

Annual Report 2021

Agecom Enterprises Limited

Community Bank
Aspendale Gardens - Edithvale
ABN 68 138 046 303

Community Bank
Aspendale Gardens-
Edithvale



Agecom Enterprises Limited

ABN: 68 138 046 303

Financial Statements

For the Year Ended 30 June 2021

Agecom Enterprises Limited

ABN: 68 138 046 303

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For the Year Ended 30 June 2021

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Chair's Report

Dear Fellow AGECOM Shareholders,

As the Chair of AGECOM Enterprises Limited (AGECOM), it is my privilege to present the 2020-2021 Annual Report.

The 2021 financial year has been very challenging for all our customers, employees, shareholders, suppliers and the communities we serve. AGECOM acted quickly to protect the health and safety of our staff and to position the business for uncertain times by adapting to the rapidly changing work environment and cutting discretionary costs.

The business started the year very slowly in an uncertain operating climate and a loss of around \$33,000 was anticipated. The revenue pipeline was relatively weak, community engagement was challenging and relationship building was impacted significantly due to COVID restrictions. AGECOM profitability was further impacted by the low interest rate environment. Despite the challenges and this being my first year as the AGECOM Chairman, I have been very impressed as I witnessed the staff and the board unite in their efforts to ignite the AGECOM business, position the business for growth after a weak first-half, build momentum into the financial year and, importantly, ensure AGECOM employees were safe and able to keep working and supporting our communities.

While overall revenue in 2021 was lower than the prior year, AGECOM ended the year with a very strong growth momentum and is well positioned to take advantage of opportunities coming up.

2021 Financial Year Performance

For the 2020-2021 financial year, your company returned an after-tax profit of \$7,519. This compares with an after-tax profit of \$92,148 for the 2019-2020 financial year. During this financial year, our total business book increased by 20% to around \$120 Million (from \$100 Million). However, this continues to be heavily skewed towards deposits that earn very marginal income during the low interest rate environment.

In my view, this is a good result in what has been a very difficult year.

Despite the current challenging environment, AGECOM starts the new financial year in a strong position and cautiously optimistic with a healthy business pipeline. Based on our current positive momentum, AGECOM expects to continue to support and help our communities. The easing of restrictions would also help the staff re-engage with the communities more easily and identify further growth opportunities.

Dividends

A few years ago, we had an overdraft of \$400,000 from Bendigo & Adelaide Bank that kept us from insolvency. This support was critical during the startup years of AGECOM. Due to the pre-emptive actions and continued customer focus along with the strong end to the financial year, the board and management are increasingly confident of the future. This overdraft has now been removed and there is no debt. The Board has declared a \$0.02 per share unfranked dividend with a record date of 23rd August, 2021 and dividend payments will be made on 1st November, 2021. This compares with no dividend paid last year.

Staff

In June 2020, we appointed Mark Butler as our new branch manager. Mark has over thirty years of experience in the banking industry with a strong record in business development. Mark has provided excellent leadership to the team and is respected by the staff and the board. The COVID restrictions have provided limited opportunities thus far for Mark in terms of face-to-face community engagement, however, he

is looking forward to ramp up the community relationship building that is critical to our business as restrictions ease.

Over the last 18 months of disruptions and lockdowns, AGECOM staff including Davorin Vlahovic, Nicole Pegrum and Sonia Peiris have all continued to deliver the high quality services to our customers. This excellent work was also recognized at the 2021 Peninsula Region Annual Awards where the Aspendale Gardens Branch was the recipient of two awards from Bendigo Bank for Deposit Growth and General Insurance.

Time and again, the staff have demonstrated professionalism, flexibility and resilience to adapt to rapidly changing working conditions.

The Board

AGECOM directors currently act in an honorary capacity. Over the years, the directors have been committed and have been instrumental in taking AGECOM from strength to strength. They devote a considerable amount of their time to the business of your company including getting involved in building its connections with the local community. I have witnessed and been part of the considerable efforts made by directors in exercising their duties. We have all been profoundly impacted by the global COVID-19 pandemic on a personal level and the changes forced upon us in our personal and work lives. The pandemic has resulted in significant increased levels of director responsibilities in a challenging environment.

The directors are a big part of why we were able to maintain a sustainable path for the business during a pandemic. Adequately skilled directors with sufficient diversity on the board will be critical in the post-pandemic recovery. Experience over the last couple of years and in particular during the pandemic has shown that continued voluntary work by directors is not sustainable. We have had six directors resign as they struggled to find time in their busy business and personal lives to give the proper attention to their AGECOM board duties. In addition, the board has found it difficult to attract and recruit the right skill set needed on the board.

AGECOM has been profitable for several years and is in a financial position that would enable remuneration to be paid to the directors. Approval of a total capped pool of funds for remuneration to directors for the FY2022 year is requested from the shareholders. The actual amount paid to individual directors would be reviewed by the board and distributed at the board's discretion based on contributions by the directors to AGECOM along with a review of the ongoing company financial performance.

Our Community

The pandemic has limited our ability during this financial year to engage in a meaningful manner with our communities. Branch staff have worked hard to maintain connections with customers and have continued to work with them to meet their needs. We have also continued to provide support via grants and sponsorships to local clubs and other organisations. We are committed to resuming and building on our community relationships as the restrictions ease and we start the process of establishing what Covid-normal might mean. In 2022, we are planning a 12th year celebration of the branch opening.

The Next Year and Beyond

Last year around this time, there was a lot of uncertainty and pessimism. During the year, the community has risen to the challenges and supported each other in amazing ways. Aspendale Gardens branch and AGECOM are doing their part in continuing to provide the essential services expected of a local bank branch. Your Board and staff are focused on identifying and tapping into business growth opportunities, in particular for the lending side of the business. The low interest rate environment continues to put pressure on our profitability. However, it has also created a favourable environment for home owners and investors. As you may have seen in recent media coverage, home loan growth has bounced back in the new financial year

and we are cautiously optimistic about this growth trend. We have refocused on how our services and customer relationships can help us increase our value to our customers and shareholders, and be an integral part of their success.

Building on the momentum we have generated over the last six months is our focus in FY2022. Despite the continued uncertainty and risks in our sector, we are optimistic that AGECOM can continue to grow revenue and profit for shareholders. We are continuing to implement strategies that will take advantage of emerging opportunities and adapt to changing customer behaviors in the way they do banking.

To address the challenges, continue to build momentum and grow the business, our strategy is to:

- Continue to leverage and nurture our existing community relationships
- Adapt to changing needs of our customers and their banking behaviours
- Continue to deliver high quality services to clients and be their trusted partner
- Grow within existing networks to promote the benefits of banking with us
- Expand our marketing and promotion capabilities to generate new business and start new conversations with our clients
- Preserve profit margins by maintaining control of discretionary costs
- Focus most of our resources into lending growth
- Provide our staff with the support they need to maintain a healthy balance between their work and the rest of their lives
- Recruit and maintain a highly skilled, passionate and diverse board of directors

We are committed to continuing to support our community and local businesses through the next twelve months and beyond. I would like to thank all of AGECOM's staff and my fellow directors for their commitment and dedication to the service of AGECOM's customers while ensuring that our financial position, performance and outlook remain strong.

In closing, let me encourage you all to consider your Aspendale Gardens branch for your banking needs. We want to be your bank of choice and need your continued support which will allow us to keep helping our communities thrive.

Thank you.



Meghraj Thakkar

Chairman, AGECOM Enterprises Limited

Branch Manager's report

Year ending 30 June 2021

Community Bank Aspendale Gardens-Edithvale celebrated our 11th anniversary in May and what a year 2021 has been. With 2020 being one of the most challenging years having experienced multiple lockdowns and restrictions stemming from the pandemic, we find ourselves in a similar situation once again this time with the new Delta strain.

The team at Community Bank Aspendale Gardens-Edithvale has demonstrated resilience throughout the pandemic keeping our doors open to provide essential banking services to assist our lovely loyal local customers.

I am proud of all staff who continued to work every day having to adjust and adapt our business model whilst maintaining a safe workplace for ourselves and customers. QR codes, social distancing, hand sanitiser and wearing masks have become the norm.

A big thank you to Community Bank Aspendale Gardens-Edithvale team in fronting up day in and day out during this challenging period.

Davorin Vlahovic – Customer Relationship Manager

Nicole Pegrum – Customer Relationship Officer

Sonia Peiris – Senior Customer Service Officer

Key highlights for the year include:

Deposit growth of \$27.3m exceeding budget by 909%

Lending growth of \$522,483

473 new accounts opened, net customer growth of 4% and an increase in products per customer.

87 customers had their assets protected through our suite of general insurance products

Wealth needs exceeded budget across BSSS (Superannuation), Managed Funds products and referrals to our Wealth concierge team.

Compliments from our customers and local community groups for our ongoing service and support

Over the counter transactions decreased by over 20% which is a combination of restrictions imposed due to the pandemic and educating our customers on convenience banking options available through mobile and internet banking. We still love to see our regular and new customers visit our branch for simple and complex transactions and we'll always be here to take care of their financial needs.

We continue to support our local community by providing sponsorship and grants of varying amounts to community groups and clubs in the local area.

We have invested over \$250,000 back into the local community!!!

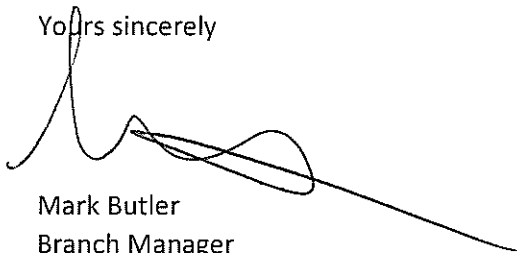
Having completed my first 12 months with this fabulous team in July, I have witnessed firsthand the outstanding job they do providing excellent customer service to all customers. The passion and care shown to all customers is first class and something they should be extremely proud of.

Our biggest focus and challenge remains our lending book. Although we have been able to provide substantial growth with our deposit footings over the past 12 months we need to grow our lending footings to get our balance sheet where we want it to be. I am looking forward to getting out and about when restrictions ease to visit our local community groups and working on business to business strategies to increase our share of wallet.

To our shareholders once again I encourage you to support your local Community Bank Aspendale Gardens-Edithvale Branch by choosing us for your banking needs and referring your family, friends and colleagues. We would appreciate the opportunity to help them achieve their financial goals and objectives.

We look forward to seeing you at our branch soon.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Mark Butler', with a long horizontal line extending to the right.

Mark Butler
Branch Manager

On behalf of Bendigo and Adelaide Bank, thank you! As a shareholder of your local Community Bank company, you are playing an important role in supporting your community.

It has been a tumultuous year for every community across Australia, and across the world. For our business, recognition that banking is an essential service has meant that we've kept the doors open, albeit with conditions that none of us could ever imagine having to work with.

Face masks, perspex screens, signed documents to cross state borders, checking in customers with QR codes and ensuring hand sanitiser stations are filled aren't what you would expect as a bank employee.

Then there's the fact that while communities have been, and continue to go in and out of lockdown, digital and online banking has become the norm.

So, what does that mean for Bendigo Bank and the Community Bank that you are invested in both as a shareholder, and a customer?

What we're seeing is that your Community Bank is still as important, if not more so, than when you first invested as a shareholder. If the pandemic has taught us anything, it has taught us the importance of place, of our local community, our local economy, our community-based organisations, the importance of social connection and the importance of your local Community Enterprise – your Community Bank in providing, leadership, support, and assistance in these difficult times.

As we continue to adapt to this rapidly changing world one thing that continues to be important to us all is supporting each other and our strong sense of community.

Your continued support as a shareholder is essential to the success of your local community. Thank you for continuing to back your Community Bank company and your community.



Collin Brady
Head of Community Development

Agecom Enterprises Limited

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Directors' Report For the Year Ended 30 June 2021

The directors present their report on Agecom Enterprises Limited for the financial year ended 30 June 2021.

Directors

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

Names	Appointed/Resigned
Meghraj Thakkar	
Terri Bateman	
Kate Rode	Appointed on 1 May 2021
Serge Yan	
Helen Lockman	Appointed on 1 May 2021
Julia Reynolds	Appointed on 1 May 2021
Kevin John O'Donnell	Resigned on 27 November 2020
Gary Racine	Resigned on 8 September 2020
Derek Dunne	Resigned on 27 November 2020
Nesan Naidoo	Resigned on 26 April 2021
Winta Zhao	Resigned on 27 November 2020
Charan Naidoo	Resigned on 01 March 2021

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:

Meghraj Thakkar

Current Roles:	Chairman of the board, Treasurer and Chairman – Finance & Audit Committee (From 6 July 2020), Chairman – People, Performance, Governance & Risk Committee (from 10 Oct 2019), Member - Community Engagement Committee, Marketing Committee
Qualifications, experience and expertise:	Megh has over 25 years of experience working globally for clients in numerous industries, including telecommunications, banking, transport, software, education, aviation, media and government. He has a portfolio career consisting of Board Director, Executive Technical Adviser, Gateway Reviewer, Consultant and Author. Megh has extensive experience in project management, governance, risk management, stakeholder management, business strategy, data analytics, data security, software development, administration, consulting, performance tuning, architecture, software design, implementation and support functions world-wide. He likes to use his experience to partner with business and business units to achieve an understanding of their strategy and influence the use of technology in implementing that strategy.

Directors' Report

For the Year Ended 30 June 2021

Information on directors

Terri Bateman

Roles: Non-Executive Director, Member - People & Performance, Governance & Risk Committee

Occupation: Manager Risk and Audit

Qualifications, experience and expertise: Terri has significant experience within the Victorian Public Sector, most recently as Manager Risk and Audit for Cenitex, which is an IT shared services provider within government. She has managed a variety of functions across governance, strategy, procurement, performance reporting, and organisational development, both within central corporate services and line areas across a range of departments and agencies. In addition she has served as the Secretary of the Parkdale United Cricket Club and is currently the Chair of the Committee of Governance at the Mordialloc Neighbourhood House. Terri's qualifications include a Masters of Public Policy and Management (Monash University) and a Diploma in Business Governance (Federation University), and she is also a Fellow of the Institute of Community Directors Australia.

Kate Rode

Roles: Appointed on 1 May 2021
Non-Executive Director, Member – Community Engagement Committee, People & Performance, Governance & Risk Committee, Finance & Audit Committee. Company Secretary (from 3rd May, 2021)

Occupation: Executive Director

Qualifications, experience and expertise: Kate is an accounting and information system professional, with over 11 years in industry experience. She is a graduate of Deakin University and a qualified trainer and assessor. Kate has worked as an accounting and accounting information system educator, training and assessing students from Certificate III in Accounting through to Advanced Diploma of Accounting. She has extensive experience in researching, developing, implementing and reviewing of training packages and learning materials for unit content. Kate is the founder and currently the executive director specialising in smart home automation and security systems. Kate manages a variety of functions within the company, from administration, elicitation, system analysis, system design, project management, business strategy, risk management and corporate secretarial responsibilities.

Serge Yan

Roles: Non-Executive Director, Member - Community Engagement Committee, Marketing Committee

Occupation: Director, Executive Director and Chief Operating Officer

Qualifications, experience and expertise: Serge is a Director of S&J Yan Property, and Executive Director and Chief Operating Officer of AAA Building Services Pty Ltd, and for 24 years until 2016 was the Production & Purchasing Co-ordinator of Viscount Plastics. He is graduate of the University of Technology, Mauritius. Serge is an experienced Purchasing Coordinator with a demonstrated history of working in the plastics industry. He is a strong purchasing professional skilled in Process Scheduler, Negotiation, Operations Management, Global Sourcing, and Procurement

Directors' Report

For the Year Ended 30 June 2021

Information on directors

Helen Lockman	Appointed on 1 May 2021
Roles:	Non-Executive Director, Chair Community & Engagement Committee, Member People & Performance, Governance & Risk Committee
Occupation:	Manager People Systems, Reporting & Analytics
Qualifications, experience and expertise:	Master of Business, 2021, Australian Institute of Management, where there was a strong focus on strategy and organisational change. Member of Australian Institute of Project Managers. Graduate Member of Information Systems Audit and Control Association, Member Institute of Managers & Leaders Australia. Helen has spent over 20 years in senior IT leadership positions, in which 15 years was within the Victorian Public Sector. She has also worked in transportation, energy, risk & insurance and is currently in the Health Sector. She has held a number of positions including CIO, IT Management and Operations, IT Program & Project Management, and Information Management. Helen is an IT Generalist who specialises in IT Risk & Governance, IT Security, Information Management and Data and Analytics.
Julia Reynolds	Appointed on 1 May 2021
Roles:	Member, PPGR committee, Community Engagement committee
Qualifications, experience and expertise:	Julia is a principal at Austech Surveying and Mapping Pty. Ltd. specialising in underground mine void investigation surveys services. Prior to that, Julia served as the General Manager of Australian and Southeast Asian Operations for the British FTSE listed engineering company Renishaw PLC. Renishaw specialises in the design and manufacture of measurement device technologies for the quarry and mining sectors. Julia's strong technical and business qualifications are equally matched with over 15 years' experience in P&L, Operations Management, Global Sales & Marketing, Channel Management, New Product Development and Business Strategies. Julia has a strong foundation in corporate governance. Julia is a graduate of the Australian Institute of Company Directors (GAICD). In 2003, Julia earned her MBA degree from La Trobe University. Julia is a Board member of the Australian Institute of Mine Surveyors (AIMS) and Safe steps Domestic Violence Resource Centre.
Kevin John O'Donnell	Resigned on 27 November 2020
Roles:	Non-Executive Director, Chairman of Directors
Occupation:	Retired Commercial Lawyer
Qualifications, experience and expertise:	Kevin holds a Bachelor of Laws from the University of Melbourne, and a Master of Laws from Deakin University. Kevin is a retired Commercial Lawyer who was the relationship manager for several major public companies (including banks), and a popular mentor of young lawyers. He remains busy consulting as a financial administrator for senior citizens, and as an independent expert in assessing compensation for inappropriate lending practices. He is a published author, historian and has experience as an expert witness in litigation matters, and as a sessional academic at RMIT University. Kevin was appointed to the Board on 1 June 2015.

Directors' Report

For the Year Ended 30 June 2021

Information on directors

Gary Racine	Resigned on 8 September 2020
Roles:	Non-Executive Director, Chair- Finance and Audit Committee (until 6 July 2020), 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 led many large company wide transformational programs. Gary is passionate about helping within the community. He 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. Gary was elected to the Board at the AGM on 28 November 2017.
Derek Dunne	Resigned on 27 November 2020
Roles:	Non-Executive Director, Chair - Marketing Committee, AGEKOM Representative on Regional Cluster Committee
Occupation:	Experienced marketing professional
Qualifications, experience and expertise:	Derek is an experienced marketing professional who is currently the Chief Marketing Officer at LocalAgentFinder. His previous roles included Head of Digital Marketing for iSelect and Head of Marketing for MoneyPlace. Derek has worked in marketing for 13 years and his knowledge expands across multiple industries including insurance, banking, real estate & utilities. Derek has always wanted to give something back to the community and this passion combined with his skills make him an ideal person to contribute to our company.
Nesan Naidoo	Resigned on 26 April 2021
Roles:	Non-Executive Director, Chair - Community Engagement Committee
Occupation:	Experienced business executive and consultant
Qualifications, experience and expertise:	Nesan is an experienced business executive and consultant in the area of building and leading high performance teams. His extensive experience includes senior level management with commercial and political stakeholders in New Zealand, Australia, India, Asia, Africa and the USA over 35 years. Nesan is an influential and engaging executive with expertise in business relations, business growth and innovative strategies. He has a proven track record of implementing inclusive leadership and staff development strategies. He specialises in creating a sustainable corporate culture based on respect and valuing individuality within high performance and culturally diverse organisations.
Winta Zhao	Resigned on 27 November 2020
Roles:	Non-Executive Director, Company Secretary, Member - Finance & Audit Committee, Member – People, Performance, Governance & Risk Committee
Occupation:	Tax and accounting professional
Qualifications, experience and expertise:	Winta holds a Master of Banking and finance from Monash University. She is a member of CPA , and Xero Certified Advisor. She is a detail-oriented efficient and organised tax and accounting professional who adapts seamlessly to constantly evolving accounting processes and technology. She has extensive knowledge of accounting software and systems.

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Directors' Report For the Year Ended 30 June 2021

Information on directors

Charan Naidoo	Resigned on 01 March 2021
Roles:	Cadet Director, Chair - Community pitch Sub-Committee
Occupation:	Student
Qualifications, experience and expertise:	Charan is a student at the University of Melbourne, studying Politics, International Studies, Sociology & French. He is an ASSIST Scholar, Peer Assisted Study Session (PASS) Leader and tutor. He is a member of Kingston City Council's Youth Advisory Council and its South Ward Committee. In 2016, he completed a summer program in Politics and Public Policy at Stanford University. In early 2020, he went to France to study at the Institut d'Etudes Politiques de Paris and came back due to pandemic travel bans. As Chair of the Community Pitch sub-committee, Charan was responsible for organising the inaugural Community Pitch event for our branch. Held on June 18th 2019, this event raised in excess of \$18,400 for ten local community groups and was funded by 21 local businesses.
Special responsibilities	Charan's role in our Pitch team included; <ul style="list-style-type: none">- Chairing meetings for a committee comprised of six Board Directors- Compiling agendas and taking minutes- Recruiting businesses- Creating invitation letters- Liaising with stakeholders, including the venue.- Co-ordinating event logistics on the night.

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

Company secretary

The company secretary was Winta Zhao. Zhao was appointed to the position of secretary on 4 February 2019 til 27 November 2020. Then Meghraj Thakkar held the position from 27 November to 2 May 2021. Now the Company secretary is Kate Rode appointed to the position of secretary on 3 May 2021. Qualifications and experiences of the secretary 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 7,519 (2020: 92,148).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Agecom Enterprises Limited

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Directors' Report

For the Year Ended 30 June 2021

Review of operations

A review of the operations of the Company during the financial year and the results of those operations show that the loss of the Company before income tax was \$ 11,138 (2020: profit \$ 121,105). This result is driven by the decrease in revenue due to lower interest rate environment that is affecting margin share for the Company while in prior year revenue increased due to the government funding received as support for COVID-19 pandemic.

Significant changes in state of affairs

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

Events after the reporting date

Directors believe that the outbreak of COVID-19 and government restrictions may adversely affect the operations of the business. At this stage specific details of the impact of the outbreak and government restrictions have not yet been determined.

Except for the above, no other 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.

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Directors' Report

For the Year Ended 30 June 2021

Meetings of directors

During the financial year, 10 meetings of directors (excluding 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
Meghraj Thakkar	10	10	4	4	4	3	5	4
Terri Bateman	10	9	-	-	2	2	5	5
Kate Rode	1	1	-	-	2	2	1	1
Serge Yan	10	8	2	2	2	2	-	-
Helen Lockman	1	1	-	-	2	2	1	1
Julia Reynolds	1	1	-	-	2	1	1	1
Kevin John O'Donnell	5	5	2	2	4	4	3	3
Gary Racine	1	-	1	-	1	-	-	-
Derek Dunne	5	-	-	-	4	-	-	-
Nesan Naidoo	9	9	-	-	4	4	-	-
Winta Zhao	5	2	2	1	-	-	3	1
Charan Naidoo	7	6	-	-	4	4	-	-

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.

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.

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Directors' Report

For the Year Ended 30 June 2021

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:

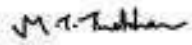
- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance 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 set 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 2021 has been received and can be found on page 9 of the financial report.

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

Director: 
Meghraj Thakkar

Director: 
Terri Bateman

Dated 16 August 2021

Agecom Enterprises Limited

ABN: 68 138 046 303

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, 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 H. Dummett
Director

5 September 2021

Level 3, 148 Logis Boulevard, Dandenong South, Vic. 3175

Agecom Enterprises Limited

ABN: 68 138 046 303

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2021

		2021	2020
	Note	\$	\$
Revenue	4	532,706	655,097
Government stimulus income	4	-	39,528
Employee benefits expense		(363,194)	(386,510)
Depreciation and amortisation expense	5	(58,140)	(59,456)
Advertising		(5,796)	(10,474)
Donations		(1,080)	(400)
Operating expenses		(22,782)	(21,479)
IT Expenses		(18,233)	(17,945)
Other operating expenses		(64,030)	(64,692)
Finance expenses		(10,589)	(12,564)
Profit before income tax		(11,138)	121,105
Income tax (expense)/benefit	6	18,657	(28,957)
Profit for the year		<u>7,519</u>	<u>92,148</u>
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Nil		-	-
Items that will be reclassified to profit or loss when specific conditions are met			
Nil		-	-
Total comprehensive income for the year		<u>7,519</u>	<u>92,148</u>
Earnings per share for profit/(loss) attributable to the ordinary shareholders of the Company:		¢	¢
Basic earnings per share	16	1.01	12.42

The accompanying notes form part of these financial statements.

Agecom Enterprises Limited

ABN: 68 138 046 303

Statement of Financial Position As At 30 June 2021

	Note	2021 \$	2020 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	207,729	203,673
Trade and other receivables	8	44,540	50,365
TOTAL CURRENT ASSETS		252,269	254,038
NON-CURRENT ASSETS			
Property, plant and equipment	9	174,553	219,726
Deferred tax assets	14	102,822	84,165
Intangible assets	10	73,704	86,670
TOTAL NON-CURRENT ASSETS		351,079	390,561
TOTAL ASSETS		603,348	644,599
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	39,016	34,268
Lease liabilities	12	45,079	42,213
Employee benefits	13	13,422	13,905
TOTAL CURRENT LIABILITIES		97,517	90,386
NON-CURRENT LIABILITIES			
Trade and other payables	11	28,768	43,152
Lease liabilities	12	142,847	187,926
Employee benefits	13	10,073	6,511
TOTAL NON-CURRENT LIABILITIES		181,688	237,589
TOTAL LIABILITIES		279,205	327,975
NET ASSETS		324,143	316,624
EQUITY			
Issued capital	15	712,707	712,707
Accumulated losses		(388,564)	(396,083)
TOTAL EQUITY		324,143	316,624

The accompanying notes form part of these financial statements.

Agecom Enterprises Limited

ABN: 68 138 046 303

Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Issued capital \$	Accumulated losses \$	Total \$
Balance at 1 July 2020	712,707	(396,083)	316,624
Profit attributable to members of the entity	-	7,519	7,519
Balance at 30 June 2021	<u>712,707</u>	<u>(388,564)</u>	<u>324,143</u>

2020

	Issued capital \$	Accumulated losses \$	Total \$
Balance at 1 July 2019	712,707	(409,145)	303,562
Adjustment due to adoption of AASB 16	-	(57,006)	(57,006)
Adjusted Balance at 1 July 2019	712,707	(466,151)	246,556
Profit attributable to members of the entity	-	92,148	92,148
Dividends provided for or paid	-	(22,080)	(22,080)
Balance at 30 June 2020	<u>712,707</u>	<u>(396,083)</u>	<u>316,624</u>

The accompanying notes form part of these financial statements.

Agecom Enterprises Limited

ABN: 68 138 046 303

Statement of Cash Flows For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		575,676	752,766
Payments to suppliers and employees		(517,116)	(554,362)
Interest received		501	503
Interest paid		(480)	(504)
Net cash provided by/(used in) operating activities	23	<u>58,581</u>	<u>198,403</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of plant and equipment		-	(1,499)
Payment of intangibles		-	(64,831)
Net cash used by investing activities		<u>-</u>	<u>(66,330)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid		(2,201)	(21,858)
Proceeds/(repayments) of leases		(52,324)	(51,558)
Net cash used by financing activities		<u>(54,525)</u>	<u>(73,416)</u>
Net increase/(decrease) in cash and cash equivalents held		4,056	58,657
Cash and cash equivalents at beginning of year		<u>203,673</u>	<u>145,016</u>
Cash and cash equivalents at end of financial year	7	<u><u>207,729</u></u>	<u><u>203,673</u></u>

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 June 2021

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 16 August 2021.

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 2021

2 Summary of Significant Accounting Policies

(b) Income Tax

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

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

Deferred tax is not provided for the following:

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

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

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

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

(c) Revenue and other income

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(c) Revenue and other income

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

The revenue recognition policies for the principal revenue streams of the Company are:

Revenue calculation

A funds transfer pricing model is used for the method of calculation of the cost of funds, deposit return and margin. All revenue paid on core banking products is through margin share. Margin on core banking products is shared on a 50/50 basis.

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

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

Core banking products

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

Margin

Margin is arrived at through the following calculation:

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(c) Revenue and other income

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. 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. 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.

Fee income

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

Ability to change financial return

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

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

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

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

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(c) Revenue and other 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. 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.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Government Stimulus Revenue - Cashflow Boost

Cashflow boost is a stimulus measures announced by the Australian Government as its response to COVID-19. Both the 'initial cash flow boost' and 'additional cash flow boost' are identified as a waiver of PAYG liability and recognised as grant income under *IAS 20 Accounting for Government Grants and Disclosure of Government Assistance*. Government stimulus revenue is recognised in the profit or loss when there is reasonable assurance that all of the necessary conditions will be met to receive the stimulus and the funds will be received.

Other income

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

(d) 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.

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.

(e) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(e) Property, plant and equipment

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line 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.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Furniture, Fixtures and Fittings	13.33%-25%
Leasehold improvements	10%-20%
Right-of-Use - Buildings	6.67%
Right-of-Use - Plant and Equipment	10%
Right-of-Use - Computer Equipment	10%

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.

(f) Financial instruments

Financial instruments are recognised initially 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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(f) Financial instruments

Financial assets

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables and contract assets

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and lease liabilities.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(g) 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.

(h) 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 three 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.

(i) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(j) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(k) 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

2 Summary of Significant Accounting Policies

(k) Employee benefits

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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2021, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgments

The significant estimates and judgements made have been described below.

Key estimates - Estimation of useful lives of assets

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

Key estimates - employee entitlements

The liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates, pay increases and discount rates are taken into account. This information is based on historical data and current employment contracts and awards.

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 - income tax

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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

3 Critical Accounting Estimates and Judgments

Key judgments - income tax

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

	2021	2020
	\$	\$
Trading revenue		
- provision of services	532,205	654,594
Finance income		
- Interest received	501	503
Other revenue		
- Government stimulus income - cashflow boost	-	39,528
Total Revenue	532,706	694,625

5 Result for the Year

The result for the year includes the following specific expenses:

	2021	2020
	\$	\$
Depreciation expense		
- Furniture and fittings	1,740	2,496
- Computer equipment	181	203
- Leasehold improvements	6,669	6,669
- Right-of-Use assets	36,584	36,584
- Franchise fee	10,805	11,253
- Franchise renewal fee	2,161	2,251
	58,140	59,456
Impairment of receivables:		
- Bad debts	1,423	399
Total impairment of receivables	1,423	399

Notes to the Financial Statements

For the Year Ended 30 June 2021

6 Income Tax Benefit/ (Expense)

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

	2021	2020
	\$	\$
Current tax expense (benefit)		
Local income tax expense	2,896	(33,764)
Recoupment of prior year tax losses	(2,896)	33,764
Deferred tax expense		
Origination and reversal of temporary differences	23,248	(28,957)
Change in tax rates	(4,591)	-
Total income tax (expense)/ benefit	18,657	(28,957)

(b) Reconciliation of income tax to accounting profit:

	2021	2020
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 26% (2020: 27.5%)	(2,896)	33,304
Add:		
Tax effect of:		
- permanent difference expenses	203	460
	(2,693)	33,764
Less:		
Tax effect of:		
- under Provision of tax in the prior period	20,555	-
- non-taxable income	-	(10,870)
- change in tax rates	(4,591)	-
- impact of adopting AASB 16	-	15,677
Income tax expense	(18,657)	28,957

7 Cash and Cash Equivalents

	2021	2020
	\$	\$
Bank balances	188,429	184,373
Short-term deposits	19,300	19,300
	207,729	203,673

Notes to the Financial Statements

For the Year Ended 30 June 2021

7 Cash and Cash Equivalents

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:

	2021	2020
	\$	\$
Cash and cash equivalents	207,729	203,673
Bank overdrafts	-	-
Balance as per statement of cash flows	207,729	203,673

8 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	36,533	27,043
Provision for impairment	-	-
	36,533	27,043
Prepayments	8,007	7,275
Government subsidies receivable	-	14,823
Total current trade and other receivables	44,540	49,141

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

	2021	2020
	\$	\$
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	66,951	66,951
Accumulated depreciation	(58,136)	(56,396)
Total furniture, fixtures and fittings	8,815	10,555
Computer equipment		
At cost	1,109	1,109
Accumulated depreciation	(384)	(203)
Total computer equipment	725	906

Notes to the Financial Statements

For the Year Ended 30 June 2021

9 Property, plant and equipment

Leasehold Improvements		
At cost	115,853	115,853
Accumulated amortisation	(90,302)	(83,634)
Total leasehold improvements	25,551	32,219
Total plant and equipment	35,091	43,680
RIGHT-OF-USE		
Right-of-Use - Buildings		
At cost	344,354	344,354
Accumulated depreciation	(258,266)	(235,309)
Total Right-of-Use - Buildings	86,088	109,045
Right-of-Use - Plant and Equipment		
At cost	26,361	26,361
Accumulated depreciation	(16,036)	(13,400)
Total Right-of-Use - Plant and Equipment	10,325	12,961
Right-of-Use - Computer Equipment		
At cost	109,913	109,913
Accumulated depreciation	(66,864)	(55,873)
Total Right-of-Use - Computer Equipment	43,049	54,040
Total right-of-use	139,462	176,046
Total property, plant and equipment	174,553	219,726

(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	Computer Equipment	Leasehold Improvements	Right-of- Use - Buildings	Right-of- Use - Plant and Equipment	Right-of- Use - Computer Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2021							
Balance at the beginning of year	10,555	906	32,219	109,045	12,961	54,040	219,726
Depreciation expense	(1,740)	(181)	(6,668)	(22,957)	(2,636)	(10,991)	(45,173)
Balance at the end of the year	8,815	725	25,551	86,088	10,325	43,049	174,553

Notes to the Financial Statements

For the Year Ended 30 June 2021

9 Property, plant and equipment

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

	Furniture, Fixtures and Fittings	Computer Equipment	Leasehold Improvements	Right-of- Use - Buildings	Right-of- Use - Plant and Equipment	Right-of- Use - Computer Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2020							
Balance at the beginning of year	12,661	-	38,888	-	-	-	51,549
Additions	390	1,109	-	-	-	-	1,499
Additions through acquisition of entity	-	-	-	132,002	15,596	65,032	212,630
Depreciation expense	(2,496)	(203)	(6,669)	(22,957)	(2,635)	(10,992)	(45,952)
Balance at the end of the year	10,555	906	32,219	109,045	12,961	54,040	219,726

10 Intangible Assets

	2021 \$	2020 \$
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	54,026	54,026
Accumulated amortisation	(12,606)	(1,801)
Net carrying value	41,420	52,225
Franchise Fee		
Cost	10,805	10,805
Accumulated amortisation	(2,521)	(360)
Net carrying value	8,284	10,445
Redomicile fee		
Cost	24,000	24,000
Accumulated amortisation	-	-
Net carrying value	24,000	24,000
Total Intangibles	73,704	86,670

Notes to the Financial Statements

For the Year Ended 30 June 2021

11 Trade and Other Payables

	2021	2020
	\$	\$
CURRENT		
Trade payables	5,358	10,759
GST payable	10,403	-
Accrued expense	6,599	4,599
Other payables	14,405	14,457
Dividend payable	2,251	4,453
	<u>39,016</u>	<u>34,268</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

	2021	2020
	\$	\$
NON-CURRENT		
Other payables	28,768	43,152
	<u>28,768</u>	<u>43,152</u>

12 Lease Liabilities

	2021	2020
	\$	\$
CURRENT		
Lease Liabilities	45,079	42,213
Total	<u>45,079</u>	<u>42,213</u>
	2021	2020
	\$	\$
NON-CURRENT		
Lease Liabilities	142,847	187,926
Total	<u>142,847</u>	<u>187,926</u>

Notes to the Financial Statements

For the Year Ended 30 June 2021

13 Employee Benefits

	2021 \$	2020 \$
CURRENT LIABILITIES		
Provision for long service leave	2,536	6,698
Provision for annual leave	10,886	7,207
	<u>13,422</u>	<u>13,905</u>
NON-CURRENT LIABILITIES		
Provision for long service leave	10,073	6,511
	<u>10,073</u>	<u>6,511</u>

14 Tax assets and liabilities

	Opening Balance \$	Charged to Income \$	Changes in Tax Rate \$	Closing Balance \$
Deferred tax assets				
Property, plant and equipment	3,489	929	-	4,418
Intangibles	-	(17,234)	-	(17,234)
Right- of-use assets	-	(48,412)	-	(48,412)
Provisions - employee benefits	5,557	57	-	5,614
Lease liabilities	-	63,288	-	63,288
Accruals	1,682	(417)	-	1,265
Deferred tax assets attributable to tax losses	102,394	(27,168)	-	75,226
Balance at 30 June 2020	<u>113,122</u>	<u>(28,957)</u>	<u>-</u>	<u>84,165</u>
Property, plant and equipment	4,418	375	(241)	4,552
Intangible assets	(17,234)	3,371	940	(12,923)
Right- of-use assets	(48,412)	9,512	2,640	(36,260)
Provisions - employee benefits	5,614	800	(306)	6,108
Lease liabilities	63,288	(10,975)	(3,452)	48,861
Accruals	1,265	519	(69)	1,715
Prepayments	-	(2,082)	-	(2,082)
Deferred tax assets attributable to tax losses	75,226	21,728	(4,103)	92,851
Balance at 30 June 2021	<u>84,165</u>	<u>23,248</u>	<u>(4,591)</u>	<u>102,822</u>

15 Issued Capital

	2021 \$	2020 \$
741,909 (2020: 741,909) ordinary shares fully paid	741,909	741,909
Less: equity raising expenses	(29,202)	(29,202)
Total	<u>712,707</u>	<u>712,707</u>

Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Issued Capital

Rights attached to shares

(a) Voting rights

Subject to some limited exceptions, each member has the right to vote at a general meeting.

On a show of hands or a poll, each member attending the meeting (whether they are attending the meeting in person or by attorney, corporate representative or proxy) has one vote, regardless of the number of shares 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 reflect the nature of the Company as a community based Company by providing that all members of the community who have contributed to the establishment and ongoing operation of the **Community Bank** branch have the same ability to influence the operation of the Company.

(b) Dividends

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

(c) Transfer

Generally, ordinary shares are freely transferable. However, the directors have discretion to refuse to register a transfer of shares.

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

Prohibited shareholding interest

A person must not have a prohibited shareholding interest in the Company.

In summary, a person has a prohibited shareholding interest if any of the following applies:

- They control or 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.

Notes to the Financial Statements

For the Year Ended 30 June 2021

15 Issued Capital

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

	2021	2020
	\$	\$
Profit from continuing operations	7,519	92,148
Earnings used to calculate basic EPS from continuing operations	<u>7,519</u>	<u>92,148</u>

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

	2021	2020
	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>

17 Capital and Leasing Commitments

(a) **Leases**

	2021	2020
	\$	\$
Minimum lease payments:		
- not later than one year	53,104	52,323
- between one year and five years	153,008	206,112
Minimum lease payments	<u>206,112</u>	<u>258,435</u>
Less: finance charges	<u>(18,186)</u>	<u>(28,295)</u>
Present value of minimum lease payments	<u>187,926</u>	<u>230,140</u>

Notes to the Financial Statements

For the Year Ended 30 June 2021

17 Capital and Leasing Commitments

(a) Leases

Leases are in place for office premises, plant and equipment and computer equipment and normally have a term between 1 and 15 years. The leases have terms of renewal but no purchase option or escalation clauses. Renewals are at the option of the entity holding the lease.

18 Financial Risk Management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Company is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

Financial instruments used

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank
- Trade and other payables
- Lease liabilities

	2021	2020
	\$	\$
Financial assets		
Cash and cash equivalents	207,729	203,673
Trade and other receivables	44,540	50,365
Total financial assets	252,269	254,038
Financial liabilities		
Trade and other payables	67,784	77,420
Total financial liabilities	67,784	77,420

Notes to the Financial Statements

For the Year Ended 30 June 2021

18 Financial Risk Management

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of Agecom Enterprises Limited's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and Agecom Enterprises Limited's activities.

The day-to-day risk management is carried out by Agecom Enterprises Limited's finance function under policies and objectives which have been approved by the Board of Directors.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

Liquidity management is carried out within the guidelines set by the Board.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Company maintains cash to meet its liquidity requirements for expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

At the reporting date, these reports indicate that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Financial guarantee liabilities are treated as payable on demand since Agecom Enterprises Limited has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the statement of financial position due to the effect of discounting.

The table below reflects the undiscounted contractual maturity analysis for financial liabilities (excluding lease liabilities for the current year - refer to note 12).

Notes to the Financial Statements

For the Year Ended 30 June 2021

18 Financial Risk Management

Financial liability maturity analysis - Non-derivative

	Weighted average		Interest rate		Within 1 Year		1 to 5 Years		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment										
Trade and other payables	-	-	39,016	34,268	28,768	43,152	67,784	77,420		
Total contractual outflows	-	-	39,016	34,268	28,768	43,152	67,784	77,420		

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Credit risk is managed through maintaining procedures ensuring, to the extent possible, that clients and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms for normal fee income are generally 30 days from the date of invoice. For fees with longer settlements, terms are specified in the individual client contracts. In the case of loans advanced, the terms are specific to each loan.

Trade receivables and contract assets

Trade receivables consist only one customer who is a reputable bank with high quality external credit ratings.

Credit risk exposures

The company has significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

None of the assets of the company are past due (2020: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

The company limits its exposure to credit risk by only investing in liquid securities with Bendigo and Adelaide Bank Limited and therefore credit risk is considered minimal.

Notes to the Financial Statements

For the Year Ended 30 June 2021

18 Financial Risk Management

Interest Rate Risk

Financial instrument composition and maturity analysis

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 and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	-	-	-	-	188,429	184,372	188,429	184,372
Short term deposits	0.30	2.60	19,300	19,300	-	-	19,300	19,300
Receivables (excluding deposits)	-	-	-	-	36,533	27,043	36,533	27,043
Total Financial Assets			19,300	19,300	224,962	211,415	244,262	230,715
Financial Liabilities:								
Trade and sundry payables	-	-	-	-	61,185	72,821	61,185	72,821
Total Financial Liabilities	-	-	-	-	61,185	72,821	61,185	72,821

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the company to interest rate risk are cash and cash equivalents.

Sensitivity analysis

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00% and -1.00% (2020: +1.00%/-1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the financial instruments held at each reporting date. All other variables are held constant.

	2021		2020	
	+0.25%	-0.25%	+0.25%	-0.25%
	\$	\$	\$	\$
Net results	36	(36)	35	(35)
Equity	36	(36)	35	(35)

Notes to the Financial Statements

For the Year Ended 30 June 2021

18 Financial Risk Management

Price risk

The company is not exposed to any material price risk.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

19 Related Parties

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

Meghraj Thakkar

Terri Bateman

Kate Rode

Serge Yan

Helen Lockman

Julia Reynolds

Kevin John O'Donnell

Gary Racine

Derek Dunne

Nesan Naidoo

Winta Zhao

Nasan Naidoo

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:

	2021	2020
Director	\$	\$
Serge Yan	2,000	2,000

There was no movement in directors shareholdings during the year.

Notes to the Financial Statements

For the Year Ended 30 June 2021

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 not 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.

21 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor of the entity for:		
- auditing or reviewing the financial statements	4,850	4,750
- Financial reporting	1,700	1,600
- share registry services	2,000	2,000
- Other services - AASB 16	-	400
-	<u>8,550</u>	<u>8,750</u>
Remuneration of entities related to auditor:		
- taxation services	<u>2,550</u>	<u>2,550</u>
Total	<u><u>11,100</u></u>	<u><u>11,300</u></u>

22 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020:None).

Notes to the Financial Statements

For the Year Ended 30 June 2021

23 Cash Flow Information

Reconciliation of net income to net cash provided by operating activities:

	2021	2020
	\$	\$
Profit for the year	7,519	92,148
Non-cash flows in profit:		
- amortisation	12,966	13,504
- depreciation	45,174	45,952
- interest payments on finance lease	10,109	12,060
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	2,137	(6,576)
- (increase)/decrease in prepayments	(732)	(318)
- (increase)/decrease in deferred tax asset	(18,657)	28,957
- increase/(decrease) in trade and other payables	(3,014)	12,471
- increase/(decrease) in provisions	3,079	205
Cashflows from operations	<u>58,581</u>	<u>198,403</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 16 August 2021 by the board of directors.

Directors believe that the outbreak of COVID-19 and government restrictions may adversely affect the operations of the business. At this stage specific details of the impact of the outbreak and government restrictions have not yet been determined.

Except for the above, no other 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.

26 Statutory Information

The registered office and principal place of business of the company is:

Agecom Enterprises Limited
Shop 12, Aspendale Gardens Shopping Centre
11 Narelle Drive
Aspendale Gardens VIC 3195

Agecom Enterprises Limited

ABN: 66 138 046 303

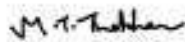
Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2021 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


Meghraj Thakkar

Director


Terri Bateman

Dated 16 August 2021

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 2021, 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 2021 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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.

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 the Chair's report, Manager's report and Message from Bendigo and Adelaide Bank, (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.

Agecom Enterprises Limited

Independent Audit Report to the members of Agecom Enterprises Limited

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 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 scepticism 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.

Agecom Enterprises Limited

Independent Audit Report to the members of Agecom Enterprises Limited

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

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



Ashfords Audit and Assurance Pty Ltd

Chartered Accountants



Ryan H. Dummett
Director

Level 3, 148 Logis Boulevard, Dandenong South, Vic. 3175
5 September 2021

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