

Pinewood Community Financial Services Limited
Financial Statements
for the half-year ended
31 December 2017

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 2017.

Directors

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

Robert Davies (Chairman)	Yi Yu
Mervyn James Ericson	Sharyn Joy Cowley
Susan Carolyn Brown	Michelle Li James
Annabelle Jill Lane	Jamie Arthur Bedelis
Peter Yong Pan (Appointed 9 August 2017)	Darren John Paone (Appointed 1 August 2017)
Peter Kenneth Merritt (Resigned 30 September 2017)	Stephanie Barbara Christie (Resigned 1 July 2017)

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/(loss) of the company for the financial period was \$74,040 (2016: \$76,168).

Matters subsequent to the end of the reporting period

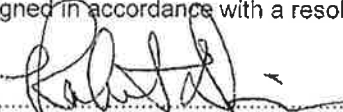
There are no matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company.

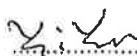
Significant changes in the state of affairs

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 2017.

Signed in accordance with a resolution of the Board of Directors at *65 Cardnewy* on *20/2/18*
M. Li James

.....
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, 2017 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

GRAEME S. DAY
Partner

Dated: *26* February 2018

*Culture
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Confidence*

■ Melbourne
Level 5 North Tower
485 La Trobe Street
Melbourne, Vic 3000
Australia
T. +61 3 9642 8000
F. +61 3 9642 8222
E. Info@mvanderson.com.au

■ Mount Waverley
Suite 6, 318-322 Stephenson Rd
PO Box 633
Mount Waverley, Vic 3149
Australia
T. +61 3 9807 7200
F. +61 3 9807 0200
E. email@mvanderson.com.au

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legally independent accounting firms

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 2017

	31-Dec 2017	31-Dec 2016
	\$	\$
Revenue		
Revenue from ordinary activities	602,716	529,144
Interest Income	4,015	3,544
Expenses		
Employee benefits expense	257,176	203,448
Depreciation and amortisation expense	20,094	22,139
Administration costs	123,476	101,365
Occupancy Costs	58,757	58,196
IT Expenses	26,670	25,308
Other expenses from ordinary activities	<u>5,570</u>	<u>5,068</u>
Profit before charitable donations and sponsorship	114,988	117,164
Charitable donations and sponsorship	<u>11,957</u>	<u>10,827</u>
Profit/(Loss) before income tax expense	103,031	106,337
Income tax expense/(benefit)	<u>28,991</u>	<u>30,169</u>
Profit/(Loss) after income tax expense for the half year	74,040	76,168
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income for the period	<u>74,040</u>	<u>76,168</u>
Profit attributable to members of the entity	<u>74,040</u>	<u>76,168</u>
Total comprehensive income attributable to members of the entity	<u>74,040</u>	<u>76,168</u>
Earnings per share (cents per share)		
- basic profit for the half year	13.9	14.3
- diluted profit for the half year	13.9	14.3
- dividends paid per share	8.17	6.8

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 2017

	31-Dec 2017 \$	30-Jun 2017 \$
ASSETS		
Current Assets		
Cash and cash equivalents	516,136	448,365
Trade and other receivables	102,462	94,451
Other assets	11,396	9,438
Total Current Assets	<u>629,994</u>	<u>552,254</u>
Non-Current Assets		
Property, plant and equipment	170,660	184,667
Deferred tax asset	45,072	41,676
Intangible assets	49,584	-
Total Non-Current Assets	<u>265,316</u>	<u>226,343</u>
Total Assets	<u>895,310</u>	<u>778,597</u>
LIABILITIES		
Current Liabilities		
Trade and other payables	60,602	59,450
Current tax payable	56,955	32,128
Provisions	56,683	50,109
Total Current Liabilities	<u>174,240</u>	<u>141,687</u>
Non-Current Liabilities		
Deferred Income Tax (DTL)	460	173
Liability to Bendigo Bank	53,322	-
Total Non-Current Liabilities	<u>53,782</u>	<u>173</u>
Total Liabilities	<u>228,022</u>	<u>141,860</u>
Net Assets	<u>667,288</u>	<u>636,737</u>
Equity		
Issued capital	532,300	532,300
Retained earnings / (accumulated losses)	134,988	104,437
Total Equity	<u>667,288</u>	<u>636,737</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 2017

		Issued Capital \$	Retained Earnings \$	Total Equity \$
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 recognised for the period	5	<u>-</u>	<u>(43,489)</u>	<u>(43,489)</u>
Balance at 31 December 2017		<u>532,300</u>	<u>134,988</u>	<u>667,288</u>
Balance at 1 July 2016		532,300	39,231	571,531
Total comprehensive income for the period		-	76,168	76,168
Transactions with owners in their capacity as owners:				
Dividends recognised for the period	5	<u>-</u>	<u>(36,196)</u>	<u>(36,196)</u>
Balance at 31 December 2016		<u>532,300</u>	<u>79,203</u>	<u>611,503</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 2017

	31-Dec 2017 \$	31-Dec 2016 \$
Cash Flows From Operating Activities		
Receipts from customers	657,239	582,597
Payments to suppliers and employees	(541,098)	(474,563)
Interest received	2,970	3,588
Income tax paid	<u>(7,272)</u>	<u>(11,013)</u>
Net cash flows from / (used in) operating activities	<u>111,839</u>	<u>100,609</u>
Cash Flows From Investment Activities		
Additions of property plant & equipment	<u>(579)</u>	<u>(8,649)</u>
Net cash flows from / (used in) Investment activities	<u>(579)</u>	<u>(8,649)</u>
Cash Flows From Financing Activities		
Dividends paid	<u>(43,489)</u>	<u>(36,196)</u>
Net cash flows from / (used in) financing activities	<u>(43,489)</u>	<u>(36,196)</u>
Net increase / (decrease) in cash held	67,771	55,764
Cash and cash equivalents at beginning of period	<u>448,365</u>	<u>334,507</u>
Cash and cash equivalents at end of period	<u><u>516,136</u></u>	<u><u>390,271</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 2017

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 2017 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 2017, 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 most recent annual financial statements.

(c) Critical accounting estimates and judgements

The critical estimates and judgements are consistent with those applied and disclosed in the June 2017 annual report.

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

For the half year reporting period to 31 December 2017, a number of new and revised Accounting Standard requirements became applicable to the Company for the first time. These standards do not affect the Company's accounting policies or the amounts reported in the financial statements.

The Company has not elected to adopt any other new standards or amendments that are issued but not yet effective.

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 2017

	2017	2016
	\$	\$
5. Dividends Paid		
<i>Dividends paid during the half year</i>		
Final fully franked dividend for the year ended 30 June 2017 of 8.17 cents per share (2016: 6.8 cents per share)	43,489	36,196

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. Office bearers are typically paid additional amounts of up to \$2,400 for the extra time and expertise they bring to the board. The Chairman is paid \$6,000 p.a. with an additional bonus of the same amount contingent on performance criteria. The names of directors who have held office during the half year ended 31 December and the directors fees provided for are:

	2017	2016
	\$	\$
Robert Davies	6,000	6,000
Yi Yu	2,700	2,250
Mervyn James Ericson	2,700	-
Sharyn Joy Cowley	2,700	2,250
Susan Carolyn Brown	1,500	1,500
Michelle Li James	1,500	1,500
Annabelle Jill Lane	2,700	1,750
Jamie Arthur Bedelis	1,500	1,000
Peter Yong Pan (Appointed 9 August 2017)	750	-
Darren John Paone (Appointed 1 August 2017)	1,000	-
Peter Kenneth Merritt (Resigned 30 September 2017)	250	2,250
Stephanie Barbara Christie (Resigned 1 July 2017)	-	1,500
Dianne Louise Taylor (Resigned 31 December 2016)	-	1,500

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

Directors shareholdings	2017	2016
	\$	\$
Robert Davies	24,500	2,500
Yi Yu	-	-
Mervyn James Ericson	1,000	-
Sharyn Joy Cowley	500	500
Susan Carolyn Brown	-	-
Michelle Li James	-	-
Annabelle Jill Lane	-	-
Jamie Arthur Bedelis	-	-
Peter Yong Pan (Appointed 9 August 2017)	-	-
Darren John Paone (Appointed 1 August 2017)	-	-
Peter Kenneth Merritt (Resigned 30 September 2017)	-	-
Stephanie Barbara Christie (Resigned 1 July 2017)	-	-
Dianne Louise Taylor (Resigned 31 December 2016)	-	10,000

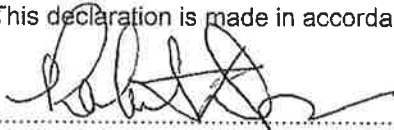
The current directors shareholdings and movements during the period outlined as above. Each share held has a paid up value of \$1 and is fully paid.

Pinewood Community Financial Services Limited
ABN 26 099 420 050
Directors Declaration
for the half-year endedd 31 December 2017


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 2017 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 Lot Condover
Lot Condover on 26/02/18



M V ANDERSON & CO

Chartered Accountants

www.mvanderson.com.au

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 2017, 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.

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 2017 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 2017 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

Graeme S. Day

GRAEME S.DAY
Partner

Date: 27 February 2018

Culture
Commitment
Confidence

■ Melbourne 10
Level 5 North Tower
485 La Trobe Street
Melbourne, Vic 3000
Australia
T. +61 3 9642 8000
F. +61 3 9642 8222
E. Info@mvanderson.com.au

■ Mount Waverley
Suite 6, 318-322 Stephenson Rd
PO Box 633
Mount Waverley, Vic 3149
Australia
T. +61 3 9807 7200
F. +61 3 9807 0200
E. email@mvanderson.com.au

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