

# Special Purpose Financial Report

Pinnacle Underwriting Pty Ltd

ABN 11 631 678 790

As at 31 December 2020

Prepared by WLM Financial Services Pty Limited

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# Compilation Report

## Pinnacle Underwriting Pty Ltd For the 6 months ended 31 December 2020

Compilation report to Pinnacle Underwriting Pty Ltd

We have compiled the accompanying special purpose financial statements of Pinnacle Underwriting Pty Ltd, which comprise the balance sheet as at 31 December 2020, the income statement, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

### The Responsibility of the Directors

The directors of Pinnacle Underwriting Pty Ltd are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

### Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

### Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

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Daniel McGrath

Director

WLM Financial Services Pty Limited Chartered Accountants  
Level 12, 84 Pitt Street SYDNEY NSW 2000

Dated:

# Directors Declaration

## Pinnacle Underwriting Pty Ltd For the 6 months ended 31 December 2020

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 31 December 2020 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
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.

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Jon Gilliott

Dated:

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Kurt Nilsen

Dated:

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Stuart Beatty

Dated:

# Balance Sheet

## Pinnacle Underwriting Pty Ltd As at 31 December 2020

	NOTES	31 DEC 2020	30 JUN 2020
<b>Assets</b>			
<b>Current Assets</b>			
<b>Bank Accounts</b>			
Pinnacle Operations		1,938,457	86,535
<b>Total Bank Accounts</b>		<b>1,938,457</b>	<b>86,535</b>
Accounts Receivable		310,489	170,043
Prepaid Insurance		36,873	29,671
Trust Account Initial Deposits		1,701	-
<b>Total Current Assets</b>		<b>2,287,520</b>	<b>286,249</b>
<b>Non-Current Assets</b>			
<b>Formation Cost</b>			
Formation Cost		1,200	1,200
Less Accumulated Amortisation on Formation Cost		(1,200)	(1,200)
<b>Total Formation Cost</b>		<b>-</b>	<b>-</b>
Investment in Pinnacle Underwriting Pte Ltd		107	107
<b>Property, plant and equipment</b>			
<b>Immediate Asset Write-Off</b>			
Immediate Asset Write-Off		12,103	-
Less Accumulated Depreciation Immediate Asset Write-Off		(12,103)	-
<b>Total Immediate Asset Write-Off</b>		<b>-</b>	<b>-</b>
<b>Right of Use Asset - Sydney Office</b>			
Right of Use Assets - SYDNEY office		35,422	-
Right of Use Asset Accum Dep - SYD office		(11,807)	-
<b>Total Right of Use Asset - Sydney Office</b>		<b>23,615</b>	<b>-</b>
<b>Total Property, plant and equipment</b>		<b>23,615</b>	<b>-</b>
<b>Total Non-Current Assets</b>		<b>23,721</b>	<b>107</b>
<b>Total Assets</b>		<b>2,311,241</b>	<b>286,356</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable		3,311	6,085
Accruals		6,000	25,000
GST		201,534	38,613
Income Tax Provision		355,320	-
Lease Liability - SYDNEY office		23,732	-
Non Resident Withholding Tax		128,035	14,772
PAYG Withholdings Payable		13,923	-
Superannuation Payable		5,168	-
<b>Total Current Liabilities</b>		<b>737,023</b>	<b>84,470</b>

See Accompanying Notes to Unaudited Financial Statements

**Non-Current Liabilities****Loan Accounts**

Loan to Jon Gilliott	(90)	(90)
Loan to Lim Ai Sum Pauline	(5)	(5)
Loan to Pinnacle Underwriting Pte Ltd	107	107
Loan to Stuart Beatty	(338)	1,756
<b>Total Loan Accounts</b>	<b>(325)</b>	<b>1,768</b>

Provision for Annual Leave	10,210	-
<b>Total Non-Current Liabilities</b>	<b>9,885</b>	<b>1,768</b>

<b>Total Liabilities</b>	<b>746,908</b>	<b>86,237</b>
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<b>Net Assets</b>	<b>1,564,333</b>	<b>200,119</b>
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**Equity**

Current Year Earnings	1,027,140	(337,074)
Retained Earnings	(466)	(466)
Share Capital	537,659	537,659
<b>Total Equity</b>	<b>1,564,333</b>	<b>200,119</b>

# Profit and Loss

## Pinnacle Underwriting Pty Ltd For the 6 months ended 31 December 2020

	JUL-DEC 2020	JUL 2019-JUN 2020
<b>Trading Income</b>		
Commission	4,458,403	367,769
Interest Income	825	494
Other Revenue	38	-
<b>Total Trading Income</b>	<b>4,459,266</b>	<b>368,262</b>
<b>Cost of Sales</b>		
Brokerage Paid Away	1,909,028	142,878
<b>Total Cost of Sales</b>	<b>1,909,028</b>	<b>142,878</b>
<b>Gross Profit</b>	<b>2,550,237</b>	<b>225,384</b>
<b>Expenses</b>		
<b>Employment Costs</b>		
Annual Leave	10,210	-
Other Employee Expenses	458	-
Staff Amenities	1,194	-
Superannuation	14,074	-
Wages and Salaries	148,147	-
<b>Total Employment Costs</b>	<b>174,083</b>	<b>-</b>
<b>IT and Communications</b>		
Grailie license fee	30,000	10,000
Managed Services and IT	18,299	7,124
Oracle Database	24,674	-
Subscriptions	288	177
Telephone & Internet	536	-
<b>Total IT and Communications</b>	<b>73,797</b>	<b>17,301</b>
<b>Other Overheads</b>		
Amortisation Expense	-	1,200
ASIC and Statutory Charges	-	267
Bank Fees	1,100	1,154
Consulting & Accounting	87,295	85,600
Entertainment	4,267	-
Freight & Courier	17	-
General Expenses	427	-
Insurance	33,165	35,357
Legal expenses	-	4,519
Printing & Stationery	360	-
Travel - National	779	-
<b>Total Other Overheads</b>	<b>127,412</b>	<b>128,096</b>
<b>Rent and out-goings</b>		

See Accompanying Notes to Unaudited Financial Statements

	JUL-DEC 2020	JUL 2019-JUN 2020
Depreciation	12,103	-
Depreciation - SYDNEY office	11,807	-
Interest Expense - ROU	310	-
Light, Power, Heating	469	-
Office Expenses	2,058	-
<b>Total Rent and out-goings</b>	<b>26,748</b>	<b>-</b>
<b>Service fees</b>		
Management Fee - Singapore	6,548	-
Service Fee Singapore	422,116	417,528
<b>Total Service fees</b>	<b>428,664</b>	<b>417,528</b>
<b>Total Expenses</b>	<b>830,703</b>	<b>562,925</b>
<b>Net Profit (Loss) before Taxation</b>	<b>1,719,534</b>	<b>(337,541)</b>
<b>Taxation</b>		
Income Tax Expense	355,320	-
<b>Total Taxation</b>	<b>355,320</b>	<b>-</b>
<b>Net Profit After Taxation</b>	<b>1,364,214</b>	<b>(337,541)</b>



# Notes to the Financial Statements

## Pinnacle Underwriting Pty Ltd For the 6 months ended 31 December 2020

### 1. Statement of Significant Accounting Policies

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

#### Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 31 December 2020. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

#### Intangibles

Goodwill is recognised as the excess of the purchase price for a business acquired over the fair value of the net assets at the date of acquisition. Goodwill is assessed for impairment annually and is carried at cost less accumulated impairment losses.

#### Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

#### Financial Assets

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

#### Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 31 December 2020. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

#### Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to 31 December 2020. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

#### Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

## Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

## Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.

Revenue from the rendering of services is recognised upon the delivery of the services to customers.

Revenue from commissions is recognised upon delivery of services to customers.

Revenue from interest is recognised using the effective interest rate method.

Revenue from dividends is recognised when the entity has a right to receive the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

## Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

## Significant Events During the Balance Date

During the financial year, the COVID 19 outbreak was declared a Pandemic by the World Health Organisation in March 2020.

There has been an impact on the business to date as the outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain at the date of this report, however they may have an impact on our earnings, cash flow and financial condition. It is not possible to estimate the impact of the outbreaks' near-term and longer effects, or Governments' varying efforts to combat the outbreak. This being the case, we do not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the company at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2020.

# Minutes - Directors Meeting

## Pinnacle Underwriting Pty Ltd For the 6 months ended 31 December 2020

### 1. Minutes of Meeting of Directors

**Pinnacle Underwriting Pty Ltd**  
**ABN: 11 631 678 790**

**Held at:** Level 12, 84 Pitt Street Sydney NSW 2000

**On:**

**Present:** Jon Gilliott (Chairperson)

Kurt Nilsen

Stuart Beatty

**Apology:**

**Minutes:** The Chairperson reported that the minutes of the previous meeting had been signed as a true record.

**Dividend:** No dividends were paid during the year

**Financial Statements and Notes to the Financial Statements:** The Chairperson tabled the financial statements and notes to the financial statements of the entity in respect of the year ended 31 December 2020 and it was resolved that they be and are hereby adopted as tabled.

**Company's Solvency:** It was resolved after reviewing the profit and cash flow budgets and considering the ability of the company to realise assets that the company would be able to pay its debts as and when they become due and payable.

**Director's Report and Declaration:** The Chairperson tabled the Report of the Director and Director's Declaration in respect of the year ended 31 December 2020 and it was resolved that such Director's Report and Director's Declaration be approved and signed by the director.

**Annual Statement:** It was resolved that the contents of the Annual Statement be adopted and that the director sign the declaration certifying that:

- the information contained in the Statement is correct;
- there are reasonable grounds to believe that the entity will be able to pay its debts when they become due and payable; and
- the annual fee will be paid.

**Compilation Report:** It was noted that the Compilation Report would be signed following the signing of the Director's Declaration.

There being no further business the meeting then closed.

Signed as a true record: \_\_\_\_\_

Jon Gilliott

# Minutes - AGM

## Pinnacle Underwriting Pty Ltd For the 6 months ended 31 December 2020

### 1. Minutes of Annual General Meeting

#### Pinnacle Underwriting Pty Ltd

**ABN:** 11 631 678 790

**Held at:** Level 12, 84 Pitt Street Sydney NSW 2000

#### **On:**

**Present:** Jon Gilliott (Chairperson)

Kurt Nilsen

Stuart Beatty

#### **Apology:**

**Minutes:** The Chairperson reported that the minutes of the previous meeting had been signed as a true record.

**Dividend:** No dividends were paid during the year.

**Financial Report and Director's Report:** The Chairperson tabled the Financial Report and Compilation Report of the entity in respect of the year ended 31 December 2020 and read a Report of the Director's in relation thereto.

It was resolved that the Director's Report be received and the Financial Report be and are hereby adopted as tabled.

**Signed as a true record:** \_\_\_\_\_

Jon Gilliott