
Pinewood Community Financial Services
Limited

ABN: 26 099 420 050

Financial Statements

For the half-year ended

31 December 2021

Pinewood Community Financial Services Limited

Directors' Report

Your directors submit the financial report of the company for the half-year ended 31 December 2021.

Directors

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

Robert Davies	Jason Dong (appointed August 2021)
Stephen James Pewtress	Susane Martina Cornelissen
Sharyn Joy Cowley	Charles Bela Kovess (resigned October 2021)
Annabelle Jill Lane	Bronson Jeffrey Justus
Jamie Arthur Bedelis	Dwayne Lucas Wathen
Peter Yong Pan	

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 31 December 2021	Half-year ended 31 December 2020
\$ 40,337	\$ 64,113

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.

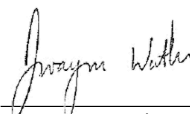
Auditor's independence declaration

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 28 February 2022.



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 2021 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: 28 February 2022

Pinewood Community Financial Services Limited

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2021

	2021 \$	2020 \$
Revenue		
Revenue from ordinary activities	618,535	541,267
Interest and other Income	9,753	58,514
Expenses		
Employee benefits expense	(313,001)	(283,391)
Charitable donations & sponsorship	(31,756)	(22,609)
Occupancy costs	(27,661)	(15,014)
IT expenses	(20,992)	(22,339)
Depreciation and amortisation expense	(56,476)	(60,891)
Finance costs	(6,809)	(6,809)
Administration costs	(124,912)	(118,490)
Other expenses from ordinary activities	(2,217)	(2,828)
Profit before income tax	44,464	67,410
Income tax expense	(4,126)	(3,297)
Profit after income tax	40,338	64,113
Total comprehensive income for the half-year attributable to the ordinary shareholders of the company:	40,338	64,113
Earnings per share (cents per share)		
- basic earnings per share	7.09	11.26
- diluted earnings per share	7.09	11.26
- dividends paid per share	13.50	14.00

Pinewood Community Financial Services Limited

Statement of Financial Position

As at 31 December 2021

	Note	31-Dec-21 \$	30-Jun-21 \$
ASSETS			
Current assets			
Cash and cash equivalents		527,233	573,050
Trade and other receivables		103,215	101,664
Current tax assets		2,511	6,734
Other assets		212,608	168,335
Total current assets		845,567	849,783
Non-current assets			
Property, plant and equipment		75,320	87,319
Right of use assets	6	51,958	90,925
Intangible assets		5,510	11,019
Deferred tax assets		67,336	67,336
Total non-current assets		200,124	256,599
TOTAL ASSETS		1,045,691	1,106,382
LIABILITIES			
Current liabilities			
Trade and other payables		115,575	118,808
Lease liabilities	6	46,459	78,583
Provisions		90,755	76,534
Total current liabilities		252,789	273,925
Non-current liabilities			
Trade and other payables		-	-
Lease liabilities	6	-	8,028
Provisions		21,667	19,167
Deferred tax liabilities		-	-
Total non-current liabilities		21,667	27,195
TOTAL LIABILITIES		274,456	301,120
NET ASSETS		771,235	805,262
EQUITY			
Issued capital	8	569,315	569,315
Retained earnings	7	201,920	235,947
TOTAL EQUITY		771,235	805,262

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 2021

	Note	Issued capital \$	Un-issued capital \$	Retained earnings \$	Total equity \$
Balance at 1 July 2020		569,315	-	227,388	796,703
Total comprehensive income for the half-year		-	-	64,113	64,113
Capital raised during the period		-	-	-	-
Transactions with owners in their capacity as owners:					
Dividends paid	9	-	-	(77,118)	(77,118)
Balance at 31 December 2020		569,315	-	214,383	783,698
Balance at 1 July 2021		569,315	-	235,947	805,262
Total comprehensive income for the half-year		-	-	40,338	40,338
Transactions with owners in their capacity as owners:					
Dividends paid	9	-	-	(74,363)	(74,363)
Balance at 31 December 2021		569,315	-	201,918	771,235

Pinewood Community Financial Services Limited

Statement of Cash Flows

For the half-year ended 31 December 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		663,461	596,719
Payments to suppliers and employees		(546,780)	(507,461)
Lease payments (interest component)	6	(4,309)	(4,309)
Interest received		1,129	3,725
Other income received		3,712	57,398
Income taxes paid		97	5,961
Net cash provided by operating activities		117,310	152,033
Cash flows from investing activities			
Security Investment		(13,750)	-
Dividends and other security investments		3,053	1,362
Payments for listed security investments		(27,777)	(32,535)
Payments for intangible assets		(13,330)	(13,330)
Net cash used in investing activities		(51,804)	(44,503)
Cash flows from financing activities			
Unpaid Dividend		3,193	-
Lease payments (principal component)	6	(40,152)	(38,442)
Dividends paid	9	(74,363)	(77,118)
Net cash used in financing activities		(111,322)	(115,560)
Net cash decrease in cash held		(45,816)	(8,030)
Cash and cash equivalents at the beginning of the financial year		573,050	577,820
Cash and cash equivalents at the end of the half-year		527,233	569,790

Pinewood Community Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2021

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 2021 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:

Note 2. 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 3. Contingent assets and liabilities

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

Note 4. 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 5. 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 2021

Note 6. Leases

a) Right-of-use assets

	31-Dec-21	30-Jun-21
	\$	\$
<i>Leased buildings</i>		
At cost	246,797	246,797
Less accumulated depreciation	(194,840)	(155,872)
	<u>51,958</u>	<u>90,925</u>

b) Lease Liabilities

	31-Dec-21	30-Jun-21
	\$	\$
Current:		
Lease Liability	52,205	87,200
Unexpired interest	(5,745)	(8,617)
	<u>46,459</u>	<u>78,583</u>
Non-current		
Lease Liability	-	9,465
Unexpired interest	-	(1,437)
	<u>-</u>	<u>8,028</u>

	31-Dec-21	30-Jun-21
	\$	\$
Note 7. Retained earnings		
Balance at the beginning of the financial year	235,947	227,388
Net profit from ordinary activities after income tax	40,338	85,679
Dividends paid	(74,363)	(77,118)
Balance at the end of the reporting period	<u>201,921</u>	<u>235,947</u>

	31-Dec-21		30-Jun-21	
Note 8. Issued capital	Number	\$	Number	\$
Balance at the beginning of the financial year	550,840	575,840	550,840	575,840
Less: equity raising costs	-	(6,525)	-	(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 2021

Note 9. Dividends provided for or paid	31-Dec-21		30-Jun-21	
	Cents	\$	Cents	\$
a) Dividends paid during the period				
Fully franked dividend	13.50	74,363	14.00	77,118
Unfranked dividend	-	-	-	-
Total dividends paid during the period	13.50	74,363	14.00	77,118

The tax rate at which dividends have been franked is 26%.

Note 10. 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 2021 and the directors fees provided for are:

	2021	2020
	\$	\$
Robert Davies (Chairman)	8,000	10,000
Yi Yu (resigned 3 September 2020)	-	1,433
Sharyn Joy Cowley	3,700	3,800
Annabelle Jill Lane	3,800	3,800
Jamie Arthur Bedelis	1,600	1,700
Peter Yong Pan	1,800	1,800
Shruti Verma	-	1,800
Susane Martina Cornelissen	1,700	1,800
Charles Bela Kovess (Resigned October 2021)	1,233	1,800
Bronson Justus	3,800	1,800
Dwayne Wathen	3,700	2,765
Stephen Pewtress	1,700	1,532
Jason Dong (Appointed August 2021)	1,667	-

Pinewood Community Financial Services Limited

Notes to the Financial Statements

For the half-year ended 31 December 2021

Note 10. Director and Related Party Disclosures (*continued*)

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

	2021	2020
	\$	\$
Directors shareholdings		
Robert Davies (Associated interests)	45,700	45,000
Peter Yong Pan	20,500	20,500
Susane Martina Cornelissen	1,000	1,000
Jamie Arthur Bedelis (Associated interests)	10,000	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 11. 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

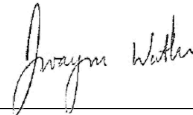
In accordance with a resolution of the Directors of Pinewood Community Financial Services Limited, the Directors of the Company declare that:

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 2021 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 28 day of February 2022

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 2021, 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 2021 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 2021 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: 28 February 2022