Agecom Enterprises Limited

1 September 2018

Dear Prospective Director,

Thank you for your interest in becoming a Director of the Board of AGECOM Enterprises Limited.

AGECOM Enterprises Ltd was set-up in 2009 with a view to establishing a **Community Bank®** Branch in the local region. Since opening our doors in 2010, Aspendale-Gardens Edithvale Community Bank has continued to grow and develop its business throughout the community.

As a **Community Bank®,** we have been active in supporting local projects and initiatives and are proud to have contributed over $190,000 to a range of not for profit groups, community organisations and sporting clubs within the community in the years since commencing operation.

As you may know, a **Community Bank** ® branch is a locally owned and operated company, which functions as a franchise of Bendigo and Adelaide Bank. The Bank provides the coverage of its banking licence, a full range of banking products, training of staff and ongoing support. The local community company is responsible for paying branch running costs, and the Bank and the company are each entitled to agreed portions of the revenue of the local **Community Bank**® branch.

In terms of the role, if you are appointed as a Director, there is an expectation for you to receive and undertake relevant training and professional development to assist in discharging your responsibilities within the role.

The Board would expect that approximately 10 hours per month would need to be set aside for Board responsibilities. This would consist of a monthly Board meeting of approximately 1.5 hours, planning workshops and sub-committee meetings that arise, as well as a number of community events each month.

Attached for your perusal are:
1. Advertisement for Director's recruitment
2. Director's Role Description Policy No: 300-9500
3. 2017/8 AGECOM Enterprises Ltd Annual Report (click hyperlink for access)
4. Attributes of the Community Banking Model

If you remain interested in joining the Board as a Director of AGECOM Enterprises Ltd, please forward your resume and a covering letter outlining your response to the selection criteria and reasons for wanting to join the board to Anna McDonald at or via email on anna.mcdonald@agecom.net.au

For a confidential discussion please call me on 0433 013 614.

Yours sincerely,

Anna McDonald

Anna McDonald
Chairman

STA5 (311216_v1) (13/07/2016)

ABN 68 138 046 303
Aspendale Gardens Shopping Centre, 11 Narelle Drive, Aspendale Gardens VIC 3195
Phone 03 9588 0610 Fax 03 9587 6757, Email agecom@agecom.net.au
Franchisee of Bendigo and Adelaide Bank Limited ABN 11 068 049 178 AFSL 237879

Bendigo Bank

AGECOM Enterprises Ltd- New Director Applications Sought

Expressions of interest sought for volunteer directors of **AGECOM Enterprises Ltd**

AGECOM Enterprises Ltd operates the **Aspendale Edithvale Community Bank**® branch at Aspendale Gardens Shopping Centre. It is a franchise of the Bendigo & Adelaide Bank.

AGECOM Enterprises Ltd is seeking energetic, community–minded and committed individuals to serve as voluntary directors, and to make an important and positive contribution to the local community.

Working as part of a dedicated, professional and diverse team, the role calls for people willing to apply themselves to the full range of responsibilities and accountabilities of a director. In return we offer a rich opportunity for professional and personal development in a stimulating and personally rewarding environment.

Successful candidates will possess some of the following criteria:

- Business acumen
- Financial literacy
- Strategic thinking
- Community connections with a genuine willingness to engage with the local community
- Willingness to learn, participate, grow and develop
- Previous experience in any of the areas of Business Development; Marketing; Finance; Human Resources Management; Relationship Management; Board Governance
- Experience in and willingness to step up into board leadership roles

Applicants should send a 1-2 page letter and CV outlining their experience; what they would bring to the Board; and address the above selection criteria.

Before preparing your application please write to Kevin O'Donnell (kevinodonnell46@hotmail.com) to request an information package.

Send applications to Chairman, Anna McDonald at anna.mcdonald@agecom.net.au

For further queries, contact Anna McDonald on 0433 013 614 for a confidential discussion.

AGECOM ENTERPRISES LIMITED
ACN 138 046 303

POSITION TITLE	Policy No.	300-9500
	Status	Approved
DIRECTOR	Revision Date:	6/08/2018
	Revision No.	1
	Board Minutes	

REPORTS TO

Board Chair

PURPOSE

Actively contributing to ensure the Company meets strategic goals, performance measures, good governance principles and compliance obligations.

KEY RESPONSIBILITIES AND ACCOUNTABILITIES

Participate as an active member of the Board and at all times act in the best interests of the Company and its stakeholders. This will include but will not necessarily be limited to:

- Ensuring that the Company is compliant in relation to all relevant legislation and accounting standards
- Comply with the legal and fiduciary responsibilities of a director
- Contribute to the Board process of setting the strategic direction of the company
- Promote the Community Bank® branch within the community through networking and building positive relationships with relevant partners
- Introduce potential customers to the Branch
- Act as a spokesperson and ambassador for the Company and formally represent the Company as required, working with the Branch Manager to promote the Branch at a local level
- Attendance at and active participation in the AGM and a minimum of 66% Board Meetings, unless a leave of absence has been granted
- Prepare for Board meetings by accessing and reading relevant Board papers prior to each meeting
- Actively participate in at least one Board Committee

- Be responsible for managing the relationship with at least two community groups
- Attend a state or national conference once every two years
- Attend additional Strategic Planning and other relevant meetings
- Treat all Directors, staff and stakeholders with dignity and respect at all times
- Comply with Board performance criteria for meeting attendance, professional development, and involvement in committees/projects

TERM

3 Years subject to a constitutional requirement for 33% of Directors to be re-elected at each AGM, subject to the board's re-nomination policy.

REMUNERATION

Approved expenses

REVIEW PROCESS

- Each Director's performance will be measured against this policy annually by the People and Performance Committee.
- The Chair will review each Director's Scorecard prior to forming a recommendation to support a Directors nomination for re-election

REVISION HISTORY & CONTROL

VERSION CONTROL TABLE

Version No	Approval Date	Approved By	Amendment

Attributes of the **Community Bank®** model

By Rob Hunt

At a recent meeting we discussed the obvious and essential natural attributes that are built into the **Community Bank®** model. I agreed to put together some comments that might be shared across the network to ensure everyone understands the background, the strengths, and the potential vulnerabilities in the current business model – and what we need to do to ensure we all remain committed to support the elements that have made this model successful to date.

Community Bank® is a purpose-built business model.

At the time of the initial development, there was no existing business model in the market that would have satisfied the needs of all stakeholders and met the sustainability test. Therefore it was clear a new business model was needed, which would require different contributions and commitment from the various stakeholders.

A blended business model

I have often referred to the model as being a blend of those attributes that would normally be expected in the neoclassical shareholder model, with the attributes and priorities which were prevalent in the early co-operative or mutual models adopted by communities who needed to establish a particular service or facility using only their own resources and commitment.

In creating the **Community Bank®** model, it was clear to me that –

- the level of involvement and engagement at the local level was going to be critical to the success of any proposed structure
- the concept would also challenge BEN – and
- the model needed to be formed utilising a well understood commercial and legal structure – eg – the franchise model.

Attached is a schedule I put together more than a decade ago which outlines the basic business model. This schedule identifies the core elements within the neo-classical shareholder model, together with those normally present in community models of the past, and demonstrates how the blended model captures the essential elements required to ensure the **Community Bank®** model is viable.

The original "community models" involved the elements of broad community participation – having members, serving community, supporting the broader community – but most of these structures were formed as not-for-profit organisations.

In the neo-classical model, the issues of clear accountabilities, transparency, and a disciplined approach to generating surpluses, are critical – and these issues are equally essential in the new (blended) **Community Bank®** business model.

Added to this the **Community Bank®** model requires mutual trust, respect and goodwill, common and agreed objectives and clearly understood shared responsibilities.

While I was always confident the **Community Bank®** business model would technically work, the above elements are critical to the effective implementation of this blended model – elements that can either make a success of the joint effort, or destroy any prospects of success. These are typical of any partnership or joint arrangement and can quickly bring undone a venture or structure of even the highest calibre. These elements add real risk if not properly adhered to by both parties.

This model requires substantial goodwill from both the commercial organisation (BEN) and the Community Enterprise structure – if it is to attain reliable and ongoing success.

As I have often stated, one of the issues that could seriously damage the **Community Bank®** model would be to drive a wedge between the two parties, resulting in the respective entities looking at the legal agreements to protect their individual rights. While the legal agreements are essential for both parties, if we are regularly referring to such agreements, then it is likely the success of the particular **Community Bank®** entity will be under a real threat.

Delivering shared success

One overriding "plus" in the model is that both parties will enjoy the benefits of success. With BEN's strategy clearly aimed at helping customers and communities to build a stronger balance sheet and stronger prospects – there is excellent alignment and this encourages both parties to collaborate on a set of common objectives. Substantial gains will be made for all when individual branch sustainability is achieved.

Enhancing the local economy to benefit all

It is clearly in the interests of both parties to enhance the local economy and ensure local customers can gain access to both quality banking services and the essential capital and funding required to enable all individuals (and the community as a whole) to reach their potential.

To achieve this –

- first each community must be able to successfully implement its **Community Bank**® branch – in order to create a sustainable source of cash
- and when that cash is sufficient to cover the operating costs of the branch – they can then apply dividends (both to local shareholders, and to the community projects which are essential to this enhancement).

A tested approach

Clearly the model has been tested by the environment, as has the entire banking system, and the model has performed exceeding well.

The degree of difficulty experienced in forming and implementing a new entity (let alone a community-owned entity) also has been tested, and communities have responded admirably.

Also the model is tested from time to time when the original business plan is not met as anticipated, and the degree of difficulty increases. The response to this situation has both parties working together and interested in achieving success. It is in both parties' interest to work together to overcome such challenges.

However the model is more seriously challenged when the relationship breaks down and the essential elements that bind the relationship start to fracture.

As can be seen, most risks are manageable, but a breakdown in the relationship between BEN and the community makes a resolution much more difficult.

Requiring insight and continuing focus on motivation

Other key components of building and successfully implementing this alternative model include –

- maintaining the dream
- ensuring there is understanding of what is possible when building a stronger Community Balance Sheet
- breaking down into doable tasks the individual elements required to make the overall development achievable

While not comprehensive, I trust the above summary of key attributes answers the request made by the **Community Bank**® Strategic Advisory Board. This paper might also be utilised by the broader Group to explain the original intentions of the model, and the challenges we anticipated (and have encountered) over the course of developing this alternative bank distribution model.

I would also put forward that the **Community Bank**® model, successfully implemented, is one of the most powerful and effective Community Engagement structures in the market today. Both BEN and each individual community will benefit substantially for having shown the courage and commitment to implement such a "change agent" model.

Neo Classical Model		Community Model		**Blended Model**
Shareholders		**Mutuals / Co-operatives**		**Community Enterprise**
Transparency		**Community Structures**		Broad Local Ownership
Accountabilities		Members		Community Solution
Sustainability		Serving Community		Broad Distribution of Sustainable Revenues
Profitable	+	Supporting Community	=	Building of Skill – competencies, confidence, collaboration, commitment
Disciplined		For good of all		Accountable
Triple Bottom Line		Not for profit		Transparent
		No other way		Profitable / Sustainable – local dividends to local shareholders and community
				Strategic Activities – possible
				Triple Bottom Line / CSR – a natural outcome

Bendigo and Adelaide Bank Limited, The Bendigo Centre, Bendigo, VIC 3550. ABN 11 068 049 178. AFSL 237879. (S28330) (03/10)

Annual Report 2017

AGECOM Enterprises Limited
ABN: 68 138 046 303

Aspendale Gardens-Edithvale **Community Bank**® Branch

Agecom Enterprises Limited

ABN: 68 138 046 303

Financial Statements

For the Year Ended 30 June 2017

Agecom Enterprises Limited

ABN: 68 138 046 303

Contents

For the Year Ended 30 June 2017

Chair's Report

As Chair of AGECOM Enterprises Limited it is my pleasure to present the 2016/17 Annual Report.

I was elected to the role in December 2016, and I would like to thank Andy Moutray-Read, our immediate past Chairman, for his support during the transition.

The company's first profit

I am delighted to report that in the 2016/17 financial year AGECOM realised its first trading profit in of $129,217 before tax, which greatly exceeded our budgeted expectations. After recognising the future tax benefit of previous tax losses of $198,063, the net profit after tax rose to an extraordinary $327,280.

To summarise, the growth of the business book of the branch (total loans and deposits) saw a 42% increase from $72.87m to $103.6m.

The business showed a growth in revenue to $683,544 against a target of $537,000 which was a result of good net growth in lending ($7.7m against a budget of $5m), deposits ($22.7m – against a budget of $3m) and Other Business of $282k, with overall net footings growth reaching $30.7m against a budget of $8m. This is a significant milestone and turning point for the business.

The Board

I would like to recognise the diligence and commitment of AGECOM's board members.

Since inception, John Bainbridge, our Treasurer Mal Cameron and Ray Smith have guided the company through extraordinarily challenging market conditions, whilst ensuring that the company fulfilled its compliance obligations and provided a solid platform for growth.

Other highlights of Directors' contributions including:

- David Jones, who as head of the People and Performance Committee, for providing invaluable advice during the recruitment of the new manager.
- Jane Chamberlain who, following her appointment chaired the Community Engagement committee, has brought a fresh perspective, and enthusiastically engaged with others to help grow our business.
- Kevin O'Donnell for launching AGECOMs quarterly newsletter.
- John Bainbridge for coordinating AGECOM's highly successful Community Forum.

From November 2017, Jane will be resigning as her position as Director, however remaining as a member of the Community Engagement Committee.

I would also like to thank our former Company Secretary Kathryn Walker for her contribution. Kathryn's term ended, coinciding with the date of the 2016 AGM.

The role of a volunteer Community Bank® Director requires time, commitment and passion for the community and everyone who takes on this position provides a valuable contribution in helping to build a business that will provide funding and support for their local community.

The Branch

This year's outcomes can, to a large extent, be attributed to the outstanding performance of our branch team who for the second year in a row were given the regional award for Branch Performance of the Year among the 10 Bendigo Community Banks in the Bayside Region.

In February the branch bid fond farewell to our Branch Manager of 2 years Kristy Marshall, who has been promoted to a Regional Training Manager's role within Bendigo Bank.

In February we also welcomed our new branch manager Susan Tresidder, who has recently returned to the Bayside region, following 6 years as the Manager for Gisborne Community Bank.

I am particularly thankful to both Kristy and Susan for undertaking what proved to be a professional handover and seamless transition of leadership.

Susan has maintained a strong engaged team who customers love to deal with and works tirelessly to build and maintain strong relationships in the community in order to grow the business.

Additionally, two of our staff received individual awards:

- Nicole Pegrum received the Bigger and Better Victorian State awards for customer service twice, in both January and June 2017
- Sonia Peiris was the Employee of the month in the Bayside Region in May.

In May we welcomed our new Customer Service Officer, Lyndal Martin, who has brought further depth of experience to the banking team.

Thanks too to Catherine Bromley for doing a great job maintaining the Edithvale Aspendale Community Bank Facebook page, so please visit the the page and "Like" her work.

We must also recognise our key partner Bendigo Bank. Over the last year our Regional Manager Mark Nolan and Natalie Goold have provided superb support to the board and its staff.

This year was the best year our branch has ever had, and I'd like to thank all of our branch staff for their outstanding contribution- Susan, Nicole, Sonia, Michelle and Lyndal. Well done and keep up the great work!

The Community

This year the branch celebrated its sixth birthday. In the seven years we've been operating, the company has reinvested nearly $180,000 back into our community groups and other worthwhile causes in our community. Over the last year we are proud to have been one of the major sponsors of the Edithvale CFA Fun Run and youth resilience training programmes, including Outside the Locker Room and Beyond the Boundaries programmes.

In July we held a highly successful Community Forum, attended by 87 club, association, council, state and federal government representatives, to identify the needs of our community. This will be followed by a second Community Forum to explore identified needs including for youth engagement and volunteer development programmes in more detail.

The next 12 months

In the last few months the new board will focus on ways to increase the revenue of the business, strengthen our community relationships and to continue to develop our strong branch team. There are some challenges on the horizon, including the continuing low interest rate environment, but the company is in the best position it has even been to meet and overcome these challenges.

Board recruitment:

Over the next few months, the Board will be seeking to recruit new directors and committee members to increase capacity, expertise, board diversity and local relationships to help grow our business further.

In addition we will be offering a board Cadetship, for a student completing their final year of high school.

Please let us know if you would like to be involved.

Our Future:

Our profitability and ability to strengthen our community depends on banking support from our community. Therefore we ask all shareholders to consider their banking choices. Next time you are considering financial advice or banking solutions please consider our branch team at Aspendale Gardens Shopping Centre. Susan and her team are award-winning, and I encourage you to drop in or pick up the phone (03 9588 0610) and experience their customer service for yourselves.

Anna McDonald

Manager's Report

Year ending June 2017

It has been a great 12 months across the board with growth in all areas of the business.

Customer numbers saw an increase of 264 which took us to a total of 2,719, compared with last year 2,455.

We protected 118 customers by providing insurance to protect their assets.

We had total business growth (lending & deposits) of 21 million dollars for the financial year.

Again this year we have seen a decrease in over the counter transactions, it is more important than ever that we keep up with the ever changing technology and ensure we stay connected with our customers, as we see more and more people preferring to do their banking from the convenience of their phone or laptop.

Our team of dedicated staff that have contributed to this great success are Nicole Pegrum, Sonia Peiris, Catherine Bromley and Lyndal Martin. We also need to acknowledge the efforts of former staff Kristy Marshall and Diana Pereira.

The branch has been recognised as **branch of the year** within our region. Which shows the dedication of the team. We also received positive feedback and recognition individually for both Nicole Pegrum and Sonia Peiris.

We continue to support our local community in many ways, we supported the Edithvale Fire Brigade with their annual fun run, as well as the Rotary Club of Chelsea by supporting their annual art show. We provided funding for kindergartens, schools and various sporting clubs within the community.

We have now contributed over $180,000 back into the Aspendale Gardens and Edithvale Community.

To our shareholders once again I encourage you to support your local Community Bank® Branch, just by simply doing your banking with us. Over the past few months we have made a concerted effort to stay in regular contact with our shareholders, if you are not receiving mail/emails from us please update your contact details with the branch so you can stay in touch with what's happening.

We look forward to seeing you soon.

Kind Regards,

Susan Tresidder
Branch Manager

Directors' Report
30 June 2017

The directors present their report on Agecom Enterprises Limited for the financial year ended 30 June 2017.

Directors
The names of the directors in office at any time during, or since the end of, the year are:

Names	Appointed/Resigned
Anna McDonald	
Malcolm Andrew Cameron	
David Andrew Jones	
John Gerhard Bainbridge	
Jane Chamberlain:	
Kevin John O'Donnell	
Raymond John Smith	
Julie Elizabeth Wynne	Resigned 1 August 2016
Andrew Paul Moutray-Read	Resigned 5 December 2016
Kathryn Frances Walker	Retired 21 November 2016

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Information on directors
The names and details of each person who has been a director during the year and to the date of this report are:

Anna McDonald

Current Roles:	Non-Executive Director, Board Chair, Member-Community Engagement subcommittee
Occupation:	Project Partner, Cherry Energy Solutions, a commercial solar and LED lighting company and Consultant for Saving Point, a specialist government grant's consultancy based in Moorabbin
Qualifications, experience and expertise:	Anna's qualifications include Bachelor of Arts, Post Grad Dip(Pol Science) , and a Masters of Entrepreneurship and Innovation. Anna is also a graduate member of the Australian Institute of Company Directors. Additionally, Anna is a member of Carrum sailing Club. Anna's past occupations include Director at Community Elco from 2014 – 2016; CTO and board member of the solar business Rezeko (EKO energy from 2007 – 2011) and then the Senior Manager IT and New Product Development at AGL Solar from 2011-2013 following the trade sale of EKO Energy to AGL, Key skills involve start-ups, commercialisation and supporting business growth

Malcolm Andrew Cameron

Roles:	Non-Executive Director, Treasurer and Member- Finance and Audit Subcommittee
Occupation:	Chief Financial Officer
Qualifications, experience and expertise:	Having a formal qualification (Bachelor of Economics obtained from Monash University Clayton Campus in 1981), Mal has been employed by Ritchies Stores Pty Ltd on a full time basis for over 25 years and currently heads up the Finance and Accounting Department. He was appointed Company Secretary of Ritchies Stores Pty Ltd on 28 June 1988 and Director on 31 Jan 2002.

Directors' Report
30 June 2017

Information on directors

David Andrew Jones

Roles:	Non-Executive Director, Company Secretary, Member- Finance and Audit Subcommittee Chair - People and Performance Sub-committee
Occupation:	Accountant
Qualifications, experience and expertise:	Dave is a business leader with over 20 years of experience working in Senior Management and Executive level positions and is currently Chief Operations Officer with CBM Australia. A qualified accountant with a Business Degree, Dave has wide not-for-profit, commercial banking and government experience gained through working in both complex global organisations and small local entities in Australia, the United Kingdom, the United States and Japan. Dave lived in the local area for 14 years and during that time has been involved with the Chelsea Longbeach Surf Lifesaving club, the Edithvale Aspendale cricket club and is currently Treasurer for the Cornish College Parents Association.

John Gerhard Bainbridge

Roles:	Non-Executive Director, Chair- Finance and Audit subcommittee, Member- Community Engagement subcommittee
Occupation:	Retired
Qualifications, experience and expertise:	John has been a resident of Chelsea for over 50 years and is now retired. John has had many years of experience in working for and with small to medium enterprises (SME's) including the role of general manager of a manufacturing business and the role of marketing and product development manager of an international company. John's industry and community involvement included establishment of trade related groups and chairman of a number of community organisations including the Chelsea and District Credit Co-operative Limited. John was appointed to the board of the Victorian Co-operative Association in 1975. John and Patricia have lived in the area for over 50 year raising their 5 children and are now enjoying time with their 9 grandchildren.

Jane Chamberlain:

Roles:	Non-Executive Director, Chair- Community Engagement Subcommittee
Occupation:	Community Engagement Officer, Tim Richardson MP, Member for Mordialloc.
Qualifications:	Diploma in Project Management, Bachelor of Agricultural Economics, Certified
Experience and expertise:	Change Management Practitioner, Certified PRINCE2 Project Management Practitioner, Accredited DiSC Facilitator. Jane has extensive retail and business banking experience and was the first female Agribusiness Manager to be appointed by the nab in Australia. Skilled at balancing risk management and good governance with the pursuit of growth and development. Whilst working in Corporate and Social Responsibility Jane delivered the nab's microfinance schemes, including the No Interest Loans (NILs) and Step up Loans nationally with community partner Good Shepherd Youth and Family Service. As the Senior Manager of Audit Operations at the nab, Jane had operational management of the $25 million Group Internal Audit budget as agreed with the nab Principal Board Audit Committee for Aus, NZ and the UK. Jane is currently responsible for the engagement and management of more than 200 community groups across the electorate for Tim Richardson MP, State Member for Mordialloc.
Professional memberships:	The Institute of Internal Auditors (IIA), Institute of Management Consultants (IMC), Australian Institute of Project Management (AIPM), Change Management Institute – AUS (CMI)

Directors' Report
30 June 2017

Information on directors

Kevin John O'Donnell

Roles:	Non-Executive Director and Member-Community Engagement subcommittee
Occupation:	Retired
Qualifications, experience and expertise:	Commercial Lawyer, Mentor, Author, Historian, Occasional Academic.LLB – University of Melbourne. LLM – Deakin University.

Raymond John Smith

Roles:	Non-Executive Director and Member-Community Engagement subcommittee
Occupation:	Retired
Qualifications, experience and expertise:	Owned and operated body repair company for 45 years. Past President Rotary Club of Aspendale. Past Commodore Patterson River Motor Yacht Club.

Julie Elizabeth Wynne (Resigned 1 August 2016)

Roles held:	Non-Executive Director and Member-People and Performance subcommittee
Occupation:	Teacher
Qualifications, experience and expertise:	Julie has worked in education for over 20 years and at St Louis de Montfort's for the past 15 years. Prior to returning to teaching in 2000, Julie ran her own business Real Plans, a real estate floor plan business and worked in the medical industry as a receptionist and practice manager. Julie believes that we are all lifelong learners as is evident from her educational background, Diploma of Teaching, Bachelor of Education, Post Graduate Religious Education, Masters of Education, Post graduate Student Well being, Literacy Leadership Certificate and Certificate 4 Education and Training. During her time at St Louis, Julie held numerous leadership positions, such as level Coordinator, Literacy Leader, Well being Leader and Sustainability Leader. Julie has also managed and chaired numerous committees, well-being action groups, environmental team and garden-to-kitchen team. Julie also coordinated and led the junior literacy program across the school running meetings and professional development.

Andrew Paul Moutray-Read (Resigned 5 December 2016)

Roles held:	Non Executive Director, Chairman
Occupation:	Consultant
Qualifications, experience and expertise:	Andrew has been involved in community banking since 2006 when he helped commence the campaign to open Seddon community bank. Since then, Andrew has been a past Director and Chairman at Seddon, Flemington, Wantirna and is Chairman at Ormond McKinnon. Andrew has a background in accounting, real estate and currently a small business owner, Andrew provides a rounded experience to the board.

Directors' Report
30 June 2017

Information on directors

Kathryn Frances Walker	(Retired 21 November 2016)
Roles held	Non Executive Director
Occupation:	Accountant and HR Manager
Qualifications, experience and expertise:	Kathryn has unique and diverse skills in that she is qualified in both human resources management and accounting. She graduated in Personnel Management as the top graduate in her final year. Kathryn was also entered on the Dean's list for her outstanding academic achievements and Waite Consulting awarded her the 'John R Waite' Memorial prize for excellent academic performance. To consolidate her management qualifications, Kathryn studied accounting and was granted membership of Australian CPAs. She is also a member of the Australian Human Resources Institute and the Australian Institute of Management. Kathryn's broad experience extends across various industries e.g. professional associations, not for profit, local government, an international personnel agency, finance and advertising amongst others. Kathryn has extensive experience in restructuring, industrial relations and identifying the skills mix required for business growth. Kathryn has a broad knowledge of accounting software.

Company secretary

The following person held the position of Company secretary at the end of the financial year:
The company secretary is David Andrew Jones. David was appointed to the position of secretary on 22 July 2016 after the taking over the role that Kevin John O'Donnell was temporarily filling from 2 February 2016 to 22 July 2016. Qualifications and experiences of both secretaries can be found above.

Principal activities

The principal activity of Agecom Enterprises Limited during the financial year was facilitating **Community Bank**® Services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.
No significant changes in the nature of the Company's activity occurred during the financial year.

Operating results

The profit of the Company after providing for income tax amounted to $ 327,280 (2016 - restated: Loss $ (44,486)).

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show that a change has made to the way inciome is calculated from different sources (except fee income) following adoption of the new Community Bank network Revenue Share Model which is implemented by the Bendigo and Adelaide Bank Limited for its franchised branches from 1 July 2016.

Dividends paid or recommended

There were no dividends paid or declared during the current or previous financial year.

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

Agecom Enterprises Limited

ABN: 68 138 046 303

Directors' Report

30 June 2017

Matters or circumstances arising after the end of the yea

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Future developments and results

The Company will continue its policy of facilitating banking services to the community.

Benefits received directly or indirectly by officers

No director has received or become entitled to receive, during or since the financial year, a benefit because of a contract made by the Company, controlled entity or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Environmental matters

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

Meetings of directors

During the financial year, 9 meetings of directors (including committees of Directors) were held. Attendances by each director during the year were as follows:

	Board		Board Subcommittees					
	Directors' Meetings		Audit and Finance Committee		Community Engagement		People and Performance	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Anna McDonald	9	9	-	-	11	9	2	2
Malcolm Andrew Cameron	9	6	9	7	-	-	-	-
David Andrew Jones	9	7	9	6	-	-	2	2
John Gerhard Bainbridge	9	9	9	9	11	10	-	-
Jane Chamberlain:	4	3	-	-	6	5	-	-
Kevin John O'Donnell	9	8	-	-	11	10	-	-
Raymond John Smith	9	8	-	-	11	10	-	-
Julie Elizabeth Wynne - (Resigned 1st Aug 2016)	2	1	-	-	-	-	1	1
Andrew Paul Moutray-Read	5	5	-	-	-	-	-	-
Kathryn Frances Walker - (Retired 21st Nov 2016) *	-	-	-	-	-	-	-	-

* Denotes approved leave of absence

Indemnification and insurance of officers and auditors

The Company has indemnified all directors and the manager in respect of liabilities to other persons (other than the Company or related body corporate) that may arise from their position as directors or manager of the Company except where the liability arises out of conduct involving the lack of good faith.

Disclosure of the nature of the liability and the amount of the premium is prohibited by the confidentiality clause of he contract of insurance, The company has not provided any insurance for an auditor of the company or a related body corporate.

Directors' Report

30 June 2017

Proceedings on behalf of company

No person has applied for leave of court under Section 237 of the *Corporations Act 2001* to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are sent out in the notes to the accounts.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2017 has been received and can be found on page 8 of the financial report.
Signed in accordance with a resolution of the Board of Directors:

Director: ....
John Gerhard Bainbridge

Director: ....
Kevin John O'Donnell

Dated 30 October 2017

Ashfords Audit & Assurance Pty Ltd
ABN 52 138 965 241
Dandenong: 40-42 Scott St, Dandenong VIC 3175
Dingley: Suite 5, 14 Garden Blvd, Dingley VIC 3172
PO Box 7177, Dandenong VIC 3175
(03) 9551 6692
info@ashfords.com.au

Agecom Enterprises Limited

ABN: 68 138 046 303

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Agecom Enterprises Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Ashfords Audit and Assurance

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants

Ryan H. Dummett
Director

30 October 2017

40-42 Scott Street Dandenong Vic 3175

Agecom Enterprises Limited

ABN: 68 138 046 303

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2017

	Note	2017 $	2016 (Restated) $
Revenue	5	683,544	465,571
Employee benefits expense		(319,239)	(293,446)
Depreciation and amortisation expense	6	(24,053)	(24,881)
Sponsorship and Marketing expenses		(40,244)	(21,790)
Occupancy expenses		(54,970)	(55,333)
Computer expenses		(30,997)	(32,505)
Other expenses		(72,994)	(68,131)
Finance costs	6	(11,830)	(13,971)
Profit/(loss)before income tax		129,217	(44,486)
Income tax benefit	7	198,063	-
Profit/(loss) after income tax		327,280	(44,486)
Total comprehensive income for the year		327,280	(44,486)

	Note		
Earnings per share for profit/(loss) attributable to the ordinary shareholders of the Company:		**¢**	**¢**
Basic earnings per share	17	44.11	(5.99)

The accompanying notes form part of these financial statements.

Statement of Financial Position

30 June 2017

	Note	2017 $	2016 (Restated) $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	19,403	19,403
Trade and other receivables	9	57,899	54,628
TOTAL CURRENT ASSETS		77,302	74,031
NON-CURRENT ASSETS			
Property, plant and equipment	10	70,543	80,985
Deferred tax assets	15	198,063	-
Intangible assets	11	62,565	76,176
TOTAL NON-CURRENT ASSETS		331,171	157,161
TOTAL ASSETS		408,473	231,192
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	52,169	41,914
Borrowings	13	194,153	337,107
Employee benefits	14	12,437	9,130
TOTAL CURRENT LIABILITIES		258,759	388,151
NON-CURRENT LIABILITIES			
Trade and other payables	12	30,146	45,219
Employee benefits	14	2,495	8,029
TOTAL NON-CURRENT LIABILITIES		32,641	53,248
TOTAL LIABILITIES		291,400	441,399
NET ASSETS		117,073	(210,207)
EQUITY			
Issued capital	16	712,707	712,707
Accumulated losses		(595,634)	(922,914)
TOTAL EQUITY		117,073	(210,207)

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2017

2017

	Issued capital $	Accumulated losses $	Total $
Balance at 1July 2016	712,707	(922,914)	(210,207)
Profit attributable to members of the entity	-	327,280	327,280
Balance at 30 June 2017	712,707	(595,634)	117,073

2016 (Restated)

	Issued capital $	Accumulated losses $	Total $
Balance at 1 July 2015	712,707	(878,428)	(165,721)
Profit attributable to members of the entity	-	(44,486)	(44,486)
Balance at 30 June 2016	712,707	(922,914)	(210,207)

Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 $	2016 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		747,994	496,133
Payments to suppliers and employees		(593,788)	(515,809)
Interest received		578	580
Interest paid		(11,830)	(13,971)
Net cash provided by/(used in) operating activities	24	142,954	(33,067)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment of intangibles		-	(13,245)
Net cash used by investing activities		-	(13,245)
Net increase/(decrease) in cash and cash equivalents held		142,954	(46,312)
Cash and cash equivalents at beginning of year		(317,704)	(271,392)
Cash and cash equivalents at end of financial year	8	(174,750)	(317,704)

The accompanying notes form part of these financial statements.

The financial report covers Agecom Enterprises Limited as an individual entity. Agecom Enterprises Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The functional and presentation currency of Agecom Enterprises Limited is Australian dollars.

The financial report was authorised for issue by the Directors on 30 October 2017.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001.*
These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.
The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.
Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2 Summary of Significant Accounting Policies

(a) Economic dependence

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the Community Bank® branch at Aspendale Gardens, Victoria.

The branch operates as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the Community Bank® branch on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the Community Bank® branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited.

All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited. Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the Community Bank® branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- advice and assistance in relation to the design, layout and fit out of the Community Bank® branch;
- training for the branch manager and other employees in banking, management systems and interface protocol;
- methods and procedures for the sale of products and provision of services;
- security and cash logistic controls;
- calculation of company revenue and payment of many operating and administrative expenses
- the formulation and implementation of advertising and promotional programs; and
- sales techniques and proper customer relations.

2 Summary of Significant Accounting Policies

(b) Going concern

The net liabilities of the company as at 30 June 2017 were $ 67,289 and the profit made for the year was $132,551, reducing accumulated losses to $779,996. In addition, as at 30 June 2017 the company had a working capital deficiency of $176128, net operating cash inflows of $ 142,954 and a cash position of $19,403.

The company meets its day to day working capital requirements through an overdraft facility. The overdraft has an approved limit of $300,000 and was drawn to $ 194,153 as at 30 June 2017.

The current economic environment remains a challenge in a very competitive market. Despite this revenue increased for the year ended 30 June 2017 compared to the previous year period primarily due to the change in the revenue sharing model by Bendigo and Adelaide Bank Limited. Management and the board continue to closely monitor expenses to reduce them where possible.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company is not likely to be required to increase the level of its current overdraft facility. The company has obtained an undertaking of support from Bendigo and Adelaide Bank Limited that it will continue to support the company and its operations for the 2017–18 financial year. This support is provided on the basis that the company continues to fulfil its obligations under the franchise agreement and continues to work closely with Bendigo and Adelaide Bank Limited to further develop its business.

The directors have concluded that the combination of the circumstances above represent as material uncertainty that casts some doubts on the Company's ability to continue as a going concern and that, therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Based on the increased revenue with the new revenue model and future pipeline business, and the budget of profit completed on the basis that one large deposit is no longer domiciled at the branch, directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Further, directors confirms that the Bendigo and Adelaide Bank Limited continues to support the Company by providing overdraft facilities as well as a myriad of other support from their various marketing and financial departments. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements.

(c) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

2 Summary of Significant Accounting Policies

(d) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.
Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values.
Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.
Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.
Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(e) Revenue and other income

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the company and any specific criteria have been met. Interest and fee revenue is recognised when earned. The gain or loss on disposal of property, plant and equipment is recognised on a net basis and is classified as income rather than revenue. All revenue is stated net of the amount of Goods and Services Tax (GST).

Revenue calculation

Over the period from September 2013 to February 2015, Bendigo and Adelaide Bank Limited conducted a review of the Community Bank® model, known as 'Project Horizon'. This was conducted in consultation with the community banking network. The objective of the review was to develop a shared vision of the Community Bank® model that positions it for success now and for the future.

The outcome of that review is that the fundamental franchise model and community participation remain unchanged. Changes to be implemented over a three year period reflect a number of themes, including a culture of innovation, agility and flexibility, network collaboration, director and staff development and a sustainable financial model. This included changes to the financial return for Community Bank® companies from 1 July 2016. A funds transfer pricing model is used for the method of calculation of the cost of funds, deposit return and margin. All revenue paid on core banking products is through margin share. Margin on core banking products is shared on a 50/50 basis.

The franchise agreement provides that three forms of revenue may be earned by the company - margin, commission and fee income. Bendigo and Adelaide Bank Limited decides the form of revenue the company earns on different types of products and services.

The revenue earned by the company is dependent on the business that it generates. It may also be affected by other factors, such as economic and local conditions, for example, interest rates.

Core banking products

Bendigo and Adelaide Bank Limited has identified some Bendigo Bank Group products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days' notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

Margin

Margin is arrived at through the following calculation:

Interest paid by customers on loans less interest paid to customers on deposits
plus any deposit returns i.e. interest return applied by Bendigo and Adelaide Bank Limited for a deposit,
minus any costs of funds i.e. interest applied by Bendigo and Adelaide Bank Limited to fund a loan

Bendigo and Adelaide Bank Limited has identified some Bendigo Bank Group products and services as 'core banking products'. It may change the products and services which are identified as core banking products by giving the company at least 30 days' notice. Core banking products currently include Bendigo Bank branded home loans, term deposits and at call deposits.

2 Summary of Significant Accounting Policies

(e) Revenue and other income

Note: In very simplified terms, currently, deposit return means the interest Bendigo and Adelaide Bank Limited gets when it invests the money the customer deposits with it. The cost of funds means the interest Bendigo and Adelaide Bank Limited pays when it borrows the money to give a customer a loan. From 1 July 2016, both means the cost for Bendigo and Adelaide Bank Limited to borrow the money in the market.

Products and services on which margin is paid include variable rate deposits and variable rate home loans. From 1 July 2016, examples include Bendigo Bank branded at call deposits, term deposits and home loans.
For those products and services on which margin is paid, the company is entitled to a share of the margin earned by Bendigo and Adelaide Bank Limited (i.e. income adjusted for Bendigo and Adelaide Bank Limited's interest expense and interest income return). However, if this reflects a loss, the company incurs a share of that loss.

Commission
Commission is a fee paid for products and services sold. It may be paid on the initial sale or on an ongoing basis. Commission is payable on the sale of an insurance product such as home contents. Examples of products and services on which ongoing commissions are paid include leasing and Sandhurst Trustees Limited products. This also included Bendigo Bank branded fixed rate home loans and term deposits of more than 90 days, but these became margin products from 1 July 2016.

Fee income
Fee income is a share of what is commonly referred to as 'bank fees and charges' charged to customers by Bendigo Bank Group entities including fees for loan applications and account transactions.
Ability to change financial return

Under the franchise agreement, Bendigo and Adelaide Bank Limited may change the form and amount of financial return that the company receives. The reasons it may make a change include changes in industry or economic conditions or changes in the way Bendigo and Adelaide Bank Limited earns revenue.

The change may be to the method of calculation of margin, the amount of margin, commission and fee income or a change of a margin to a commission or vice versa. This may affect the amount of revenue the company receives on a particular product or service. The effect of the change on the revenue earned by the company is entirely dependent on the change.

If Bendigo and Adelaide Bank Limited makes a change to the margin or commission on core banking products and services, it must not reduce the margin and commission the company receives on core banking products and services Bendigo and Adelaide Bank Limited attributes to the Company to less than 50% (on an aggregate basis) of Bendigo and Adelaide Bank Limited's margin at that time. For other products and services, there is no restriction on the change Bendigo and Adelaide Bank Limited may make.

Bendigo and Adelaide Bank Limited must give the Company 30 days' notice before it changes the products and services on which margin, commission or fee income is paid, the method of calculation of margin and the amount of margin, commission or fee income.

Monitoring and changing financial return
Bendigo and Adelaide Bank Limited monitors the distribution of financial return between **Community Bank®** companies and Bendigo and Adelaide Bank Limited on an ongoing basis.

Overall, Bendigo and Adelaide Bank Limited has made it clear that the **Community Bank®** model is based on the principle of shared reward for shared effort. In particular, in relation to core banking products and services, the aim is to achieve an equal share of Bendigo and Adelaide Bank Limited's margin.

As discussed above in relation to Project Horizon, among other things, there were changes in the financial return for **Community Bank®** companies from 1 July 2016. This includes 50% share of margin on core banking products, all core banking products become margin products and a funds transfer pricing model will be used for the method of calculation of the cost of funds, deposit return and margin.

2 Summary of Significant Accounting Policies

(e) Revenue and other income

The Board is yet to appreciate the full impact of the above changes on our revenue moving forward. We would anticipate that by the time of this year's AGM we will be able to inform our shareholders of the likely outcomes of the new model.

The Board is continuing to work with Bendigo and Adelaide Bank Ltd to understand any potential changes to revenue and will provide further details as appropriate in due course.
All revenue is stated net of the amount of goods and services tax (GST).

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(f) Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

(g) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.
Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.
Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life on Straight-line method.
The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	13.33%-25%
Leasehold improvements	10%-20%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

2 Summary of Significant Accounting Policies

(i) Financial instruments

Financial instruments are recognised initially using trade date accounting, i.e. on the date that the Company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial Assets
Financial assets are divided into the following categories which are described in detail below:

- loans and receivables;
- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- held-to-maturity investments.

Financial assets are assigned to the different categories on initial recognition, depending on the characteristics of the instrument and its purpose. A financial instrument's category is relevant to the way it is measured and whether any resulting income and expenses are recognised in profit or loss or in other comprehensive income.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers but also incorporate other types of contractual monetary assets.

After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

The Company's trade and other receivables fall into this category of financial instruments.

Significant receivables are considered for impairment on an individual asset basis when they are past due at the reporting date or when objective evidence is received that a specific counterparty will default.

The amount of the impairment is the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

In some circumstances, the Company renegotiates repayment terms with customers which may lead to changes in the timing of the payments, the Company does not necessarily consider the balance to be impaired, however assessment is made on a case-by-case basis.

2 Summary of Significant Accounting Policies

(i) Financial instruments

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets:
- acquired principally for the purpose of selling in the near future
- designated by the entity to be carried at fair value through profit or loss upon initial recognition or
- which are derivatives not qualifying for hedge accounting.
-

The Company has some derivatives which are designated as financial assets at fair value through profit or loss.

Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

Any gain or loss arising from derivative financial instruments is based on changes in fair value, which is determined by direct reference to active market transactions or using a valuation technique where no active market exists.

Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortised cost using the effective interest method, with revenue recognised on an effective yield basis. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows. Any changes to the carrying amount of the investment are recognised in profit or loss.

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category.

All available-for-sale financial assets are measured at fair value, with subsequent changes in value recognised in other comprehensive income.

Gains and losses arising from financial instruments classified as available-for-sale are only recognised in profit or loss when they are sold or when the investment is impaired.

In the case of impairment or sale, any gain or loss previously recognised in equity is transferred to the profit or loss.

Losses recognised in the prior period statement of profit or loss and other comprehensive income resulting from the impairment of debt securities are reversed through the statement of profit or loss and other comprehensive income, if the subsequent increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Financial liabilities
Financial liabilities are classified as either financial liabilities ‘at fair value through profit or loss’ or other financial liabilities depending on the purpose for which the liability was acquired. Although the Company uses derivative financial instruments in economic hedges of currency and interest rate risk, it does not hedge account for these transactions.

The Company‘s financial liabilities include borrowings, trade and other payables (including finance lease liabilities), which are measured at amortised cost using the effective interest rate method.

Impairment of financial assets
At the end of the reporting period the Company assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

2 Summary of Significant Accounting Policies

(i) Financial instruments

Financial assets at amortised cost
If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

Available-for-sale financial assets
A significant or prolonged decline in value of an available-for-sale asset below its cost is objective evidence of impairment, in this case, the cumulative loss that has been recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. Any subsequent increase in the value of the asset is taken directly to other comprehensive income.

(j) Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(k) Intangibles

Franchise Fees

The franchise fee paid to Bendigo and Adelaide Bank Limited has been recorded at cost and is amortised on a straight line basis over the life of franchise agreement.

The renewal processing fee paid to Bendigo and Adelaide Bank Limited when renewing the franchise agreement has also been recorded at cost and is amortised on a straight line basis over the life of franchise agreement.

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and four years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2 Summary of Significant Accounting Policies

(l) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.
Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

(m) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

(n) Trade receivables and payables

Receivables are carried at their amounts due. The delectability of debts is assessed at balance date and specific provision is made for any doubtful accounts. Liabilities for trade creditors and other amounts are carried at cost that is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

(o) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Provisions for dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(p) Borrowings

All loans are initially measured at the principal amount. Interest is recognised as an expense as it accrues.

(q) Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2 Summary of Significant Accounting Policies

(r) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(s) Adoption of new and revised accounting standards

The following amendments to accounting standards issued by the Australian Accounting Standards Board (AASB) became mandatory effective for accounting periods beginning on or after 1 July 2016, and are therefore relevant for the current financial year.

- AASB 2014-3 ‘Amendments to Australian Accounting Standards - Accounting for Acquisition of Interests in Joint Operations’
- AASB 2014-4 ‘Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2015-1 ‘Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012- 2014 Cycle’
- AASB 2015-2 ‘Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101'
- AASB 2015-9 ‘Amendments to Australian Accounting Standards - Scope and Application Paragraphs’

None of the amendments to accounting standards issued by the Australian Accounting Standards Board (AASB) that became mandatory effective for accounting periods beginning on or after 1 July 2015, materially affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(t) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards.

2 Summary of Significant Accounting Policies

(t) New Accounting Standards and Interpretations

The following table summarises those future requirements, and their effective dates.

Standard Name	Effective date for entity
AASB 9 Financial Instruments, and the relevant amending standards.	1 January 2018
AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018
AASB 16 Leases	1 January 2019
AASB 2017-1 Amendments to Australian Accounting Standards – Transfers of Investment Property, Annual Improvements 2014-2016 Cycle and Other Amendments [AASB 1, AASB 128, AASB 140]	1 January 2019
AASB 2014 – 10 Sale or contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2018
AASB 2016-6 Amendments to Australian Accounting Standards - Applying AASB 9 Financial Instruments with AASB 4 Insurance Contracts	1 January 2021
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018
Interpretation 22 Foreign Currency Transactions and Advance Consideration	1 January 2018

3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - Estimation of useful lives of assets
The estimation of the useful lives of assets has been based on historical experience and the condition of the asset is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Key estimates - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - receivables
The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

3 Critical Accounting Estimates and Judgments

Key estimates - Impairment of assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets that have an indefinite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the consolidated entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

Key judgments

Judgement is required in assessing whether deferred tax assets and certain tax liabilities are recognised on the balance sheet. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. These depend on estimates of future sales volumes, operating costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation.

These judgements and assumptions are subject to risk and uncertainty. There is therefore a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the balance sheet and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amount of recognised deferred tax assets and liabilities may require adjustment, resulting in corresponding credit or charge to the Statement of Profit or Loss and Other Comprehensive Income.

Notes to the Financial Statements

For the Year Ended 30 June 2017

4 Retrospective restatement

During the year the Company changed it's depreciation rate and method for leased assets and leasehold improvements to amortise them over the shorter of either the unexpired period of the lease or their estimated useful life. The Company had previously amortised some leased assets and leasehold improvements over their estimated useful lives of 40 years on a straight-line basis and other additions to leasehold improvements over 5 years on reducing balance method. The lease term of the current lease of the branch premises is 10 years. During the year, the Company changed the useful life of the leased assets to 10 years and the depreciation method for additions to leasehold improvements as to the straight-line method. As a result of the correction of this error, the depreciation charge for the year and accumulated depreciation at the year end were restated.

A change in depreciation rate and method was also applied to the opening balance for the comparative period to ensure that the accounting policy was consistently applied to the current and comparative years.
The aggregate effect of the error on the annual financial statements for the year ended 30 June 2016 is as follows:

		30 June 2016			1 July 2015	
	Previously stated	Adjustments	Restated	Previously stated	Adjustments	Restated
	$	$	$	$	$	$
Statement of Profit or Loss and Other Comprehensive Income						
Depreciation and amortisation	21,754	3,127	24,881	-	-	-
Statement of Financial Position						
Property, plant and equipment	91,352	(10,367)	80,985	99,494	(7,240)	92,254

5 Revenue and Other Income

Revenue from continuing operations

	2017	2016 (Restated)
	$	$
Sales revenue		
- provision of services	682,966	464,991
Finance income		
- Interest received	578	580
Total Revenue	683,544	465,571

6 Result for the Year

The result for the year was derived after charging / (crediting) the following items:

	2017	2016 (Restated)
	$	$
Finance Costs		
Financial liabilities measured at amortised cost:		
- Interest on bank overdrafts and loans	11,830	13,971
Total finance costs	11,830	13,971

6 Result for the Year

The result for the year includes the following specific expenses:

	2017 $	2016 (Restated) $
Other expenses:		
Depreciation expenses		
- Furniture and fittings	3,777	4,604
- Leasehold improvements	6,665	6,665
Amortisation expense		
- establishment fee	-	-
- franchise fee	11,342	11,343
- franchise renewal fee	2,269	2,269
	24,053	24,881
Impairment of receivables:		
- Bad debts	302	2,103
Total impairment of receivables	302	2,103

7 Income Tax Benefit

(a) The major components of tax expense (benefit) comprise:

	2017 $	2016 (Restated) $
Current tax expense (benefit)		
Future income tax benefit attributable to losses	35,535	(12,559)
Movement in deferred tax	(31,818)	1,979
Under Provision of tax in the prior period	-	(1,208)
Tax losses not brought into account	-	3,429
Deferred tax expense		
Origination and reversal of temporary differences	(34,829)	-
Recognition of previously unrecognised tax losses	232,892	-
Change in tax rates	(3,717)	8,359
	198,063	-

Notes to the Financial Statements

For the Year Ended 30 June 2017

7 Income Tax Benefit

(b) Reconciliation of income tax to accounting profit:

	2017 $	2016 (Restated) $
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2016: 28.5%)	35,535	(11,787)
Add:		
Tax effect of:		
- timing difference expenses	(706)	(772)
	34,829	(12,559)
Less:		
- Movement in deferred tax	-	(1,979)
- Tax losses not brought into account	-	(3,429)
- Under Provision of tax in the prior period	-	1,208
- Tax losses not brought into account	-	(8,359)
Recoupment of prior year tax losses not previously brought to account	232,892	-
Income tax expense	(198,063)	-

(c) Income tax losses and deferred tax not brought to account

	2017 $	2016 $
Future income tax benefit not brought to account	-	232,892
	-	232,892

8 Cash and Cash Equivalents

	2017 $	2016 (Restated) $
Cash on hand	103	103
Short-term deposits	19,300	19,300
	19,403	19,403

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

		2017 $	2016 (Restated) $
Cash and cash equivalents		19,403	19,403
Bank overdrafts	13	(194,153)	(337,107)
Balance as per statement of cash flows		(174,750)	(317,704)

9 Trade and Other Receivables

	2017 $	2016 (Restated) $
CURRENT		
Trade receivables	50,851	41,135
	50,851	41,135
Prepayments	7,048	13,493
Total current trade and other receivables	57,899	54,628

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.
The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2017

10 Property, plant and equipment

		2017		2016 (Restated)
		$		$
PLANT AND EQUIPMENT				
Furniture, fixtures and fittings				
At cost		66,561		66,561
Accumulated depreciation		(48,242)		(44,465)
Total furniture, fixtures and fittings		18,319		22,096
Leasehold Improvements				
At cost	$	115,853	$	115,853
Accumulated amortisation		(63,629)		(56,964)
Total leasehold improvements	$	52,224	$	58,889
Total property, plant and equipment		70,543		80,985

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Furniture, Fixtures and Fittings	Leasehold Improvements	Total
	$	$	$
Year ended 30 June 2017			
Balance at the beginning of year	22,096	58,889	80,985
Depreciation expense	(3,777)	(6,665)	(10,442)
Balance at the end of the year	18,319	52,224	70,543

	Furniture, Fixtures and Fittings	Leasehold Improvements	Total
	$	$	$
Year ended 30 June 2016 (Restated)			
Balance at the beginning of year	26,700	65,554	92,254
Depreciation expense	(4,604)	(6,665)	(11,269)
Balance at the end of the year	22,096	58,889	80,985

Notes to the Financial Statements

For the Year Ended 30 June 2017

11 Intangible Assets

	2017 $	2016 (Restated) $
Licenses and franchises		
Cost	100,000	100,000
Accumulated amortisation	(100,000)	(100,000)
Net carrying value	-	-
Computer software		
Cost	10,409	10,409
Accumulated amortisation	(10,409)	(10,409)
Net carrying value	-	-
Renewal processing fee		
Cost	56,713	56,713
Accumulated amortisation	(24,576)	(13,233)
Net carrying value	32,137	43,480
Franchise Fee		
Cost	21,343	21,343
Accumulated amortisation	(14,915)	(12,647)
Net carrying value	6,428	8,696
Redomicile fee		
Cost	24,000	24,000
Accumulated amortisation	-	-
Net carrying value	24,000	24,000
Total Intangibles	62,565	76,176

Notes to the Financial Statements

For the Year Ended 30 June 2017

12 Trade and Other Payables

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value.

	2017	2016 (Restated)
	$	$
Current		
Trade payables	8,256	6,770
Accrued expense	3,675	6,148
Other creditors	40,239	28,996
	52,170	41,914
Non-Current		
Other creditors	30,146	45,219
	30,146	45,219

13 Borrowings

	2017	2016 (Restated)
	$	$
CURRENT		
Secured liabilities:		
Bank overdraft	194,153	337,107
Total current borrowings	194,153	337,107

(a) Bank overdrafts
The bank overdraft has an approved limit of $ 300,000 and currently attracts an interest rate of 3.705% per agreement with Bendigo and Adelaide Bank Limited. The bank overdraft is secured by a fixed and floating charge over the Company's assets.

(b) Defaults and breaches
During the current and prior year, there were no defaults or breaches on any of the loans.

Notes to the Financial Statements

For the Year Ended 30 June 2017

14 Employee Benefits

	2017	2016
	$	$
Current liabilities		
Provision for long service leave	7,825	-
Provision for annual leave	4,612	9,130
	12,437	9,130
Non-current liabilities		
Provision for long service leave	2,495	8,029
	2,495	8,029

15 Tax assets and liabilities

	Opening Balance	Charged to Income	Closing Balance
	$	$	$
Deferred tax assets			
Property, plant and equipment	-	1,541	1,541
Provisions - employee benefits	-	4,106	4,106
Accruals	-	1,010	1,010
Deferred tax assets attributable to tax losses	-	191,406	191,406
Balance at 30 June 2017	-	198,063	198,063

16 Issued Capital

	2017	2016
	$	$
741,909 (2016: 741,909) ordinary shares fully paid	741,909	741,909
Less: equity raising expenses	(29,202)	(29,202)
Total	712,707	712,707

16 Issued Capital

Rights attached to shares

(a) ***Voting rights***
Subject to some limited exceptions, each member has the right to vote at a general meeting.
On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares hold. However, where a person attends a meeting in person and is entitled tai vote in more than one capacity (for example, the person is a member and has also been appointed as proxy for another member) that person may only exercise one vote on a show of hands. On a poll, that person may exercise one vote as a member and one vote for each other member that person represents as duly appointed attorney, corporate representative or proxy.

The purpose of giving each member only one vote, regardless of the number of shares held, is reflect the nature of the Company as a community based Company by providing that all members of the community who have contributed to the establishment and ongoing operation of the **Community Bank®** branch have the same ability to influence the operation of the Company.

(b) ***Dividends***
Generally, dividends are payable to members in proportion to the amount of the share capital paid up on the shares held by them, subject to any special rights and restrictions for the time being attaching to shares. The franchise agreements with Bendigo and Adelaide Bank Limited contains a limit on the level of profits or funds that may be distributed to shareholders. There is also a restriction on the payment of dividends to certain shareholders if they have a prohibited shareholding interest (see below)

(c) ***Transfer***
Generally, ordinary shares are freely transferable. However, the directors have discretion to refuse to register a transfer of shares.

Subject to the foregoing, shareholders may transfer shares by a proper transfer effected in accordance with the Company's constitution and the Corporations Act 2001.

Prohibited shareholding interest
A person must not have a prohibited shareholding interest in the Company.
In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or won 10% or more of the shares in the Company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the Company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the Company to that person the number of shareholders in the Company is (or would be) lower that the base number (the "base number test"). The base number is 118. As at the date of this report, the Company has 211 shareholders.

As with voting rights, the purpose of this prohibited shareholding provision is to reflect the community-based nature of the Company.

Where a person has a prohibited shareholding interest, the voting and dividend rights attaching to the shares in which the person (and his or her associates) have a prohibited shareholding interest , are suspended.

The Board has the power to request information from a person who has (or is suspected by the board of having) a legal or beneficial interest in any shares in the Company or any voting power in the Company, for the purpose of determining whether a person has a prohibited shareholding interest, If the Board becomes aware that a member has a prohibited shareholding interest, it must serve a notice requiring the member(or the member's associate) to dispose of the number of shares the Board considers necessary to remedy the breach. If a person fails to comply with such a notice within a specified period (that must be between three and six months), the Board is authorised to sell the specified shares on behalf of that person. The holder will be entitled to the consideration from the sale of the shares, less any expenses incurred by the Board in selling or otherwise dealing with those shares.

Notes to the Financial Statements

For the Year Ended 30 June 2017

16 Issued Capital

Rights attached to shares

In constitution, members acknowledge and recognise that the exercise of the powers given to the Board may cause considerable disadvantage to individual members, but that such results may be necessary to enforce the prohibition.

17 Earnings per Share

(a) Reconciliation of earnings to profit or loss from continuing operations

	2017	**2016 (Restated)**
	$	**$**
Profit from continuing operations	327,280	(41,359)
Earnings used to calculate basic EPS from continuing operations	327,280	(41,359)

(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	2017	2016
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	741,909	741,909

18 Capital and Leasing Commitments

(a) **Operating Leases**

	2017	2016
	$	$
Minimum lease payments under non-cancelable operating leases:		
- not later than one year	43,835	42,783
- between one year and five years	87,669	117,654
	131,504	160,437

The branch lease is a non-cancelable lease with a ten-year term, with rent payable monthly in advance. An option to renew the lease for a further five years is available. The current lease is to renew in another 3 years and the lease commitment above is represents the estimated lease payable amounts for next 3 years.

Notes to the Financial Statements

For the Year Ended 30 June 2017

19 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments. The Company's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable. Financial instrument composition and maturity analysis

The table below reflects the undiscounted contractual settlement terms for all financial instruments, as well as the settlement periods for instruments with a fixed periods of maturity and interest rate.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed interest		Non-interest Bearing		Total	
	2017	2016	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
	%	%	**$**	$	**$**	$	**$**	$	**$**	$
Financial Assets:										
Cash and cash equivalents	-	-	-	-	-	-	103	103	103	103
Short term deposits	3.00	3.01	-	-	19,300	19,300	-	-	19,300	19,300
Receivables	-	-	-	-	-	-	50,851	41,135	50,851	41,135
Total Financial Assets			-	-	19,300	19,300	50,954	41,238	70,254	60,538
Financial Liabilities:										
Bank loans and overdrafts	3.71	4.32	194,153	337,107	-	-	-	-	194,153	337,107
Trade and sundry payables	-	-	-	-	-	-	8,256	6,770	8,256	6,770
Total Financial Liabilities			194,153	337,107	-	-	8,256	6,770	202,409	343,877

Net Fair Values
The net fair valued of financial assets and liabilities approximate the carrying values as disclosed in the balance sheet, The Company does not have any unrecognised financial instruments at the year end.

Credit risk
The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 9. The main source of credit risk to the Company is considered to relate to the class of assets described as 'trade and other receivables'.
Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates.

Sensitivity analysis
The Company has performed sensitivity analysis relating to nits exposure to interest rate risk at balance sheet date. This sensitivity analysis demonstrates the effect on the current year results and equity which could results from a change in interest rates.

As at 30 June 2017, the effect on profit and equity as a result of change in interest rate, with all other variable remaining constant would be as follows.

19 Financial Risk Management

	2017 $	2016 $
Change in profit/(loss)		
Increase in interest rate by 1%	(1,748)	(3,178)
Decrease in interest rate by 1%	(1,748)	(3,178)
Change in Equity		
Increase in interest rate by 1%	(1,748)	(3,178)
Decrease in interest rate by 1%	(1,748)	(3,178)

20 Related Parties

The names of directors who have held office during the financial year are:

Anna McDonald
Malcolm Andrew Cameron
David Andrew Jones
John Gerhard Bainbridge
Jane Chamberlain
Kevin John O'Donnell
Raymond John Smith
Julie Elizabeth Wynne
Andrew Paul Moutray-Read
Kathryn Frances Walker

No director or related entity has entered into a material contract with the Company. No director's fees have been paid as the positions are held on a voluntary basis.

Directors Shareholdings

	2017 $	2016 $
Anna McDonald	-	-
Malcolm Andrew Cemeron	45,001	45,001
David Andrew Jones	-	-
John Gerhard Bainbridge	2,001	2,001
Jane Chamberlain	-	-
Kevin John O'Donnell	-	-
Raymond John Smith	5,001	5,001
Julie Elizabeth Wynne Director	2,001	2,001
Andrew Paul Moutray-Read	-	-

There was no movement in directors shareholdings during the year.

21 Key Management Personnel Remuneration

No director of the Company receives remuneration for services as a Company director or committee member.

There are no executives within the Company whose remuneration is required to be disclosed.

Community Bank® Directors' Privileges Package

Agecom Enterprises Limited has accepted the **Community Bank®** Directors' Privileges Package. **T**he package is available to all directors who can elect to avail themselves of the benefits based on their personal banking with the Agecom **Community Bank®** branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Shareholders. The Directors have estimated the total benefits received from Director's Privilege Package to be $ 6,157 for the year ended 2017 (2016: $ nil) and the details are given below:

	Privileges Discount $
Director	
Anna McDonald	5,945
John Gerhard Bainbridge	117
Kevin John O'Donnell	90
Raymond John Smith	5
Total	6,157

22 Auditors' Remuneration

	2017 $	2016 $
Remuneration of the auditor of the entity for:		
- auditing or reviewing the financial statements	4,000	4,400
- other non-audit services	500	2,430
Total	4,500	6,830

23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2017 (30 June 2016:None).

24 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities
Reconciliation of net income to net cash provided by operating activities:

	2017	2016 (Restated)
	$	$
Profit for the year	327,280	(44,486)
Non-cash flows in profit:		
- amortisation	13,611	13,612
- depreciation	10,442	11,269
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(3,270)	(23,999)
- (increase)/decrease in deferred tax asset	(198,063)	-
- increase/(decrease) in trade and other payables	(4,819)	10,140
- increase/(decrease) in provisions	(2,227)	397
Cashflows from operations	142,954	(33,067)

25 Segment Reporting

The economic entity operates in the service sector where it facilitates **Community Bank®** services in Aspendale Gardens, Victoria pursuant to a franchise agreement with Bendigo and Adelaide Bank Limited.

26 Events Occurring After the Reporting Date

The financial report was authorised for issue on 30 October 2017 by the board of directors.
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

27 Statutory Information

The registered office of the company is:
Agecom Enterprises Limited
Shop 12, Aspendale Gardens Shopping Centre
11 Narelle Drive
Aspendale Gardens VIC 3195

The principal place of business is:
95 Thames Promenade
Chelsea VIC 3196

Agecom Enterprises Limited

ABN: 68 138 046 303

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2017 are in accordance with the *Corporations Act 2001* and:

    a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the Company;

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.

Director ....
John Gerhard Bainbridge

Director ....
Kevin John O'Donnell

Dated 30 October 2017

Ashfords Audit & Assurance Pty Ltd
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Agecom Enterprises Limited

Independent Audit Report to the members of Agecom Enterprises Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Agecom Enterprises Limited (the Company), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended;

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(iii) The financial report also complies with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualification to the conclusion expressed above, we draw attention to Note 2(b) in the financial report, which indicates that the company made a profit of $327,280 (2016 loss of $44,486 - restated) for the year ended 30 June 2017 and, as of that date, the company had a working capital deficiency of $181,457 (30 June 2016: $314,120) and the company's cash position was $19,403 (30 June 2016: $19,403). These conditions, along with other matters as set forth in Note 2(b), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

Other Information

The directors are responsible for the other information. The other information obtained at the date if this auditor's report is included in Annual Report, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Ashfords Audit and Assurance

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants

Ryan H. Dummett
Director

40-42 Scott Street Dandenong
30 October 2017

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