
Pinewood Community Financial Services
Limited

ABN: 26 099 420 050

Financial Statements

For the half-year ended

31 December 2020

Pinewood Community Financial Services Limited

Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2020.

Directors

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

Robert Davies	Shruti Verma
Yi Yu (resigned 3 September 2020)	Susane Martina Cornelissen
Sharyn Joy Cowley	Charles Bela Kovess
Annabelle Jill Lane	Bronson Jeffrey Justus
Jamie Arthur Bedelis	Dwayne Lucas Wathen (appointed 21 September 2020)
Peter Yong Pan	Stephen James Pewtress (appointed 21 September 2020)

Principal activities

The principal activity of the company during the financial period were facilitating Community Bank services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

Review of operations

Operations have continued to perform in line with expectations. The net profit of the company for the financial period after the provision of income tax was:

Half-year ended	Half-year ended
31 December 2020	31 December 2019
\$	\$
64,113	55,120

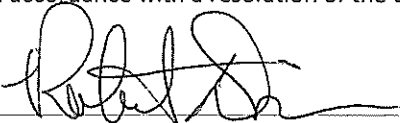
Events after the end of the reporting period

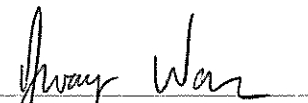
There are no other matters or circumstances that have arisen since the end of the half year reporting period that have significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company.

Auditor's independence declaration

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 2.

Signed in accordance with a resolution of the directors at Mount Waverley on 22 February 2021.


Robert Davies, Director


Dwayne Wathen, 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 MEMBERS OF PINEWOOD COMMUNITY FINANCIAL SERVICES LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2020 there have been no contraventions of:

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



MVA BENNETT
Chartered Accountants
Level 5, North Tower,
485 La Trobe Street,
Melbourne Vic 3000



SHAUN EVANS
Partner

Dated: 22 February 2021

Pinewood Community Financial Services Limited

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2020

	2020 \$	2019 \$
Revenue		
Revenue from ordinary activities	541,268	586,109
Interest and other Income	58,513	3,280
Expenses		
Employee benefits expense	(283,391)	(281,006)
Charitable donations & sponsorship	(22,609)	(22,765)
Occupancy costs	(15,014)	(12,858)
IT expenses	(22,339)	(22,703)
Depreciation and amortisation expense	(60,891)	(57,487)
Finance costs	(6,809)	(6,809)
Administration costs	(118,490)	(103,955)
Other expenses from ordinary activities	(2,828)	(4,839)
Profit before income tax	67,410	76,967
Income tax expense	(3,297)	(21,847)
Profit after income tax	64,113	55,120
Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:	64,113	55,120
Earnings per share (cents per share)		
- basic earnings per share	11.26	12.94
- diluted earnings per share	11.26	12.94
- dividends paid per share	14.00	19.00

Pinewood Community Financial Services Limited

Statement of Financial Position

As at 31 December 2020

	Note	31-Dec-20 \$	30-Jun-20 \$
ASSETS			
Current assets			
Cash and cash equivalents		569,790	577,820
Trade and other receivables		78,701	94,580
Current tax assets		10,419	21,041
Other assets		145,277	95,486
Total current assets		804,187	788,927
Non-current assets			
Property, plant and equipment		99,712	116,129
Right of use assets	7	129,893	168,861
Intangible assets		16,528	22,038
Deferred tax assets		61,484	60,875
Total non-current assets		307,617	367,903
TOTAL ASSETS		1,111,804	1,156,830
LIABILITIES			
Current liabilities			
Trade and other payables		107,420	101,918
Lease liabilities	7	78,583	76,883
Provisions		78,693	66,188
Total current liabilities		264,696	244,989
Non-current liabilities			
Trade and other payables		-	13,330
Lease liabilities	7	46,746	86,887
Provisions		16,667	14,167
Deferred tax liabilities		-	754
Total non-current liabilities		63,413	115,138
TOTAL LIABILITIES		328,109	360,127
NET ASSETS		783,695	796,703
EQUITY			
Issued capital	9	569,315	569,315
Retained earnings	8	214,380	227,388
TOTAL EQUITY		783,695	796,703

The accompanying notes form part of these financial statements

Pinewood Community Financial Services Limited

Statement of Changes in Equity

For the half-year ended 31 December 2020

	Note	Issued capital	Un-issued capital	Retained earnings	Total equity
		\$	\$	\$	\$
Balance at 1 July 2019		425,840	-	191,777	617,617
Total comprehensive income for the half-year		-	-	55,120	55,120
Capital raised during the period		-	136,800	-	136,800
Transactions with owners in their capacity as owners:					
Dividends paid	10	-	-	(80,910)	(80,910)
Balance at 31 December 2019		425,840	136,800	165,987	728,627
Balance at 1 July 2020		569,315	-	227,388	796,703
Total comprehensive income for the half-year		-	-	64,113	64,113
Transactions with owners in their capacity as owners:					
Dividends paid	10	-	-	(77,118)	(77,118)
Balance at 31 December 2020		569,315	-	214,380	783,695

Pinewood Community Financial Services Limited

Statement of Cash Flows

For the half-year ended 31 December 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from customers		596,719	640,379
Payments to suppliers and employees		(507,461)	(511,197)
Lease payments (interest component)	7	(4,309)	(4,309)
Interest received		3,725	3,204
Other income received		57,398	-
Income taxes paid		5,961	(26,693)
Net cash provided by operating activities		152,033	101,384
Cash flows from investing activities			
Dividends and other investment income		1,362	1,420
Payments for listed security investments		(32,535)	(41,145)
Payments for intangible assets		(13,330)	(13,331)
Net cash used in investing activities		(44,503)	(53,056)
Cash flows from financing activities			
Proceeds from capital raising		-	136,800
Lease payments (principal component)	7	(38,442)	(36,797)
Dividends paid	10	(77,118)	(80,910)
Net cash provided by/(used in) financing activities		(115,560)	19,093
Net cash increase/(decrease) in cash held		(8,030)	67,421
Cash and cash equivalents at the beginning of the financial year		577,820	460,014
Cash and cash equivalents at the end of the half-year		569,790	527,435

Pinewood Community Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2020

Note 1. Summary of significant accounting policies

Statement of Compliance

This general purpose financial report has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

Basis of preparation

This financial report is intended to provide users with an update on the latest annual financial statements and does not include all the notes of the type normally included in an annual financial report. Accordingly the report shall be read in conjunction with the annual financial report for the year ended 30 June 2020 and any public announcements made by the company during the period.

Accounting policies

The half-year financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The accounting policies which have been updated since the most recent annual financial report and the previous corresponding interim period include the following:

Asset write-off

The board has approved a capitalisation threshold policy of \$1,000 for any new asset purchases. As part of this capitalisation policy any low value assets have been written off to ensure the fixed assets of the company remain of material balances.

The impact of the adoption of this Standard and the respective accounting policies is disclosed in Note 2.

Note 2. Changes in accounting policies

This note describes the nature and effect of the adoption of the new capitalisation threshold policy on the company's financial statements and discloses where they are different to principles applied in prior periods.

a) Asset write off

Any existing assets with a cost under \$1,000 or a written down value under \$100 have been expensed to an asset write-off expense.

b) Impact on comparatives

The company has applied the asset write-off using the modified retrospective approach. Accordingly, the comparative information has not been restated.

Pinewood Community Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2020

Note 2. Changes in accounting policies (*continued*)

c) Financial impact

Impacts on the financial statements and notes as at and for the half-year ended 31 December 2020 are shown throughout this report. As at the date of transition the impact of the new policy is summarised below in the noted items:

Adjustment entries required	\$
Property, plant & equipment	(3,815)
Asset write-off (expense)	3,815
Reallocation between assets and expenses	<u><u>3,815</u></u>

Note 3. Events subsequent to reporting date

The COVID-19 outbreak has affected and will continue to affect economies, asset prices and business operations. The effects of COVID-19 on aspects of the company's future operations and performance are difficult to predict. There have been no other events after the end of the financial year that would materially affect the financial statements.

Note 4. Contingent assets and liabilities

There were no contingent assets or liabilities at the date of this report to affect the financial statements.

Note 5. Segment reporting

The economic entity operates in a single service sector where it facilitates community banking services in City of Monash, Victoria pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

Note 6. Related parties

Arrangements with related parties continue to be in place. For details on these arrangements, refer to the Note 11.

Pinewood Community Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2020

Note 7. Leases			
a) Right-of-use assets			
		31-Dec-20	31-Dec-19
		\$	\$
<i>Leased buildings</i>			
At cost		246,797	246,797
Less accumulated depreciation		(116,904)	(77,936)
		<u>129,893</u>	<u>168,861</u>
b) Lease Liabilities			
		31-Dec-20	31-Dec-19
		\$	\$
Current:			
Lease Liability		87,200	85,500
Unexpired interest		(8,617)	(8,617)
		<u>78,583</u>	<u>76,883</u>
Non-current			
Lease Liability		51,055	96,941
Unexpired interest		(4,309)	(10,054)
		<u>46,746</u>	<u>86,887</u>
Note 8. Retained earnings		31-Dec-20	30-Jun-20
		\$	\$
Balance at the beginning of the financial year		227,388	191,780
Net profit from ordinary activities after income tax		64,113	116,518
Dividends paid		(77,118)	(80,910)
Balance at the end of the reporting period		<u>214,380</u>	<u>227,388</u>

Note 9. Issued capital	31-Dec-20		30-Jun-20	
	Number	\$	Number	\$
Balance at the beginning of the financial year	550,840	569,315	425,840	425,840
Share buy-back	-	-	125,000	150,000
Less: equity raising costs	-	-	-	(6,525)
Balance at the end of the reporting period	<u>550,840</u>	<u>569,315</u>	<u>550,840</u>	<u>569,315</u>

Pinewood Community Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2020

Note 10. Dividends provided for or paid	31-Dec-20		30-Jun-20	
	Cents	\$	Cents	\$
a) Dividends paid during the period				
Fully franked dividend	14	77,118	19	80,910
Unfranked dividend	-	-	-	-
Total dividends paid during the period	14	77,118	19	80,910
b) Dividends provided for at period end				
Fully franked dividend	-	-	14	77,118
Unfranked dividend	-	-	-	-
Total dividends provided for at period end	-	-	14	77,118

The tax rate at which dividends have been franked is 26% (2020: 27.5%).

Note 11. Director and Related Party Disclosures

Directors are paid a fee of \$3,600 p.a., a portion of which is contingent on meeting a number of key performance criteria including attendance at Board and Committee meetings, and community events. Those Directors holding the positions of Company Secretary, Treasurer, the Chair of the Human Resources Committee and the Chair of the Community Engagement Committee are paid an additional fee of \$4,000 p.a. to reflect their expertise, additional responsibility and workload. The Chairman is paid \$9,000 p.a. with an additional bonus of \$9,000 p.a. contingent on meeting performance criteria. Directors Fees for the period are inclusive of superannuation guarantee contributions.

The names of directors who have held office during the half year ended 31 December 2020 and the directors fees provided for are:

	2020	2019
	\$	\$
Robert Davies (Chairman)	10,000	7,500
Yi Yu (resigned 3 September 2020)	1,433	3,600
Sharyn Joy Cowley	3,800	3,600
Annabelle Jill Lane	3,800	3,600
Jamie Arthur Bedelis	1,700	1,100
Peter Yong Pan	1,800	1,600
Shruti Verma	1,800	1,600
Susane Martina Cornelissen	1,800	1,600
Charles Bela Kovess	1,800	1,600
Bronson Justus	1,800	-
Dwayne Wathen (appointed 21 September 2020)	2,765	-
Stephen Pewtress (appointed 21 September 2020)	1,532	-

Pinewood Community Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2020

Note 11. Director and Related Party Disclosures (*continued*)

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

	2020	2019
	\$	\$
Directors shareholdings		
Robert Davies (Associated interests)	45,000	24,500
Yi Yu	1,000	1,000
Peter Yong Pan	20,500	500
Susane Martina Cornelissen	1,000	1,000
Jamie Arthur Bedelis (Associated interests)	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.

Note 12. Fair value measurement

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The board of directors determine the appropriate valuation techniques and inputs for fair value measurements.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs are unobservable inputs for the asset or liability.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available.

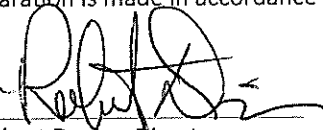
Pinewood Community Financial Services Limited

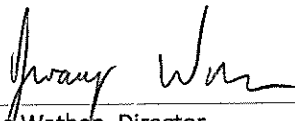
Directors' Declaration

In accordance with a resolution of the Directors of Pinewood Community Financial Services Limited, the Directors of the Company declare that:

1. The financial statements and notes thereto are in accordance with the *Corporations Act 2001* including:
 - a. giving a true and fair view of the financial position of the company as at 31 December 2020 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date;
 - b. complying with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*; and
2. 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

Dwayne Wathen, Director

Dated this 22 day of February 2021

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 2020, 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 2020 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*.

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 2020 and of its performance for the half-year ended on that date; and
- b) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

MVA Bennett
Level 5, North Tower
485 La Trobe Street
Melbourne VIC 3000

SHAUN EVANS
Partner

Date: **22 February 2021**