

Annual Report 2018

AGECOM Enterprises Limited
ABN: 68 138 046 303

Agecom Enterprises Limited

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Financial Statements

For the Year Ended 30 June 2018

Agecom Enterprises Limited

ABN: 68 138 046 303

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For the Year Ended 30 June 2018

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Chair's Report

As Chair of AGEKOM Enterprises Limited (AGEKOM) it is my pleasure to present the 2017/8 Annual Report.

Financial Performance

In the 2017/8 financial year AGEKOM realised a healthy profit in of \$ 164,704 before tax.

AGEKOM has consolidated its financial position during the 2017/18 financial year achieving \$714,399 revenue and a total loan and deposit book of \$103.2m comprising: \$46.3 loans; \$48 deposits and \$8.9m in other business. This was an exceptional result given that the greater than expected deposit growth in 2016/7 (\$22.7m versus a budget of \$3m) was largely offset by phased deposit withdrawals during the 2017/8 Financial Year.

The Board

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

New Directors:

Over the last 12 months AGEKOM has welcomed: two Non-executive Directors Gary Racine and Julie Opperman; and our first Executive Director Nicole Pegrum to the board.

AGEKOM is blessed to have a skilled, talented and committed board of Directors who are all active contributors to the board and our local Community.

Director Retirements:

Currently AGEKOM's Board of Directors is undergoing generational change.

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

Mal Cameron completed his term in November 2017, however remains an active member of AGEKOM's Finance and Audit Committee.

John Bainbridge and Ray Smith will retire from the board at the October 2018 AGM, however, will continue to serve on the Finance and Audit and Community Engagement Committees respectively.

Dave Jones retired from the board in February 2018.

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.

All Directors are thanked for their contribution to growth of AGEKOM.

Other Board appointments:

In early 2018 the board welcomed its first Cadet, Charan Naidoo, who is currently investigating the feasibility of establishing a Community Pitch in partnership with local businesses.

In July, Tracey Paxton was also appointed to provide administrative support to the board.

The Branch

This year's outcomes can, to a large extent, be attributed to the outstanding performance of our branch team.

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This year under the Direction of our Manager Susan Tresidder the branch has strengthened its relationships with our community. I'd like to thank each member of the branch team for their individual contribution. Well done Susan, Nicole, Sonia, Lyndal and Amy! Thank you for your dedication to the branch and our customers!

This year the branch team also won Bendigo Bank's 2017/8 Bayside Regional award for Protecting our Customers, amongst 14 Bendigo Bank branches in the Bayside Region.

We must also recognise our key partner Bendigo Bank. Over the last year our Bayside Regional Managers Mark Nolan, Natalie Goold and Tracey Kelley have provided exemplary support to the board and its staff.

The Community

This year the branch celebrated its eighth birthday. Since its launch, the company has reinvested nearly \$190,000 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, the Chelsea Art Show as well as numerous sporting clubs.

In November 2017 we held a second Community Forum, attended by over 30 local clubs, state and federal government representatives, to identify the needs of our community.

As a result, the Youth Engagement Services (YES) Committee has been established including representatives from AGECOM, Lions Club International and Kiwanis International. The YES Committee will hold its first Youth Services Expo with Mordialloc College to promote youth engagement and volunteering opportunities to students.

The next 12 months

In the last few months the new board will focus on ways to increase the revenue of the business, deepen community relationships and to continue to develop our strong branch team. There are continuing challenges, such as the low interest rate environment, but the company is in the best position it has even been to grow our business and contribute to strengthening our local community.

Board recruitment:

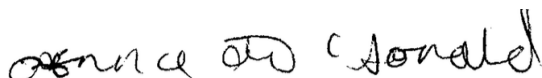
The Board is currently recruiting directors and committee members willing to step up into leadership positions.

The recruitment of new Directors will be targeted to help the board increase its capacity, expertise, board diversity and strengthen local relationships within the Community.

Please contact the branch if you would like to apply.

Our Future:

Our profitability and ability to strengthen our community depends on banking support from our community. Therefore we ask all shareholders to evaluate 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 2018

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

Customer numbers saw an increase of 140 which took us to a total of 2,859, compared with last year 2,719.

We protected 108 customers by providing insurance to protect their assets.

Excluding the movement of short term deposits Aspendale gardens has experienced significant underlying deposit and loan growth in excess of \$13,000,000.

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 mobile device.

Our team of dedicated staff that have contributed to this great success are Nicole Pegrum, Sonia Peiris, Lyndal Martin and Amy Dunne. We also need to acknowledge the efforts of our former employee Catherine Bromley.

The branch has continued to receive positive feedback from our customers and community by delivering positive outcomes.

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 Radio Carrum, Mordialloc College and various sporting clubs, tennis, bowls, football and lifesaving.

We have now invested \$190,000 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. We are wanting 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

Community Bank® Company Annual Reports Message from Bendigo and Adelaide Bank 2018

It's been 20 years since the doors to the first **Community Bank®** branch opened. And it has only been a few months since the latest, the 321st, **Community Bank®** branch opened its doors.

In the last 20 years, much has changed. A staggering 92 per cent of our customers do their banking online and we pay for goods and services on a range of mobile phones, our watches and even our fitness devices. Many are embracing this online world with a sense of excitement and confidence. Our model will be even more accessible to people right across Australia.

Despite the change many things have also remained constant through the last two decades. Commitment within communities remains as strong today as it has ever been; from our first **Community Bank®** branch to the most recent one, and the 319 in between.

This year, five of our Community Bank branches are celebrating 20 years in business. Bendigo Bank has celebrated 160 years in business. We farewelled Managing Director Mike Hirst and welcomed into the MD role long-time Bendigo employee Marnie Baker.

Our **Be the change** online marketing campaign has been the most successful online marketing campaign ever run by our organisation. The premise behind **Be the change** is simple – it thanks individual customers for banking with their **Community Bank®** branch.

But it's not the Bank thanking the customers. It's not the staff, volunteer directors or shareholders thanking the customers. It's the kids from the local little athletics and netball clubs, it's the man whose life was saved by a **Community Bank®** funded defib unit, it's members of the local community choir and the animal rescue shelter. These people whose clubs and organisations have received a share of over \$200 million in **Community Bank®** contributions, all because of people banking with their local **Community Bank®** branch.

Be the change has further highlighted the power of the model. For others, customers are important. For our **Community Bank®** network, customer support ensures our point of difference. It's the reason we can share in the revenue generated by their banking business. Without this point of difference, we would be just another bank.

But we're not, we're Bendigo Bank and we're Australia's only '*community bank*', recently named by Roy Morgan Research as Australia's third most trusted brand and most trusted bank. As one of 70,000-plus **Community Bank®** company shareholders across Australia, these are outcomes we hope you too are proud of.

I'd like to thank you for your decision to support your local **Community Bank®** company as a shareholder. Your support has been vitally important to enhancing the prospects and outcomes within your community.

Without you, there would be no **Community Bank®** branch network in Australia.

We value your initial contribution and your ongoing support of your **Community Bank®** branch and your community. Thank you for continuing to play a role in helping your community **Be the change**.



Robert Musgrove
Bendigo and Adelaide Bank

Agecom Enterprises Limited

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Directors' Report 30 June 2018

The directors present their report on Agecom Enterprises Limited for the financial year ended 30 June 2018.

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	Resigned on 28 November 2017
David Andrew Jones	Resigned on 7 February 2018
John Gerhard Bainbridge	
Jane Chamberlain	Resigned on 28 November 2017
Kevin John O'Donnell	
Raymond John Smith	
Gary Racine	Appointed on 28 November 2017
Nicole Pegrum	Appointed on 28 November 2017
Julie Opperman	Appointed on 2 July 2018

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 Committee
Occupation:	Project Partner, Cherry Energy Solutions, a commercial solar 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

Term ended	28 November 2017
Roles:	Non-Executive Director, Treasurer and Member- Finance and Audit Committee
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.

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Directors' Report

30 June 2018

Information on directors

David Andrew Jones

Roles: Non-Executive Director, Company Secretary, Member- Finance and Audit Committee 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, Treasurer, Company Secretary, Chair- Finance and Audit Committee, Member-Community Engagement Committee

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 in 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 as Chairman of a number of community organisations including the Chelsea and District Credit Co-operative Limited. John was appointed to the board of the Victoria 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

Resigned 28 November 2017

Roles: Non-Executive Director, Chair- Community Engagement Committee

Occupation: Community Engagement Officer, Tim Richardson MP, Member for Mordialloc.

Qualifications: Diploma in Project Management, Bachelor of Agricultural Economics, Certified Change Management Practitioner, Certified PRINCE2 Project Management Practitioner, Accredited DiSC Facilitator.

Experience and expertise: 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)

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Directors' Report

30 June 2018

Information on directors

Kevin John O'Donnell

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

Raymond John Smith

Roles: Non-Executive Director, Member- Finance and Audit Committee, Member- Community Engagement Committee
Occupation: Executive Manager
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.

Gary Racine

Appointed at AGM on 28 November 2017
Roles: Non-Executive Director, Member- Finance and Audit Committee, Member- Community Engagement Committee
Occupation: Executive Manager
Qualifications, experience and expertise: Gary is a customer focused professional with extensive executive management experience in operations, commercial, financial and corporate governance. His executive experience spans a number of organisations including Telstra, Transfield Services, Kordia Solutions Australia and Urban Maintenance Systems. Gary is an inspirational leader of change having successfully lead many large company wide transformational programs. Gary is passionate about helping within the community. Gary has previously spent time on the committee of Chelsea Junior Football Club and is very proud of the many years he spent coaching junior football and assisting in the development of many young boys and girls.

Nicole Pegrum

Appointed to Casual Vacancy on 28 November 2017
Roles: Executive Director, Community Engagement Committee Chair.
Occupation: Customer Relationship Officer Bendigo Bank Aspendale-Gardens Edithvale Community Bank® Branch
Qualifications, experience and expertise: Nicole commenced her working career with the State Bank of Victoria/CBA in 1989 for a period of 6 years. Following that she moved to Sydney and worked for a sales company for a period of 5 years. When she returned to Melbourne in 2000 she worked for Dunn & Bradstreet for 2 years before focusing on her family. She then commenced employment with Woolworths as a Customer Service Supervisor for a period of 10 years. In 2014 Nicole commenced her role within Bendigo Bank Aspendale-Gardens Edithvale Community Bank® Branch as a Customer Relationship Officer. She is also the secretary of the Chelsea Heights football Netball club and has been involved within the club for a period of 20 years.

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Directors' Report

30 June 2018

Information on directors

Julie Opperman

Roles	Non- Executive Director Community Engagement Committee
Occupation:	Self -Employed
Qualifications, experience and expertise:	Julie has spent over three decades in administration & Business Management within a corporate & small business environment helping to achieve the vision & goals of the business she has spent the last 7 years as the Business Manager of a commercial Real Estate Agency. Now self-employed running her Administration business Stellar Skills & her Global Health & Wellness business. Julie passion for the community & people has recently involved her completing a community Project 'Opening the Doors to being Amazing' which Mordialloc College was the first school to be involved, she plans to take it to other schools.

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

Company secretary

The following person held the position of Company secretary at the end of the financial year:
The company secretary is John Bainbridge. John was appointed to the position of secretary on 7 Feb 2018 after taking over the role that Dave Andrew Jones filled from 22 July 2016 to 7 Feb 2018. 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 \$ 119,410 (2017 \$ 327,280).

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show that the profit of the Company before income tax was \$ 164,707 (2017: \$ 129,217). This result is driven by the increase in business, primarily Deposits.

Significant changes in state of affairs

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

Dividends paid or recommended

Finance committee recommended a 2 cent dividend per share to be paid from profits for the year ended 30 June 2017. The dividend was 100% unfranked and approved to pay on 15th December 2017 to all shareholders registered as at the date of the AGM. Dividend payable balance as at 30 June 2018 is \$ 4,230.

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Directors' Report 30 June 2018

Matters or circumstances arising after the end of the year

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, 12 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	12	11	8	3	8	5	3	3
Malcolm Andrew Cameron	6	4	3	3	-	-	-	-
David Andrew Jones	8	3	5	1	-	-	-	-
John Gerhard Bainbridge	12	10	8	8	8	8	3	3
Jane Chamberlain	4	2	-	-	3	-	-	-
Kevin John O'Donnell	12	11	-	-	8	7	3	3
Raymond John Smith *	5	3	-	-	4	-	-	-
Gary Racine	5	5	5	3	5	5	3	3
Nicole Pegrum	6	6	-	-	5	5	-	-

* Denotes approved leave of absence granted from 7 August 2017 to 7 Feb 2018

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 the contract of insurance. The company has not provided any insurance for an auditor of the company or a related body corporate.

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

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.

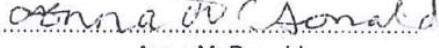
Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are sent out in the notes to the accounts.

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 2018 has been received and can be found on page 11 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: 
John Gerhard Bainbridge

Director: 
Anna McDonald

Dated 28 September 2018

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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 2018, 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 Pty Ltd
Chartered Accountants



Ryan Dummett
Director

28 September 2018

Suite 5,14 Garden Boulevard, Dingley VIC 3172

Agecom Enterprises Limited

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Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2018

		2018	2017
	Note	\$	\$
Revenue	4	714,399	683,544
Employee benefits expense		(332,690)	(319,239)
Depreciation and amortisation expense	5	(23,383)	(24,053)
Advertising		(19,592)	(40,244)
Donations and grants		(3,150)	-
Operating expenses		(61,736)	(54,970)
IT Expenses		(30,536)	(30,997)
Other operating expenses		(73,554)	(72,994)
Finance costs	5	(5,054)	(11,830)
Profit before income tax		164,704	129,217
Income tax (expense)/benefits	6	(45,294)	198,063
Profit after income tax		119,410	327,280
Total comprehensive income for the year		119,410	327,280
Earnings per share for profit/(loss) attributable to the ordinary shareholders of the Company: ¢			
Basic earnings per share	16	16.09	44.11

The accompanying notes form part of these financial statements.

Agecom Enterprises Limited

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Statement of Financial Position

30 June 2018

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	24,041	19,403
Trade and other receivables	8	55,975	57,899
TOTAL CURRENT ASSETS		<u>80,016</u>	<u>77,302</u>
NON-CURRENT ASSETS			
Property, plant and equipment	9	60,772	70,543
Deferred tax assets	14	152,769	198,063
Intangible assets	10	48,954	62,565
TOTAL NON-CURRENT ASSETS		<u>262,495</u>	<u>331,171</u>
TOTAL ASSETS		<u>342,511</u>	<u>408,473</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	56,011	52,169
Borrowings	12	31,031	194,153
Employee benefits	13	16,918	12,437
TOTAL CURRENT LIABILITIES		<u>103,960</u>	<u>258,759</u>
NON-CURRENT LIABILITIES			
Trade and other payables	11	15,073	30,146
Employee benefits	13	1,410	2,495
TOTAL NON-CURRENT LIABILITIES		<u>16,483</u>	<u>32,641</u>
TOTAL LIABILITIES		<u>120,443</u>	<u>291,400</u>
NET ASSETS		<u>222,068</u>	<u>117,073</u>
EQUITY			
Issued capital	15	712,707	712,707
Accumulated losses		(490,639)	(595,634)
TOTAL EQUITY		<u>222,068</u>	<u>117,073</u>

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2018

2018

	Issued capital	Accumulated losses	Total
	\$	\$	\$
Balance at 1 July 2017	712,707	(595,634)	117,073
Profit attributable to members of the entity	-	119,410	119,410
Dividends provided for or paid	-	(14,415)	(14,415)
Balance at 30 June 2018	<u>712,707</u>	<u>(490,639)</u>	<u>222,068</u>

2017

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

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Statement of Cash Flows For the Year Ended 30 June 2018

	2018	2017
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	786,890	747,994
Payments to suppliers and employees	(604,472)	(593,788)
Interest received	579	578
Interest paid	(5,054)	(11,830)
Net cash provided by/(used in) operating activities	23 <u>177,943</u>	<u>142,954</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Dividends paid	(10,183)	-
Net cash used by financing activities	<u>(10,183)</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	167,760	142,954
Cash and cash equivalents at beginning of year	<u>(174,750)</u>	<u>(317,704)</u>
Cash and cash equivalents at end of financial year	7 <u><u>(6,990)</u></u>	<u><u>(174,750)</u></u>

The accompanying notes form part of these financial statements.

Agecom Enterprises Limited

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Notes to the Financial Statements

For the Year Ended 30 June 2018

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 28 September 2018.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(b) Going concern

The net assets of the company as at 30 June 2018 were \$ 222,068 and the profit made for the year was \$119,410 reducing accumulated losses to \$490,639. In addition, as at 30 June 2018 the company had a working capital deficiency of \$23,944, net operating cash inflows of \$ 177,943 and a cash position of \$24,041.

The company meets its day to day working capital requirements through an overdraft facility. The overdraft has an approved limit of \$250,000 and was drawn to \$ 31,031 as at 30 June 2018.

The current economic environment remains a challenge in a very competitive market. The revenue slightly increased for the year ended 30 June 2018 compared to the previous year due to increase in business, primarily deposits. 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 2018–19 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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(c) Income Tax

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.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(e) Revenue and other income

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.

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(e) Revenue and other income

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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(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.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(i) Financial instruments

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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(i) Financial instruments

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.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(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.

(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.

Notes to the Financial Statements

For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(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.

(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 2017, and are therefore relevant for the current financial year.

- AASB 2016-1: Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses, AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2016-2: Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107
- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities'
- AASB 2017-2 Amendments to Australian Accounting Standards – Further Annual Improvements 2014 – 2016 Cycle.

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 2017, materially affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

Agecom Enterprises Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

2 Summary of Significant Accounting Policies

(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.

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

Standard Name	Effective date for entity
Interpretation 23 Uncertainty over Income Tax Treatments and AASB 2017-4 Amendments to Australian Accounting Standards - Uncertainty over Income Tax Treatments	1 January 2019
AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements Cycle 2015-2017 Cycle	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 15 Revenue from contracts with customers	1 January 2018
AASB 9 Financial Instruments	1 January 2018
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018
AASB 16 Leases	1 January 2019
AASB 2017-5 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections	1 January 2022

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.

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Notes to the Financial Statements

For the Year Ended 30 June 2018

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.

4 Revenue and Other Income

	2018	2017
	\$	\$
Sales revenue		
- provision of services	713,820	682,966
Finance income		
- Interest received	579	578
Total Revenue	714,399	683,544

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Notes to the Financial Statements For the Year Ended 30 June 2018

5 Result for the Year

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

	2018	2017
	\$	\$
Finance Costs		
Financial liabilities measured at amortised cost:		
- Interest on bank overdrafts and loans	5,054	11,830
Total finance costs	<u>5,054</u>	<u>11,830</u>

The result for the year includes the following specific expenses:

	2018	2017
	\$	\$
Other expenses:		
Depreciation expenses		
- Furniture and fittings	3,103	3,777
- Leasehold improvements	6,668	6,665
Amortisation expense		
- franchise fee	11,342	11,342
- franchise renewal fee	2,269	2,269
	<u>23,382</u>	<u>24,053</u>
Impairment of receivables:		
- Bad debts	1,020	302
Total impairment of receivables	<u>1,020</u>	<u>302</u>

6 Income Tax Benefit/ (Expense)

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

	2018	2017
	\$	\$
Current tax expense (benefit)		
Future income tax benefit attributable to losses	45,294	35,535
Local income tax - recognised in current tax for prior periods	(45,294)	(31,818)
Deferred tax expense		
Origination and reversal of temporary differences	(45,294)	(34,829)
Recognition of previously unrecognised tax losses	-	232,892
Change in tax rates	-	(3,717)
Total income tax (expense)/ benefit	<u>(45,294)</u>	<u>198,063</u>

Agecom Enterprises Limited

ABN: 68 138 046 303

Notes to the Financial Statements For the Year Ended 30 June 2018

6 Income Tax Benefit/ (Expense)

(b) Reconciliation of income tax to accounting profit:

	2018	2017
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2017: 27.5%)	45,294	35,535
Add:		
Tax effect of:		
- permanent difference expenses	-	(706)
	<u>45,294</u>	<u>34,829</u>
Less:		
Recoupment of prior year tax losses not previously brought to account	-	232,892
Income tax expense	<u>45,294</u>	<u>(198,063)</u>

7 Cash and Cash Equivalents

	2018	2017
	\$	\$
Cash on hand	83	103
Short-term deposits	19,300	19,300
	<u>24,041</u>	<u>19,403</u>

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:

	2018	2017
	\$	\$
Cash and cash equivalents	24,041	19,403
Bank overdrafts	12 (31,031)	(194,153)
Balance as per statement of cash flows	<u>(6,990)</u>	<u>(174,750)</u>

Agecom Enterprises Limited

ABN: 68 138 046 303

Notes to the Financial Statements For the Year Ended 30 June 2018

8 Trade and Other Receivables

	2018	2017
	\$	\$
CURRENT		
Trade receivables	49,163	50,851
	<u>49,163</u>	<u>50,851</u>
Prepayments	6,812	7,048
	<u>6,812</u>	<u>7,048</u>
Total current trade and other receivables	<u><u>55,975</u></u>	<u><u>57,899</u></u>

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.

9 Property, plant and equipment

	2018	2017
	\$	\$
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	66,561	66,561
Accumulated depreciation	(51,345)	(48,242)
Total furniture, fixtures and fittings	<u>15,216</u>	<u>18,319</u>
Leasehold Improvements		
At cost	\$ 115,853	\$ 115,853
Accumulated amortisation	(70,297)	(63,629)
Total leasehold improvements	<u>\$ 45,556</u>	<u>\$ 52,224</u>
Total property, plant and equipment	<u><u>60,772</u></u>	<u><u>70,543</u></u>

(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 2018			
Balance at the beginning of year	18,319	52,224	70,543
Depreciation expense	(3,103)	(6,668)	(9,771)
	<u>15,216</u>	<u>45,556</u>	<u>60,772</u>
Balance at the end of the year	<u><u>15,216</u></u>	<u><u>45,556</u></u>	<u><u>60,772</u></u>

Agecom Enterprises Limited

ABN: 68 138 046 303

Notes to the Financial Statements For the Year Ended 30 June 2018

9 Property, plant and equipment

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

	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

10 Intangible Assets

	2018	2017
	\$	\$
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	(35,918)	(24,576)
Net carrying value	20,795	32,137
Franchise Fee		
Cost	21,343	21,343
Accumulated amortisation	(17,184)	(14,915)
Net carrying value	4,159	6,428
Redomicile fee		
Cost	24,000	24,000
Accumulated amortisation	-	-
Net carrying value	24,000	24,000
Total Intangibles	48,954	62,565

Agecom Enterprises Limited

ABN: 68 138 046 303

Notes to the Financial Statements For the Year Ended 30 June 2018

11 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.

	2018	2017
	\$	\$
Current		
Trade payables	5,655	8,256
Accrued expense	4,259	3,675
Other payables	41,866	40,238
Dividend payable	4,231	-
	<u>56,011</u>	<u>52,169</u>
Non-Current		
Other payable	<u>15,073</u>	<u>30,146</u>
	<u>15,073</u>	<u>30,146</u>

12 Borrowings

	2018	2017
	\$	\$
CURRENT		
Secured liabilities:		
Bank overdraft	<u>31,031</u>	<u>194,153</u>
Total current borrowings	<u>31,031</u>	<u>194,153</u>

(a) Bank overdrafts

The bank overdraft has an approved limit of \$ 250,000 and currently attracts an interest rate of 4.11% 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.

13 Employee Benefits

	2018	2017
	\$	\$
Current liabilities		
Provision for long service leave	9,182	7,825
Provision for employee benefits	7,736	4,612
	<u>16,918</u>	<u>12,437</u>
Non-current liabilities		
Provision for long service leave	<u>1,410</u>	<u>2,495</u>
	<u>1,410</u>	<u>2,495</u>

Agecom Enterprises Limited

ABN: 68 138 046 303

Notes to the Financial Statements For the Year Ended 30 June 2018

14 Tax assets and liabilities

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
Deferred tax assets			
Property, plant and equipment			
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
	<hr/>		
Balance at 30 June 2017	-	198,063	198,063
Property, plant and equipment	1,541	882	2,423
Provisions - employee benefits	4,106	933	5,039
Accruals	1,010	161	1,171
Deferred tax assets attributable to tax losses	191,406	(47,270)	144,136
	<hr/>		
Balance at 30 June 2018	198,063	(45,294)	152,769
	<hr/> <hr/>		

15 Issued Capital

	2018	2017
	\$	\$
741,909 (2017: 741,909) ordinary shares fully paid	741,909	741,909
Less: equity raising expenses	(29,202)	(29,202)
	<hr/>	
Total	712,707	712,707
	<hr/> <hr/>	

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 held. However, where a person attends a meeting in person and is entitled to 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 to 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 contain 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)

Notes to the Financial Statements

For the Year Ended 30 June 2018

15 Issued Capital

(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 own 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 than 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.

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.

16 Earnings per Share

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

	2018	2017
	\$	\$
Profit from continuing operations	119,410	327,280
Earnings used to calculate basic EPS from continuing operations	<u>119,410</u>	<u>327,280</u>

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

	2018	2017
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	<u>741,909</u>	<u>741,909</u>

Agecom Enterprises Limited

ABN: 68 138 046 303

Notes to the Financial Statements For the Year Ended 30 June 2018

17 Capital and Leasing Commitments

(a) Operating Leases

	2018 \$	2017 \$
Minimum lease payments under non-cancelable operating leases:		
- not later than one year	43,055	43,835
- between one year and five years	43,055	87,669
	86,110	131,504

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.

18 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 rate		Non-interest Bearing		Total	
	2018 %	2017 %	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Financial Assets:										
Cash and cash equivalents	-	-	-	-	-	-	4,741	103	4,741	103
Short term deposits	3.00	3.00	-	-	19,300	19,300	-	-	19,300	19,300
Receivables	-	-	-	-	-	-	49,163	50,851	49,163	50,851
Total Financial Assets			-	-	19,300	19,300	53,904	50,954	73,204	70,254
Financial Liabilities:										
Bank loans and overdrafts										194,15
	4.11	3.71	31,031	194,153	-	-	-	-	31,031	3
Trade and sundry payables	-	-	-	-	-	-	9,886	8,256	9,886	8,256
Total Financial Liabilities			31,031	194,153	-	-	9,886	8,256	40,917	202,40 9

Agecom Enterprises Limited

ABN: 68 138 046 303

Notes to the Financial Statements

For the Year Ended 30 June 2018

18 Financial Risk Management

Net Fair Values

The net fair values 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 8. 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 its 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 2018, the effect on profit and equity as a result of change in interest rate, with all other variable remaining constant would be as follows.

	2018	2017
	\$	\$
Change in profit/(loss)		
Increase in interest rate by 1%	(117)	(1,748)
Decrease in interest rate by 1%	117	1,748
Change in Equity		
Increase in interest rate by 1%	(117)	(1,748)
Decrease in interest rate by 1%	117	1,748

19 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
Gary Racine
Nicole Pegrum

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

	2018	2017
	\$	\$
Anna McDonald	-	-
Malcolm Andrew Cemerom	45,001	45,001
David Andrew Jones	-	-
John Gerhard Bainbridge	2,001	2,001

Agecom Enterprises Limited

ABN: 68 138 046 303

Notes to the Financial Statements For the Year Ended 30 June 2018

19 Related Parties

	2018	2017
	\$	\$
Jane Chamberlain	-	-
Kevin John O'Donnell	-	-
Raymond John Smith	5,001	5,001
Gary Racine	-	-
Nicole Pegrum	-	-
Julie Opperman	-	-

There was no movement in directors shareholdings during the year.

20 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. The 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 \$6,890 for the year ended 2018 (2017: \$ 6,157) and the details are given below:

	Privileges Discount
	\$
Director	
Anna McDonald	5,509
John Gerhard Bainbridge	204
Kevin John O'Donnell	625
Nicole Pegrum	552
Total	<u><u>6,890</u></u>

21 Auditors' Remuneration

	2018	2017
	\$	\$
Remuneration of the auditor of the entity for:		
- auditing or reviewing the financial statements	4,450	4,000
- other services	1,800	1,500
Total	<u><u>6,250</u></u>	<u><u>5,500</u></u>

Agecom Enterprises Limited

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Notes to the Financial Statements For the Year Ended 30 June 2018

22 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2018 (30 June 2017:None).

23 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:

	2018	2017
	\$	\$
Profit for the year	119,410	327,280
Non-cash flows in profit:		
- amortisation	13,611	13,611
- depreciation	9,771	10,442
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	1,688	(3,270)
- (increase)/decrease in prepayments	236	-
- (increase)/decrease in deferred tax asset	45,294	(198,063)
- increase/(decrease) in trade and other payables	(15,462)	(4,819)
- increase/(decrease) in provisions	3,395	(2,227)
Cashflows from operations	<u>177,943</u>	<u>142,954</u>

24 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.

25 Events Occurring After the Reporting Date

The financial report was authorised for issue on 28 September 2018 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.

Agecom Enterprises Limited

ABN: 68 138 046 303

Notes to the Financial Statements For the Year Ended 30 June 2018

26 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

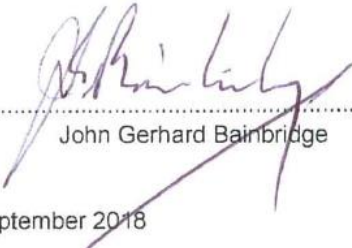
Directors' Declaration

The directors of the Company declare that:

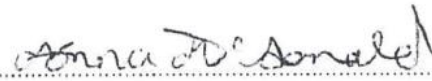
1. the financial statements and notes for the year ended 30 June 2018 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International 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


Anna McDonald

Dated 28 September 2018

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 2018, 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 2018 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 \$119,410 (2017 \$327,280) for the year ended 30 June 2018 and, as of that date, the company had a working capital deficiency of \$23,944 (30 June 2017: \$181,457) and the company's cash position was \$24,041 (30 June 2017: \$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 of 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.

A handwritten signature in blue ink that reads "Ashfords Audit and Assurance".

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants

A handwritten signature in blue ink that reads "Ryan Dummett".

Ryan Dummett
Director

Suite 5,14 Garden Boulevard, Dingley VIC 3172
28 September 2018

Aspendale Gardens-Edithvale Community Bank® Branch
Shop 12, 11 Narelle Drive
Aspendale Gardens Shopping Centre
Aspendale Gardens. Vic. 3195
Phone: (03) 9588 0610 Fax: (03) 9587 6757

Franchisee: AGECOM Enterprises Limited
Shop 12, 11 Narelle Drive
Aspendale Gardens Shopping Centre
Aspendale Gardens. Vic. 3195
Phone: (03) 9588 0610 Fax: (03) 9587 6757
ABN: 68 138 046 303
Email: Agecom@agecom.net.au

www.agecom.net.au
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Community Bank Branch of Bendigo Bank](https://www.facebook.com/AspendaleGardens-EdithvaleCommunityBankBranchofBendigoBank)