

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
CONTROLLED ENTITIES
HALF YEAR INFORMATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2013
ABN: 90 091302975**

This half year financial report is to be read in conjunction with the financial report for the year ended
30 June 2013

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
CONTROLLED ENTITIES**

APPENDIX D

1. Reporting period

Report for the half year ended 31 December 2013

Previous corresponding periods: Financial year ended 30 June 2013

Half year ended 16 December 2012

Results for announcement to the market

Key Information		Change %	Half-year Ended	Half-year Ended
			31 December 2013	16 December 2012
			\$	\$
Revenue from continuing operations	Down	93%	1,398	20,041
Loss from continuing operations after tax attributable to members	Down	14%	(1,347)	(1,178)
Total comprehensive loss attributable to members	Down	14%	(1,347)	(1,178)

Dividends paid and proposed

No dividend was paid or proposed during the period.

2. Net tangible assets per share

Net tangible assets per ordinary share \$0 (16 December 2012: \$0.01)

3. Control gained or lost over entities in the halfyear

Control gained over entities during the period	Nil
Loss of control of entities during the period	Nil

4. Investments in associates and joint venture entities

Equity accounted associates and joint venture entities	Nil
Aggregate share of Profit / (losses) of associates and joint venture entities	Nil

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
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HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited) ("HJB" or the "Company") and its controlled entities (the "Group") for the half year ended 31 December 2013.

Directors

The following persons were directors of HJB during the whole or part of the half year and up to the date of this report.

Name	Particulars
Mr J Goss	Independent Non Executive Chairman (Resigned 25 June 2013)
Mr G Doyle	Executive Chairman (Appointed 25 June 2013 and resigned 7 July 2014)
Mr M Hedge	Independent Non Executive Director (Resigned 25 June 2013)
Mr L Fernandes	Non Executive Director (Resigned 7 July 2014)
Mr P Colaco	Non Executive Director (Appointed 25 June 2013 and resigned 7 July 2014)
Mr R Walters	Executive Director (Appointed 25 June 2013 and resigned 7 July 2014)
Mr Mike Hill	Executive Chairman (Appointed 7 July 2014)
Mr Mike Everett	Non Executive Director (Appointed 7 July 2014)
Mr Michael Pollak	Non Executive Director (Appointed 7 July 2014)
Mr Brett Chenoweth	Managing Director (Appointed 7 July 2014)

Incomplete records

The management and affairs of the Company have not been under the control of the Directors of the Company since it entered voluntary administration on 12 September 2013 until the Deed of Company Arrangement (DoCA) effectuated on 7 July 2014.

The financial report was prepared by Directors who were not in office at the time the Company entered voluntary administration, nor for the period of this report. The Directors who prepared this financial report were appointed on 7 July 2014.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using:

- data extracted from the Company's accounting system for the period 1 July 2013 to the point the Company entered administration;
- the record of receipts and payments made available by the Administrator of the Company and its subsidiaries for the period from their appointment until the DoCA effectuated on 7 July 2014;

It has not been possible for the Directors to obtain all the books and records:

- of the Company for the period prior to the appointment of the Administrators;
- maintained by the Administrators since their appointments on 12 September 2013;

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the company's financial position.

Principal activities

The consolidated entity's principal activities during the half year consisted of the provision of recruitment services.

Review of operations

The loss after income tax for the six months ended 31 December 2013 was \$1,347,000 (16 December 2012: loss of \$1,178,000).

The Company was suspended from trading on ASX on 2 September 2013 at its request and on 12 September 2013 Scott Turner (**Administrator**) was appointed as the Administrator of the Group and assumed control of the Group and their business, property and affairs.

HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS CONTROLLED ENTITIES

DIRECTORS' REPORT

Review of operations (Continued)

Because of these events assets have been written down to their realisable values in the consolidated Statement of Financial Position and liabilities have been recorded at the amounts for which proofs of debt are expected by the Administrator.

Significant changes in the state of affairs

The Company was suspended from trading on ASX on 2 September 2013 at its request and on 12 September 2013 Scott Turner was appointed as the Administrator of the Group and assumed control of the Group and their business, property and affairs.

The Administrators subsequently advertised, sought and negotiated proposals to reconstruct the Company with interested parties. Pager Partners put forward a recapitalisation proposal which was accepted at a meeting of the Company's creditors on 4 December 2013. The DoCA was signed on 24 December 2013.

Under the Proposal, it was agreed that the Company would pay \$200,000 to the Deed Administrator for distribution under the DoCA to the Creditors' Trust in return for secured and unsecured creditors releasing all claims against the Company and their charge over the Company. Prior to the appointment of the Administrator, the previous directors of the Company sold certain of the Company's assets as announced on the ASX on 12 September 2013, however under the Proposal certain unencumbered assets were retained by the Company. A Creditors' Trust Deed has been established pursuant to the DoCA which will be used to pay the Deed Administrator's fees and costs, the Administrator's fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts. The syndicate led by Pager Partners, loaned the Company \$200,000 in order to effectuate the DoCA. This occurred on the 7 July 2014.

Under the Proposal, the Company is to issue up to 270,000,000 fully paid ordinary shares and up to 70,000,000 options exercisable at 0.0025 cents per option, to raise up to \$1,651,750 before the costs of the Proposal, as well as 40,500,000 managing options. On 23 June 2014 the Company's shareholders' approved the issue of the shares at an Extraordinary General Meeting.

The Directors are currently working towards the restructure and recapitalisation of the Company and liaising with the ASX in relation to the reinstatement of the Company's securities for trading on the ASX.

The Company resolved to retrospectively change its reporting date to 30 June for the full financial year. Thus, this financial report is for the half year ended 31 December 2013.

Auditor independence and non-audit services

The auditor's independence declaration is included on page 6 of the financial report.

Rounding of amounts to the nearest thousand dollars

The Company is of a kind referred to in ASIC Class Order 98/100, issued by Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report and financial report. Amounts in the Directors' Report and the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars.

Signed in accordance with a resolution of the Directors.



Mike Hill
Executive Chairman
Sydney
19 September 2014

19 September 2014

Board of Directors
HJB Corporation Limited
Level 5, 137-139 Bathurst Street
Sydney, NSW 2000

Dear Sirs

RE: HJB CORPORATION LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of HJB Corporation Limited.

As Audit Director for the review of the financial statements of HJB Corporation Limited for the half year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours faithfully,

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LIMITED
(Trading as Stantons International)
(An Authorised Audit Company)



Martin Michalik
Director

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE
HALF YEAR ENDED 31 DECEMBER 2013**

	Consolidated Period Ended	
	31 December 2013 \$'000	16 December 2012 \$'000
Revenue from continuing operations	1,398	20,041
Expenses		
Depreciation expenses	(11)	(51)
Occupancy expenses	(369)	(1,007)
Employment costs	(2,000)	(19,275)
Administration costs	(126)	-
Other expenses	(360)	(877)
Total expenses	<u>(2,866)</u>	<u>(21,210)</u>
Loss before finance costs and impairment	(1,468)	(1,169)
Finance costs	(11)	(9)
Bank guarantee	361	-
Loss on sale of Hamilton James & Bruce Limited	<u>(229)</u>	<u>-</u>
Loss before income tax expense	(1,347)	(1,178)
Income tax expense	<u>-</u>	<u>-</u>
Loss from continuing operations	(1,347)	(1,178)
Other comprehensive income for the year		
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive loss	<u><u>(1,347)</u></u>	<u><u>(1,178)</u></u>
Loss is attributable to:		
Owners of HJB Corporation Limited	<u>(1,347)</u>	<u>(1,178)</u>
	<u><u>(1,347)</u></u>	<u><u>(1,178)</u></u>
Total comprehensive loss is attributable to		
Owners of HJB Corporation Limited	<u>(1,347)</u>	<u>(1,178)</u>
	<u><u>(1,347)</u></u>	<u><u>(1,178)</u></u>
Loss per share from continuing operations attributable to equity holders of the parent entity		
Basic loss per share (cents per share)	(0.00)	(0.03)
Diluted loss per share (cents per share)	(0.00)	(0.03)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
CONTROLLED ENTITIES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2013

	Consolidated	
	31 December 2013 \$'000	30 June 2013 \$'000
Current Assets		
Cash and cash equivalents	655	988
Trade and other receivables	79	2,676
	734	3,664
Non Current Assets		
Available for sale financial assets	-	1
Other financial assets	-	-
Receivables	-	67
Property plant and equipment	54	89
Deferred tax assets	-	-
Intangible assets	50	50
	104	207
Total assets	838	3,871
Current Liabilities		
Trade and other payables	709	1,615
Borrowings	-	777
Lease incentives	-	13
Current tax liabilities	-	-
Provision	1,172	1,162
Other provision	4,252	4,252
	6,133	7,819
Non Current Liabilities		
Borrowings	-	-
Lease incentives	-	-
Deferred tax liabilities	-	-
Provision	-	-
	-	-
Total Liabilities	6,133	7,819
Net Assets Deficiency	(5,295)	(3,948)
Equity		
Contributed equity	27,054	27,051
Reserves	-	9
Accumulated losses	(32,349)	(31,008)
	(5,295)	(3,948)

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
CONTROLLED ENTITIES**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER
2013**

	Issued Capital \$'000	Share Based Payments Reserve \$'000	Employee Share Reserve \$'000	Accumulate d Losses \$'000	Total Equity \$'000
Balance as at 1 July 2013	27,051	-	9	(31,008)	(3,948)
Net loss for the half year	-	-	-	(1,347)	(1,347)
Other comprehensive income for the half year	-	-	-	-	-
Total comprehensive loss for the half year	-	-	-	(1,347)	(1,347)
Transactions with owners in their capacity as owners					
Employee share plan	3	-	(9)	6	-
Total transactions with owners in their capacity as owners	3	-	(9)	6	-
Balance as at 31 December 2013	<u>27,054</u>	<u>-</u>	<u>-</u>	<u>(32,349)</u>	<u>(5,295)</u>
Balance as at 1 July 2012	27,001	41	14	(16,853)	10,203
Net loss for the year	-	-	-	(1,178)	(1,178)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(1,178)	(1,178)
Transactions with owners in their capacity as owners					
Employee share plan	50	(41)	(6)	-	3
Total transactions with owners in their capacity as owners	50	(41)	(6)	-	3
Balance as at 16 December 2012	<u>27,051</u>	<u>-</u>	<u>8</u>	<u>(18,031)</u>	<u>9,028</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Consolidated	
	Period Ended	
	31 December 2013 \$'000	16 December 2012 \$'000
Cash flow from operating activities		
Receipts from customers	1,607	22,468
Payments to suppliers and employees	(3,765)	(23,178)
Interest received	-	22
Interest paid	(11)	(9)
Bank guarantee	362	-
Net cash (used in) operating activities	(1,807)	(697)
Cash flow from investing activities		
Payment for property plant and equipment	-	(4)
Proceeds from sale of PPE	24	-
Proceeds on sale of shares	1	-
Proceeds on sale of HJB business	2,226	-
Net cash generated by / (used in) investing activities	2,251	(4)
Cash flow from financing activities		
Proceeds from borrowings	-	432
Repayment of borrowings	(777)	-
Net cash (used in) / generated by financing activities	(777)	432
Net increase in cash and cash equivalents	(333)	(269)
Cash and cash equivalents at beginning of year	988	1,192
Cash and cash equivalents at end of period	<u>655</u>	<u>923</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER
2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This interim financial report of HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited) ("HJB" or the "Company") and its controlled entities (the "Group") for the half-year ended 31 December 2013 was authorised for issue at the date of the directors report.

The Company resolved to retrospectively change its reporting date to 30 June for the full financial year. Thus, this financial report is for the half year ended 31 December 2013.

(a) Basis of preparation of the interim financial report

Statement of compliance

The interim financial report is a general purpose financial report which was prepared in accordance with the Corporations Act 2001 and Accounting Standards AASB 134, Interim Financial Reporting where possible (refer to basis of preparation below). Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The interim financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

(b) Incomplete records

The management and affairs of the Company and its Australian controlled entities have not been under the control of the Directors of the Company since it entered voluntary administration on 12 September 2013 until the Deed of Company Arrangement (DoCA) effectuated on 7 July 2014.

The financial report was prepared by Directors who were not in office at the time the Company entered voluntary administration, nor were they in office for the period of this report. The Directors who prepared this financial report were appointed on 7 July 2014.

To prepare the financial report, the Directors have reconstructed the financial records of the Group using:

- data extracted from the Company's accounting system for the period 1 July 2013 to the point the Company entered administration;
- the record of receipts and payments made available by the Administrator of the Company and its Australian subsidiaries for the period from their appointment to 7 July 2014;

It has not been possible for the Directors to obtain all the books and records:

- of the Company for the period prior to the appointment of the Administrator;
- maintained by the Administrator since their appointments on 12 September 2013;

Consequently, although the Directors have prepared this financial report to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that this financial report has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001, nor is it possible to state this financial report gives a true and fair view of the Company's financial position.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2013 annual financial report for the financial year ended 30 June 2013, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

(c) New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

A number of new and revised accounting standard requirements became mandatory for the first time for the half-year ended 31 December 2013.

- AASB 10: *Consolidated Financial Statements*;
- AASB 127: *Separate Financial Statements* (August 2011);
- AASB 11: *Joint Arrangements*;
- AASB 128: *Investments in Associates and Joint Ventures* (August 2011);
- AASB 12: *Disclosure of Interests in Other Entities*;
- AASB 2011-7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint*

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
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Arrangements Standards; and

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER
2013**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period (Continued)

- AASB 2012-10: *Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments*.
- AASB 13 *Fair Value Measurement*; and
- AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*

These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Group for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013. The Group has adopted all of the new and revised Standards and Interpretations that are relevant to its operations and effective for the current half year. Adoption has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half years.

(d) Going concern

The consolidated entity incurred a net loss of \$1,347,000 (16 December 2012: loss of \$1,178,000) and experienced total cash outflows from operating activities of \$1,807,000 (2013: \$697,000) for the half year ended 31 December 2013 and, as at that date, had a net current assets deficit of \$5,399,000 (2013: net current assets of \$4,155,000).

The Company was suspended from trading on ASX on 2 September 2013 at its request and on 12 September 2013 Scott Turner was appointed as the Administrators of the Group and assumed control of the Group and its business, property and affairs.

The Administrator subsequently advertised, sought and negotiated proposals to reconstruct the Company with interested parties. Pager Partners put forward a recapitalisation proposal which was accepted at a meeting of the Company's creditors on 4 December 2013. The DOCA was signed on 24 December 2013.

Under the Proposal, it was agreed that the Company would pay \$200,000 to the Deed Administrator for distribution under the DoCA to the Creditors' Trust in return for secured and unsecured creditors releasing all claims against the Company and their charge (if any) over the Company. Prior to the appointment of the Administrator, the former directors sold certain of the Company's assets as announced on the ASX on 12 September 2013, however under the Proposal certain unencumbered assets were retained by the Company. A Creditors' Trust Deed has been established pursuant to the DoCA which will be used to pay the Deed Administrator's fees and costs, the Administrator's fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts. The syndicate led by Pager Partners, loaned the Company \$200,000 in order to effectuate the DoCA. This occurred on the 7 July 2014.

Under the Proposal, the Company is to issue up to 270,000,000 fully paid ordinary shares and up to 70,000,000 options exercisable at 0.0025 cents per option, to raise up to \$1,651,750 before the costs of the Proposal, as well as 40,500,000 management options. On 23 June 2013 the Company's shareholders approved the issue of the shares at an Extraordinary General Meeting.

The cash flow forecast indicates that based on the completion of the equity raising described above, the consolidated entity will have sufficient cash flows to meet all commitments and working capital requirements for a period of at least 12 months from the date of signing the half-year financial report. Accordingly, the directors are satisfied that the going concern basis of preparation is appropriate.

The half-year financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
CONTROLLED ENTITIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER
2013**

NOTE 2: SEGMENT REPORTING

(a) Business segments

The consolidated entity operates in one industry segment being the recruitment industry. As a result no additional business segment information has been provided.

(b) Geographical segments

The consolidated entity operates in one geographical segment being Australia. As a result no additional geographical segment information has been provided.

(c) Equity accounting investments

The consolidated entity holds no investments relating to equity accounting.

NOTE 3: DIVIDENDS

	Consolidated Period Ended	
	31 December 2013	16 December 2012
	\$'000	\$'000
Ordinary shares		
Dividend paid during the interim financial reporting period	-	-

NOTE 4: EQUITY SECURITIES ISSUED

	31 December 2013		30 June 2013	
	Number	\$000	Number	\$000
Issues of ordinary shares				
Employee share plan	*	3	3,846,154	50

NOTE 5: EMPLOYEE SHARE RESERVE

The consolidated entity has an ownership based remuneration scheme for senior executives under which performance based conditional shares are issued to senior executives at the discretion of the Board and are recognised in the financial statements when issued, the cost of which is based on an independent valuation as at the grant date and amortised over the vesting period of the shares.

	31 December 2013		30 June 2013	
	Number	\$000	Number	\$000
Performance rights				
Granted as part of Employee share plan	-	-	450,000	9

NOTE 6: COMMITMENTS

Operating leases

The Group leases various offices under non-cancellable operating leases expiring within 2 to 10 years. The Group also leases various office equipment under cancellable leases expiring within 2 to 5 years. These leases have varying terms.

Commitments for minimum lease payments in relation to non cancellable operating leases are payable as follows:

	Consolidated	
	31 December 2013 \$'000	30 June 2013 \$'000
Not later than 1 year	*	2,080
Later than 1 year and not later than 5 years	*	4,322
Later than 5 years	*	697
Commitments not recognised in the financial statements	*	7,099

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER
2013**

NOTE 6: COMMITMENTS (Continued)

* On 12 September 2013 the Group was placed into voluntary administration and the Group's operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

NOTE 7: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	Consolidated	
	31 December 2013	30 June 2013
	\$'000	\$'000
Transactions with related parties		
Fees for Shared Tender Writer	*	-
Fees for Shared CEO (inclusive of on-costs)	*	-
Fees for Centralised Office Function	*	90
Loans to / (from) associate		
Beginning of the year	*	-
Loan repayments made	*	-
Interest charged	*	-
End of the year	*	90

* On 12 September 2013 the Group was placed into voluntary administration and the Group's operations were suspended under the Administrators. The Group does not have sufficient information to allow this level of disclosure.

NOTE 8: EVENTS AFTER BALANCE SHEET DATE

The Company was suspended from trading on ASX on 2 September 2013 at its request and on 12 September 2013 Scott Turner was appointed as the Administrator of the Group and assumed control of the Group and its business, property and affairs.

The Administrator subsequently advertised, sought and negotiated proposals to reconstruct the Company with interested parties. Pager Partners put forward a recapitalisation proposal which was accepted at a meeting of the Company's creditors on 4 December 2013. The DoCA was signed on 24 December 2013.

Under the Proposal, it was agreed that the Company would pay \$200,000 to the Deed Administrator for distribution under the DoCA to the Creditors' Trust in return for secured and unsecured creditors releasing all claims against the Company and their charge (if any) over the Company. Prior to the appointment of the Administrator, the former directors sold certain of the Company's assets as announced on the ASX on 12 September 2013, however under the Proposal certain unencumbered assets were retained by the Company. A Creditors' Trust Deed has been established pursuant to the DoCA which will be used to pay the Deed Administrator's fees and costs, the Administrator's fees and costs and the Trustees' fees and costs, with the balance distributed to creditors as full and final payment of the Company's outstanding debts. The syndicate led by Pager Partners, loaned the Company \$200,000 in order to effectuate the DoCA. This occurred on the 7 July 2014.

Under the Proposal, the Company is to issue up to 270,000,000 fully paid ordinary shares and up to 70,000,000 options exercisable at 0.0025 cents per option, to raise up to \$1,651,750 before the costs of the Proposal, as well as 40,500,000 managing options. On 23 June 2014 the Company's shareholders' approved the issue of the shares at an Extraordinary General Meeting.

The Directors are currently working towards the restructure and recapitalisation of the Company and liaising with the ASX in relation to the reinstatement of the Company's securities for trading on the ASX.

NOTE 9: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no current contingent liabilities or contingent assets.

**HJB CORPORATION LIMITED (FORMERLY HAMILTON JAMES & BRUCE GROUP LIMITED) AND ITS
CONTROLLED ENTITIES**

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of HJB Corporation Limited (formerly Hamilton James & Bruce Group Limited), the directors of the Company declare that:

- (a) As set out in Note 1(b), although the Directors have prepared the financial statements and notes thereto to the best of their knowledge based on the information made available to them, they are of the opinion that it is not possible to state that the financial statements and notes, as set out on pages 7 to 14 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting*; and
 - (ii) giving a true and fair view of the financial position of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.
- (b) In the directors opinion, subject to the successful recapitalisation of the Company, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors



Mike Hill
Executive Chairman
Sydney
19 September 2014

**QUALIFIED INDEPENDENT AUDITOR REVIEW REPORT
TO THE MEMBERS OF
HJB CORPORATION LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of HJB Corporation Limited, which comprises the consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, for HJB Corporation Limited (the consolidated entity). The consolidated entity comprises both HJB Corporation Limited (the Company) and the entities it controlled during the half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of HJB Corporation Limited are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of HJB Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Whilst we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

Our review did not involve an analysis of the prudence of business decisions made by the directors or management.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, has been provided to the directors of HJB Corporation Limited on 19 September 2014.

Basis for Disclaimer of Auditor's Review Opinion

The company was placed into administration on 12 September 2013. Consequently, the financial information relating to the period under review was not subject to the same accounting and internal controls processes, which includes the implementation and maintenance of internal controls that are relevant to the preparation and fair presentation of the financial report. Whilst the books and records of the company have been reconstructed to the maximum extent possible, we were unable to satisfy ourselves as to the completeness of the general ledger and financial records as well as the relevant disclosures in the financial report.

As stated in Note 1(b), the Directors are unable to state that the financial report is in accordance with all the requirements of the *Corporations Act 2001* and the Australian Accounting Standards.

Disclaimer of Auditor's Review Opinion

Based on our review, which is not an audit, and because of the existence of the limitation on the scope of our work, as described in the Basis for Disclaimer of Auditor's Review Opinion paragraph noted above, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to, and do not express, an opinion as to whether the financial report of HJB Corporation Limited is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD

(Trading as Stantons International)

(An Authorised Audit Company)

Stantons International Audit & Consulting Pty Ltd



Martin Michalik
Director

West Perth, Western Australia
19 September 2014