

Pinewood Community Financial Services Limited
Financial Statements
for the half-year ended
31 December 2018

Pinewood Community Financial Services Limited
ABN 26 099 420 050
Directors' Report

Your Directors submit the financial report of the Company for the half year ended 31 December 2018.

Directors

The names of directors who held office during the half year and until the date of this report are:

Robert Davies (Chairman)	Michelle Li James
Yi Yu	Susan Carolyn Brown (Resigned 20 July 18)
Sharyn Joy Cowley	Annabelle Jill Lane
Jamie Arthur Bedelis	Mervyn James Ericson
Darren John Paone (Resigned 1 December 18)	Peter Yong Pan
Shruti Verma	Susane Martina Cornelissen (Appointed 26 November 18)
Charles Bela Kovess (Appointed 21 January 19)	

Directors were in office for this entire period unless otherwise stated.

Principal activities

The principal activities of the Company during the course of the financial period were in providing community banking services under management rights to operate a franchised branch of Bendigo & Adelaide Bank Limited.

Review and results of operations

Operations have continued to perform in line with expectations. The net profit of the Company for the financial period was \$99,924 (2017: \$74,040).

Matters subsequent to the end of the reporting period

On 30 January 2019, shareholders approved an equal access share buy-back scheme of up to 20% of the Company's shares on issue. The proposed buy-back price is \$1.60, comprising \$1.00 capital and \$0.60 unfranked dividend. The total funds to be paid out, if the buy-back scheme is fully subscribed, will be \$170,336. Under the scheme, small shareholders (holdings of 800 shares or fewer) will be fully bought back, and larger holdings will be bought back on a proportional basis. The due date for shareholders to accept the offer is 29 March 2019.

There are no other matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company.

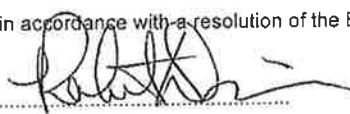
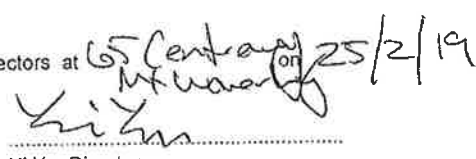
Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial period under review not otherwise disclosed in this report.

Auditor's independence declaration

The auditor's independence declaration under Section 307C of the Corporations Act 2001 is set out on page 2 for the half year ended 31 December 2018.

Signed in accordance with a resolution of the Board of Directors at 65 Centenary on 25/2/19

	
Robert Davies, Director	Yi Yu, Director



PINEWOOD COMMUNITY FINANCIAL SERVICES LIMITED
(A.B.N. 26 099 420 050)

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF PINEWOOD COMMUNITY FINANCIAL SERVICES LIMITED

M V ANDERSON & CO

Chartered Accountants

www.mvanderson.com.au

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018 there have been no contraventions of:

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

M V Anderson & Co

M V ANDERSON & CO
Chartered Accountants
Level 5, North Tower
485 La Trobe Street,
Melbourne Vic 3000

SHAUN EVANS
Partner

Dated: 25 February 2019

Incorporating M V Anderson & Co Pty Ltd (ABN 90 623 319 022) & M V Anderson & Co (ABN 48 647 105 185)

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GMN International is an association of
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Pinewood Community Financial Services Limited
ABN 26 099 420 050
Condensed Statement of Profit or Loss and Other Comprehensive Income
for the half-year ended 31 December 2018

	31-Dec 2018 \$	31-Dec 2017 \$
Revenue		
Revenue from ordinary activities	638,484	602,716
Interest and other Income	5,589	4,015
Expenses		
Employee benefits expense	264,475	257,176
Depreciation and amortisation expense	19,264	20,094
Administration costs	116,574	123,476
Occupancy Costs	56,247	58,757
IT Expenses	28,424	26,670
Other expenses from ordinary activities	<u>6,620</u>	<u>5,570</u>
Profit before charitable donations and sponsorship	152,469	114,988
Charitable donations and sponsorship	<u>13,853</u>	<u>11,957</u>
Profit before income tax expense for the period	138,616	103,031
Income tax expense	<u>38,692</u>	<u>28,991</u>
Profit after income tax expense for the period	99,924	74,040
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u><u>99,924</u></u>	<u><u>74,040</u></u>
Profit attributable to members of the entity	<u><u>99,924</u></u>	<u><u>74,040</u></u>
Total comprehensive income attributable to members of the entity	<u><u>99,924</u></u>	<u><u>74,040</u></u>
Earnings per share (cents per share)		
- basic profit for the half year	18.8	13.9
- diluted profit for the half year	18.8	13.9
- dividends paid per share	10.00	8.17

The accompanying notes form part of these financial statements

Pinewood Community Financial Services Limited
ABN 26 099 420 050
Condensed Statement of Financial Position
as at 31 December 2018

	31-Dec 2018	30-Jun 2018
	\$	\$
ASSETS		
Current Assets		
Cash and cash equivalents	553,818	509,079
Trade and other receivables	111,021	99,750
Other assets	50,209	48,738
Total Current Assets	<u>715,048</u>	<u>657,567</u>
Non-Current Assets		
Property, plant and equipment	153,121	166,876
Deferred tax asset	48,354	46,179
Intangible assets	38,565	44,074
Total Non-Current Assets	<u>240,040</u>	<u>257,129</u>
Total Assets	<u>955,088</u>	<u>914,696</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	77,724	91,232
Current tax payable	34,021	16,318
Provisions	56,092	53,343
Total Current Liabilities	<u>167,837</u>	<u>160,893</u>
Non-Current Liabilities		
Deferred Income Tax (DTL)	858	773
Trade and other payables	26,661	39,992
Total Non-Current Liabilities	<u>27,519</u>	<u>40,765</u>
Total Liabilities	<u>195,356</u>	<u>201,658</u>
Net Assets	<u>759,732</u>	<u>713,038</u>
Equity		
Issued capital	532,300	532,300
Retained earnings	227,432	180,738
Total Equity	<u>759,732</u>	<u>713,038</u>

The accompanying notes form part of these financial statements

Pinewood Community Financial Services Limited
ABN 26 099 420 050
Condensed Statement of Changes in Equity
for the half-year ended 31 December 2018

		Issued Capital \$	Retained Earnings \$	Total Equity \$
Balance at 1 July 2018		532,300	180,738	713,038
Total comprehensive income for the period		-	99,924	99,924
Transactions with owners in their capacity as owners:				
Dividends paid for the period	5	-	(53,230)	(53,230)
Balance at 31 December 2018		<u>532,300</u>	<u>227,432</u>	<u>759,732</u>
Balance at 1 July 2017		532,300	104,437	636,737
Total comprehensive income for the period		-	74,040	74,040
Transactions with owners in their capacity as owners:				
Dividends paid for the period	5	-	(43,489)	(43,489)
Balance at 31 December 2017		<u>532,300</u>	<u>134,988</u>	<u>667,288</u>

The accompanying notes form part of these financial statements

Pinewood Community Financial Services Limited
ABN 26 099 420 050
Condensed Statement of Cash Flows
for the half-year ended 31 December 2018

	31-Dec 2018 \$	31-Dec 2017 \$
Cash Flows From Operating Activities		
Receipts from customers	691,368	657,239
Payments to suppliers and employees	(562,541)	(527,767)
Interest received	4,449	2,970
Other income received	1,103	-
Income tax paid	<u>(23,079)</u>	<u>(7,272)</u>
Net cash flows from operating activities	<u>111,300</u>	<u>125,170</u>
Cash Flows From Investment Activities		
Purchase of property plant & equipment	-	(579)
Payments for intangible assets	<u>(13,331)</u>	<u>(13,331)</u>
Net cash used in investment activities	<u>(13,331)</u>	<u>(13,910)</u>
Cash Flows From Financing Activities		
Dividends paid	<u>(53,230)</u>	<u>(43,489)</u>
Net cash used in financing activities	<u>(53,230)</u>	<u>(43,489)</u>
Net increase in cash held	44,739	67,771
Cash and cash equivalents at beginning of period	<u>509,079</u>	<u>448,365</u>
Cash and cash equivalents at end of period	<u><u>553,818</u></u>	<u><u>516,136</u></u>

The accompanying notes form part of these financial statements

Pinewood Community Financial Services Limited
ABN 26 099 420 050
Notes to the Financial Statements
for the half-year ended 31 December 2018

1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Pinewood Community Financial Services Limited ("the Company"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2018, together with any public announcements made during the following half-year.

(b) Accounting policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied to the annual financial report for the year ended 30 June 2018.

(c) Critical accounting estimates and judgements

The critical estimates and judgements are consistent with those applied and disclosed in the annual financial report for the year ended 30 June 2018.

(d) New and revised accounting requirements applicable to the current half year reporting period

There are no new and revised Accounting Standards or amendments thereof or interpretations effective for the current reporting period relevant to the Company that were not disclosed in the annual financial report for the year ended 30 June 2018.

2. Events subsequent to reporting date

There have been no events subsequent to reporting date that would materially effect the financial statements at the reporting date.

3. Contingent assets and liabilities

Since the last annual reporting date there has been no material change of any contingent assets or contingent liabilities.

4. Segment reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Mt Waverley, Victoria.

Pinewood Community Financial Services Limited
ABN 26 099 420 050
Notes to the Financial Statements
for the half-year ended 31 December 2018

	2018	2017
	\$	\$
5. Dividends Paid		
Dividends paid during the half year		
Final fully franked dividend for the year ended 30 June 2018 of 10 cents per share (2017: 8.17 cents per share)	53,230	43,489

6. Analysis of other comprehensive income

There was no other comprehensive income during the reporting period.

7. Director and Related Party Disclosures

Directors are paid an annual fee of \$3,000 p.a. contingent on meeting attendance. Those Directors holding the positions of Company Secretary and Treasurer are paid an additional fee of \$1,000 p.a. and those Directors chairing the Committees are paid an additional fee of \$3,000 to reflect their expertise, additional responsibility and workload. The Chairman is paid \$8,000 p.a. with an additional bonus of \$6,000 p.a. contingent on meeting performance criteria.

The names of directors who have held office during the half year ended 31 December 2018 and the directors fees provided for are:

	2018	2017
	\$	\$
Robert Davies (Chairman)	6,500	6,000
Michelle Li James	1,500	1,500
Yi Yu	3,500	2,700
Peter Kenneth Merrit (Resigned 30 September 2017)	-	250
Susan Carolyn Brown (Resigned 20 July 18)	-	1,500
Sharyn Joy Cowley	3,500	2,700
Annabelle Jill Lane	3,000	2,700
Jamie Arthur Bedelis	1,400	1,500
Mervyn James Ericson	3,000	2,700
Darren John Paone (Resigned 1 December 18)	1,000	1,000
Peter Yong Pan	1,400	750
Shruti Verma	1,400	-
Susane Martina Cornelissen (Appointed 26 November 18)	-	-

The Company has incurred costs of \$1,450 which were paid to Susan Carolyn Brown for marketing services for the Company and \$2,420 which were paid to Sharyn Joy Cowley for work related to the Share buyback. These transactions were on normal commercial terms and no more favourable than those available to other parties.

No other director or related party has entered into a material contract with the Company.

Directors shareholdings	2018	2017
Robert Davies (interests associated with)	24,500	24,500
Yi Yu	1,000	-
Sharyn Joy Cowley	500	500
Mervyn James Ericson	1,000	1,000
Peter Yong Pan	500	-
Susane Martina Cornelissen (joint holding with spouse)	1,000	-

The current directors shareholdings and movements during the period outlined as above. Each share held has a paid up value of \$1 and is fully paid.


Pinewood Community Financial Services Limited
ABN 26 099 420 050
Directors Declaration
for the half-year endedd 31 December 2018


The directors of Pinewood Community Financial Services Limited, declare that:

- (1) The financial statements and notes, as set out on pages 3 to 8 are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134, "Interim Financial Reporting"; and
 - (b) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its 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.


.....
Robert Davies, Director


.....
Yi Yu, Director

Signed at 25/2/19 on
65 Centenary
Mt Waverley



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Pinewood Community Financial Services Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Pinewood Community Financial Services Limited (the company), which comprises the condensed statement of financial position as at 31 December 2018, and the condensed statement of profit or loss and other comprehensive income, condensed statement of changes in equity and condensed 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.

M V ANDERSON & CO

Chartered Accountants

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Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 Standard 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 half-year 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 2018 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 Pinewood Community Financial Services 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.

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*, which has been given to the directors of Pinewood Community Financial Services Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

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 Pinewood Community Financial Services Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

M V Anderson & Co

M V ANDERSON & CO
Level 5, North Tower
485 La Trobe Street
Melbourne VIC 3000

SHAUN EVANS
Partner

Date: 26 February 2019

Incorporating M V Anderson & Co Pty Ltd (ABN 90 623 319 022) & M V Anderson & Co (ABN 48 647 105 185)

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