseppe Inserra	\$2,315.00	\$2,205.00
Bruce Cahoon	\$2,315.00	\$2,205.00
Michael Boyd	\$2,315.00	\$2,205.00

The Chairman was paid \$4,628, while the Company Secretary & Treasurer each paid \$3,473. The Company does not pay Directors salaries and there are no performance conditions placed on Director's remuneration. Director's remuneration is set by the shareholders at the AGM.

Directors' and Auditors' insurance and indemnification

The Company has paid premiums to insure the Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company.

The Company has not during or since the end of, the financial year, in respect of any person who is or has been an Auditor of the Company or a related body corporate:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred, including costs and expenses in successfully defending legal proceedings, or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred for the costs or expenses to defend legal proceedings.

Audit services

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

Directors' report continued


Auditor's independence declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act is also included in the following page.

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



Henry DaSilva
Director



Michael Stephen Pernar
Director

Dated 15 September 2009.

Auditor's independence declaration

Armstrong Partners

CHARTERED ACCOUNTANTS

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD

Auditor's Independence Declaration

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2009 there have been:

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



Armstrong Partners



**David Armstrong
Partner**

Melbourne

15 September 2009

Financial statements

Statement of comprehensive income for the year ended 30 June 2009

	Note	2009 \$	2008 \$
Revenues from ordinary activities	2	2,141,262	2,216,927
Amortisation of franchise fee	3	(35,976)	(29,982)
Amortisation of leased assets	3	-	(164)
Depreciation of furniture & equipment	3	(36,898)	(41,117)
Employment expenses		(828,520)	(795,466)
Other expenses from ordinary activities		(932,290)	(888,267)
Total expenses from ordinary activities		(1,833,684)	(1,754,996)
Profit from ordinary activities before income tax		307,578	461,931
Income tax (expenses) relating to ordinary activities	5	(101,054)	(147,005)
Profit from ordinary activities after income tax		206,524	314,926
Profit/(loss) attributable to extraordinary items		-	-
Net profit attributable to members of the Company		206,524	314,926
Earnings per share			
Basic & diluted earnings per share (cents per share)	10	14.72	22.44

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of financial position as at 30 June 2009

	Note	2009 \$	2008 \$
Current assets			
Cash assets	6	1,071,702	1,032,008
Receivables	7	202,756	212,048
Other	8	12,958	10,669
Total current assets		1,287,416	1,254,725
Non-current assets			
Property, furniture and equipment	9	844,170	861,228
Deferred tax asset	11	25,005	32,429
Intangible assets	12	108,923	144,899
Total non-current assets		978,098	1,038,556
Total assets		2,265,514	2,293,281
Current liabilities			
Payables	13	159,637	122,006
Tax liabilities	15	(5,621)	63,172
Provisions	16	58,419	65,379
Total current liabilities		212,435	250,557
Non-current liabilities			
Provisions	16	73,540	87,498
Interest-bearing liabilities	14	183,168	197,003
Tax liabilities	15	48,866	48,866
Total non-current liabilities		305,574	333,367
Total liabilities		518,009	583,924
Net assets		1,747,505	1,709,357
Equity			
Issued capital	17	1,130,008	1,130,008
Retained Profits/(Accumulated Losses)		503,476	465,328
Revaluation Reserve		114,021	114,021
Total Equity		1,747,505	1,709,357

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity for the year ended 30 June 2009

	Issued capital	Revaluation reserve	Retained profits (accumulated losses)	Total
Balance 1/7/07	1,130,008	44,021	276,684	1,450,713
Dividend paid during year			(126,282)	(126,282)
Profit attributable to members of the Company			314,926	314,926
Revaluation increment		70,000		70,000
Balance 30/6/08	1,130,008	114,021	465,328	1,709,357
Dividend paid during year			(168,376)	(168,376)
Attributable to members of the Company			206,524	206,524
Revaluation increment				-
Balance 30/6/09	1,130,008	114,021	503,476	1,747,505

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows for the year ended 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from Bendigo and Adelaide Bank Ltd		2,305,543	2,121,258
Payments to suppliers and employees		(1,884,269)	(1,613,034)
Interest received		51,712	51,046
Interest and other costs of finance		(81,428)	(85,661)
Income tax paid		(149,813)	(62,146)
Net cash provided by (used in) operating activities	21B	241,745	411,463
Cash flows from investing activities			
Purchases of property, plant & equipment		(19,840)	(46,007)
Payment of franchise fees		-	(119,881)
Net cash provided by (used in) investing activities		(19,840)	(165,888)
Cash flows from financing activities			
Dividends paid		(168,376)	(128,897)
Repayment of borrowings		(13,835)	(11,802)
Net cash provided by (used in) financing activities		(182,211)	(140,699)
Net increase (decrease) in cash held		39,694	104,876
Cash at the beginning of the year		1,032,008	927,132
Cash at the end of the year	21A	1,071,702	1,032,008

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 1. Statement of accounting policies

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

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on a accruals basis and is based on historical costs, modified, where applicable, by the measurement of fair value of selected non-current assets.

(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.

(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.

Notes to the financial statements continued

Note 1. Statement of accounting policies (continued)

(c) Income tax (continued)

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 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.

(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.

Notes to the financial statements continued

Note 1. Statement of accounting policies (continued)

(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.

(i) Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in 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 with 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.

Notes to the financial statements continued

Note 1. Statement of accounting policies (continued)

(l) Receivables

Trade debtors

Bendigo and Adelaide Bank Ltd 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 rising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

	2009	2008
	\$	\$

Note 2. Revenue

Operating activities:

Franchise income	2,087,504	2,163,265
Interest revenue	51,712	51,046

Other operating revenue:

- Other income	2,046	2,616
Total revenue from ordinary activities	2,141,262	2,216,927

Notes to the financial statements continued

	2009 \$	2008 \$
--	------------	------------

Note 3. Expenses

Profit from ordinary activities before income tax includes the following specific expenses:

Amortisation of non-current assets:

- Franchise fee	35,976	29,982
- Leased assets	nil	164
Total amortisation expenses	35,976	30,146

Bad and doubtful debts	7,163	6,413
Interest paid	18,216	19,978

Depreciation of non-current assets:

- Plant and equipment	36,898	41,117
-----------------------	--------	--------

Note 4. Auditors' remuneration

Remuneration of the Auditor of the Company for:

Audit services	13,000	11,500
Other services	nil	nil
	13,000	11,500

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	307,578	461,931
Prima facie income tax payable on operating profit @ 30%	92,273	138,579
Add:		
Tax effect of:		
Non-deductible amortisation	10,794	8,995
Capital works deduction	(569)	(569)
Capital allowance	(1,444)	-
Income tax expense/(revenue) attributable to ordinary activities	101,054	147,005

Notes to the financial statements continued

	2009 \$	2008 \$
Note 6. Cash assets		
Bank accounts:		
Cash at bank	259,911	355,694
Share offer account	-	6,080
Term deposits	811,626	669,746
Cash on hand	165	488
	1,071,702	1,032,008

Note 7: Receivables

Current

Trade debtors	202,756	212,048
----------------------	----------------	----------------

Note 8. Other assets

Current

Prepayments	12,958	10,669
--------------------	---------------	---------------

Note 9. Property, furniture and equipment

Land and buildings:

- At independent valuation	529,000	529,000
	529,000	529,000

Plant and equipment:

- At cost	618,230	598,390
- Less accumulated depreciation	(303,060)	(266,162)
	315,170	332,228

Leased plant and equipment:

- At cost	15,615	15,615
- Less accumulated amortisation	(15,615)	(15,615)
	-	-
	844,170	861,228

Notes to the financial statements continued

	L & B \$000	Plant & equip \$000	Total \$000
Note 9. Property, furniture and equipment (continued)			
Movements in carrying amounts			
Balance at 1 July 2007	429	327	756
Additions		46	46
Disposals			
Revaluation increment	100		100
Depreciation expense		(41)	(41)
Balance at 30 June 2008	529	332	861
Additions		20	20
Disposals			
Revaluation increment			
Depreciation expense		(37)	(37)
Balance at 30 June 2009	529	315	844

	2009 \$	2008 \$
--	------------	------------

Note 10. Earnings per share

Earnings used to calculate basic EPS	206,524	314,926
Number of ordinary shares used to calculate basic EPS	1,403,133	1,403,133

Note 11. Deferred tax assets

Deferred tax asset	25,005	32,429
The deferred tax asset is made up of the following estimated tax benefits:		
• timing differences	25,005	32,429
	25,005	32,429

Notes to the financial statements continued

	2009 \$	2008 \$
Note 12. Intangibles		
Franchise fee:		
- At cost	179,881	179,881
- Less accumulated amortisation	(70,958)	(34,982)
	108,923	144,899

Note 13. Payables

Current

Unsecured:

- Trade creditors	75,940	49,390
- Other creditors and accruals	83,697	72,616
Total current liabilities	159,637	122,006

Note 14. Interest bearing liabilities

Current

Lease liability	-	-
-----------------	---	---

Non-current

Lease liability	-	-
Bank loan	183,168	197,003
	183,168	197,003

Finance lease commitments payable

Not later than 1 year	-	-
Later than 1 year but not later than 5 years	-	-
Minimum lease payments	-	-
Less: future finance charges	-	-
	-	-

Notes to the financial statements continued

	2009 \$	2008 \$
Note 15. Tax liabilities		
Current		
Current tax liability/(refundable)	(46,130)	12,781
GST payable	30,955	42,903
Amounts withheld from salary and wages	9,554	7,488
	(5,621)	63,172
Non-current		
Deferred tax liability	48,866	48,866

Note 16. Provisions

Current		
Employee entitlements	58,419	65,379
	58,419	65,379
Non-current		
Employee entitlements	73,540	87,498
Aggregate employee entitlements liability	131,959	152,877
Number of employees at end of year	14	13

Note 17. Issued capital

1,403,133 ordinary shares	1,130,008	1,130,008
----------------------------------	------------------	------------------

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.

Notes to the financial statements continued

	Note	2009 \$	2008 \$
Note 18. Related parties			
The following transactions were made with related parties during the financial year. All transactions are on normal commercial terms unless otherwise stated.			
Bannister Glen Pty Ltd, of which Mr H. Da Silva is a Director for rental of the Altona premises.		64,359	57,239
So 'n' So's Pty Ltd of which Mr Michael Boyd is a Director for catering of functions.		232	2,247
Sanctuary Lakes Corporate Wear of which Mr Bruce Cahoon is the proprietor for advertising.		866	1,996

Note 19. Dividends

Proposed final fully franked ordinary dividend of 1,403,133 @ 10 cents per share (2008: 1,403,133 @ 12 cents per share)	17	140,313	168,376
--	-----------	----------------	----------------

Note 20. Segment information

The Company operates predominantly in the financial services sector within Australia.

Note 21. Cash flow information

A) 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	259,911	355,694
Shares offer account	-	6,080
Term deposits	811,626	669,746
Cash on hand	165	488
	1,071,702	1,032,008

Notes to the financial statements continued

	2009 \$	2008 \$
Note 21. Cash Flow Information		
B) Reconciliation of net cash provided by/used in operating activities to net profit		
Operating profit after income tax	206,524	314,926
Depreciation	36,898	41,117
Amortisation of franchise fee	35,976	29,982
Amortisation of leased assets	-	164
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	9,292	(38,210)
(Increase) decrease in prepayments	(2,289)	(661)
Increase (decrease) in trade creditors and accruals	37,631	(13,779)
Increase (decrease) in employee entitlements	(20,918)	3,585
Increase (decrease) in sundry provisions	(9,882)	19,823
Increase/(decrease) in provision for dividends	-	(343)
Increase/(decrease) in deferred income tax	7,424	5,369
Increase/(decrease) in provision for income tax	(58,911)	49,490
Net cash provided by operating activities	241,745	411,463

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) give a true and fair view of the financial position of the Company as at 30 June 2009 and of its performance for the year ended on that date; and
 - (b) comply with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
 - (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Directors have been given the declaration required by section 295A of the Corporation ACT 2001 from the Chief Executive Officer and the Chief Financial Officer for the financial year ended 30 June 2009

This declaration is made in accordance with a resolution of the Board of Directors.



Henry DaSilva
Director



Michael Stephen Pernar
Director

Dated 15 September 2009.

Independent audit report

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

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
HOBSON'S BAY COMMUNITY FINANCIAL SERVICES LTD**

Report on the financial report

We have audited the accompanying financial report of Hobson's Bay Community Financial Services Ltd (the company), which comprises the statement of financial position as at 30 June 2009, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the 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 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. In note 1, the directors also state, in accordance with Accounting Standards AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with the Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making these risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent audit report continued

Auditor's Opinion

In our opinion:

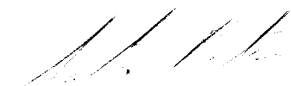
- a. the financial report of Hobson's Bay Community Financial Services Ltd is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - ii. complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

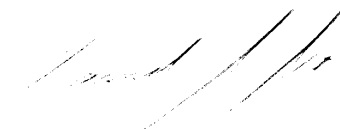
We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Hobson's Bay Community Financial Services Ltd for the year ended 30 June 2009, complies with Section 300A of the Corporations Act 2001.



Armstrong Partners



**David Armstrong
Partner**

Melbourne

15 September 2009

BSX report

Share Information

In accordance with Bendigo Stock Exchange listing rules the company provides the following information as at 10 September 2009, which is within 6 weeks of this report being sent to shareholders.

The following table shows the number of shareholders, broken into various categories showing the total number of shares held.

Number of shares held	Number of shareholders
1 to 1,000	284
1,001 to 5,000	186
5,001 to 10,000	27
10,001 to 100,000	25
100,001 and over	1
Total shareholders	523

Each of the above shareholders are 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 for the Company.

There are 111 shareholders holding less than a marketable parcel of shares (\$500 in value).

There are no restricted securities on issue.

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

BSX report continued

The following table shows the 10 largest shareholders

Shareholder	Number of shares	Percentage of capital
Altona Sports Club	118,750	8.4
Tino Ballan	83,238	5.9
Pelns Superannuation Fund	56,250	4.2
Farlie Family Super Fund	47,126	3.3
JLD Carpet Cleaning Super Fund	40,938	2.9
Donald John Hallam	31,875	2.2
Laverton Community Centre	26,250	1.8
Felicity Reid	20,625	1.5
Schembri Corporate Investments	20,000	1.4
Olive May Dawson	19,688	1.4
	464,740	33

Registered office and principal administrative office

The registered office of the Company is located at:

4B Pyke Street,
Werribee VIC 3030
Phone: (03) 9741 3151

The principal administrative office of the Company is located at:

4B Pyke Street,
Werribee VIC 3030
Phone: (03) 9741 3151

Security register

The security register (share register) is kept at:

26 Aviation Road,
Laverton VIC 3028
Phone: (03) 9369 8081

Company Secretary

Michael Pernar has been the Company Secretary of Hobson's Bay Community Financial Services Ltd for 9 years. His qualifications and experience include a Diploma in Business and 14 years in senior management.

BSX report continued

Corporate governance

The Company has implemented various corporate governance practices, which include:

- (a) The establishment of an audit committee. Members of the audit committee are H DaSilva, M Pernar, D Shanahan, M Boyd & G Glasson.
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

Annexure 3A

There are no material differences between the information in the company's Annexure 3A and the information in the financial documents in its annual report.



Altona **Community Bank**[®] Branch
64 Pier Street, Altona VIC 3018
Phone: (03) 9398 8922

Laverton & Altona Meadows **Community Bank**[®] Branch
Shop 3, 28 Aviation Road, Laverton VIC 3028
Phone: (03) 9369 8455

Point Cook **Community Bank**[®] Branch
Shop 24 Sanctuary Lakes Shopping Centre,
300 Point Cook Road, Point Cook VIC 3030
Phone: (03) 9395 7724

Franchisee: Hobsons Bay Community Financial Services Limited
Unit B, 4 Pyke Street, Werribee VIC 3030
ABN: 39 091 661 166

www.hobsonsbaycfs.com.au
Bendigo and Adelaide Bank Limited,
The Bendigo Centre, Bendigo VIC 3550
ABN 11 068 049 178. AFSL 237879. (BMPAR9046) (08/09)