

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



# Agecom Enterprises Limited

ABN: 68 138 046 303

## Financial Statements

For the Year Ended 30 June 2019

# Agecom Enterprises Limited

ABN: 68 138 046 303

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For the Year Ended 30 June 2019

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# Chair's Report

As chair of AGECOM Enterprises Limited (AGECOM) it is my privilege to present the 2018-2019 Annual Report

## Financial Performance

For the 2018-2019 financial year, your company returned a healthy profit of \$143,399 before tax. This compares with a profit of \$164,704 for the 2017-2018 financial year.

Given that we still have accrued losses from previous years, we are not liable to pay income tax on the current profit.

A few years ago, we had an overdraft of \$400,000 from Bendigo & Adelaide Bank, which was all that kept us solvent. Today, we're operating in the black. Our overdraft limit has dropped to \$100,000, and it seems unlikely that we'll need to call on it. It's a comfort having it there, just for security.

During the 2018-2019 financial year, we continued to consolidate our financial position, with revenue of \$750,021 and a total business book of \$102 Million. This consists of loans of \$46.3 M, deposits and wealth products of \$46.4 M and other business of \$9.3 M.

We have remained very disciplined in terms of expenses, which totalled \$606,622 (compared to \$549,695 last year) despite increasing our employee spend.

This represents continuing improvement. Last year, the revenue figure was \$714,399, the business size was \$103.2M, with loans of \$46.3M, deposits and wealth products of \$48M, and other business of \$8.9M

In my view, the 2018 - 2019 result is, in the existing circumstances, a very good one.

Banking is not an easy business in 2019. Interest rates - and therefore banking margins - are at record lows, and lending is extremely competitive. In addition, in the wake of the Hayne Royal Commission, lending criteria have become very tight.

## Dividends

Board is considering the financial results for the 2018-2019 financial year and will announce a dividend at the Annual General Meeting.

## Staff

As you'll all be aware, the nature of banking has changed. There are fewer over-the-counter transactions, and more banking is done electronically.

Since our branch opened in April 2010, there had been no change in the staff mix. It is a tribute to our excellent staff that they have been able to cope with the growth in our business from zero to its present size with no staff increases.

At the start of 2019, with the resignation of a part-time Customer Service Officer, dealing in teller transactions, we decided to change the mix. This resulted in the appointment of a Customer Relationship Manager, Davorin Vlahovic, who commenced with us in February of this year.

This has been a very positive move, with Dav processing much of the loan application paperwork and allowing our manager Susan Tresidder to get out and about, spending more time in the community, exploring ways to continue our business growth. This is part of our investment in the future of your business.

I should make special mention of our hard-working and dedicated staff, Susan, Davorin, Nicole, Sonia, Amy and Rochelle, who make our branch a very welcoming place to visit, and who have won many Bendigo Bank awards for excellent customer service.

## The Board

Much has happened at Board level in the last twelve months.

As you'd know, in the last two years, Mal Cameron, John Bainbridge and Ray Smith, who were all there at the very start, and without whom AGECOM would not exist, have retired. Our previous chair, Anna McDonald, was granted twelve months leave of absence to take on the challenge of motherhood.

This left a greatly diminished number of directors, Gary Racine, Julie Opperman, Nicole Pegrum and myself.

Under Anna's leadership, we established a sub-committee which ran a very successful campaign for new directors.

As a result, we now have a full board of ten, the maximum provided for in our Constitution. The new directors are Ms Terri Bateman, Mr Kim Flanagan, Mr Meghraj Thakkar, Mr Derek Dunne, Mr Anton Ady, Mr Nesan Naidoo, Mr Serge Yan and Ms Winta Zhao, who is also the company secretary.

The new Directors bring to the Board a wealth of experience in a wide range of industries, as well as a great diversity of abilities and community connections.

Mark Nolan, our then Regional Manager, volunteered to come onto the Board as Deputy Chair, to assist with the introduction of the new directors. However, he soon resigned, to

make way for the new blood. Anna was also kind enough to resign for the same reason, as did Julie Opperman and Nicole Pegrum.

Nicole is still one of our team, as a valued Customer Relationship Officer at the branch, while Julie remains a member of our YES (Youth Engagement Support) Committee.

In addition, we have our Cadet Director, Charan Naidoo, who has been a wonderful addition to our team since his appointment in early 2018.

With the new appointments, we have a board which makes me very confident for the future of AGECOM. The new directors have a wide mix of experience and abilities, and each one of them brings talent and energy to the Boardroom table.

As you know, being a volunteer director of an organisation like AGECOM takes time, a high level of commitment, and a passion to be involved in and support the community.

We also have Mia Racine, who assists the board with minutes, agendas and general administrative support.

## **Our Region and Regional Managers**

For the 2018-2019 financial year, we continued to have Regional Managers, Tracey Kelley supporting the Branch, and Mark Nolan supporting the Board. They both contributed wonderfully to the functioning of the Branch and the Board, and Mark provided excellent induction assistance for our new Directors.

As at 1 July 2019, Bendigo Bank carried out a restructure of the regions, and the Regional Management responsibilities. As a result, we have been moved from the Bayside Region to the Mornington Peninsula Region. Our Regional Managers have moved on to major roles within the bank, and we now have a new Regional Manager.

I am delighted to report that our new Regional Manager is none other than our very own Kristy Marshall. Kristy was our previous Branch Manager, immediately before Susan. Kristy is, of course, familiar with most of our staff, and the issues we face. It is wonderful to be working with Kristy once more.

## The Community

Our branch is now over nine years old, and will be celebrating its tenth birthday early next year. In its short life, your company has invested just over \$225,000 in local community groups, not-for-profit organisations and other worthwhile causes in our community.

Each year, we have been major sponsors of the Chelsea Rotary Art Show and the Edithvale CFA Fun Run, as well as many sporting clubs.

One of the challenges with our sporting clubs face is the proliferation of young boys and girls playing sport, resulting in an ever-increasing need for facilities and equipment for them.

## Community Pitch

In June 2019, we ran our first Community Pitch night, at the Chelsea Longbeach RSL. It was a very successful night, involving nineteen local businesses contributing money and local community not-for-profit organisations each giving a short presentation about the work they do in our community.

As a result, and including AGECOM's contribution, we were able to distribute \$18,490 to assist our organisations in their endeavours.

Our Cadet Director, Charan, was a major driving force in the organisation and success of the Pitch, and we owe him a debt of gratitude.

## The Next Year and Beyond

Your board is continuing to focus on ways to continue our business growth, and the development of our community relationships.

We are becoming more selective in the organisations we support, and are making it very clear that we cannot continue to support groups who don't reciprocate by bringing business to us.

For us to grow, and continue to pay dividends to our loyal shareholders, we need the support of our community. We also need our shareholders to bank with us. Please keep us front of mind for any banking needs you have. If we all work together, we can continue to grow, to support our community, and to reward our shareholders.

Best wishes and good fortune to you all,

Kevin O'Donnell - Chair

## Manager's report

### Year ending 30 June 2019

It has been a steady 12 months with the business growing until we lost a large deposit dropping our figures back in the last month of the financial year.

Customer numbers have grown to just over 3000 which was an increase of 5.3% over the year.

We assisted 78 customers by providing insurance to protect their assets.

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

Our team of dedicated staff that have contributed to this our success are Nicole Pegrum, Sonia Peiris and Amy Dunne. This year we engaged Davorin Vlahovic as a Customer Relationship Manger to assist the branch in growing the business. Davorin is a great fit in the branch and is keen to assist our customers to achieve their financial goals. We also need to acknowledge the efforts of our former employee Lyndal Moss.

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

We continue to support our local community in many ways. We supported the Edithvale Fire Brigade with their annual fun run, as well as the Rotary Club of Chelsea by supporting their annual art show. We provided funding for schools and sporting clubs within the local area, football, bowling clubs and life-saving clubs just to name a few.

### **We have now invested over \$225,000 back into the local Community.**

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

We look forward to seeing you soon.

Kind Regards,

Susan Tresidder  
Branch Manager

## **Community Bank® Annual Report 2018/2019 - from Bendigo & Adelaide Bank**

As a bank of 160-plus years, we're proud to hold the mantle of Australia's fifth biggest bank.

In today's banking environment it's time to take full advantage of this opportunity and for even more people to experience banking with Bendigo Bank and our way of banking, and with our Community Bank® partners.

In promoting our point of difference it's sometimes lost that although we're different, we're represented in more than 500 communities across Australia and offer a full suite of banking and financial products and services. In many ways we're also a leader in digital technology and meeting the needs of our growing online customer base, many of whom may never set foot in a traditional bank branch.

At the centre of our point of difference is the business model you chose to support as a shareholder that supports local communities. Whether you're a shareholder of our most recent Community Bank® branch which opened in Smithton, Tasmania, in June 2019, or you're a long-time shareholder who, from more than 20 years ago, you all play an important role.

Your support has enabled your branch, and this banking model, to prosper and grow. You're one of more than 75,000 Community Bank® company shareholders across Australia who are the reason today, we're Australia's only bank truly committed to the communities it operates in.

And for that, we thank you. For the trust you've not only put in Bendigo and Adelaide Bank, but the faith you've put in your community and your Community Bank® company local board of directors.

Bendigo and Adelaide Bank continues to rank at the top of industry and banking and finance sector awards. We have awards for our customer service, we have award winning products and we have a customer base that of 1.7 million-plus that not only trusts us with their money, but which respects our 'difference'.

As a Bank, we're working hard to ensure that those who are not banking with us, and not banking with your Community Bank® branch, make the change.

It really is a unique model and we see you, the shareholder, as playing a key role in helping us grow your local Community Bank® business. All it takes is a referral to your local branch manager. They'll do the rest.

We find that our customer base is a very loyal group. It's getting people to make the change that's the challenge. In today's environment, we've never had a better chance to convince people to make the change and your support in achieving this is critical.



From Bendigo and Adelaide Bank, once again, thank you for your ongoing support of your Community Bank® branch and your community.

We would also like to thank and acknowledge the amazing work of your branch staff and directors in developing your business and supporting the communities that you live and work in.

Mark Cunneen  
Head of Community Support  
Bendigo and Adelaide Bank

# Agecom Enterprises Limited

ABN: 68 138 046 303

## Directors' Report

30 June 2019

The directors present their report on Agecom Enterprises Limited for the financial year ended 30 June 2019.

### Directors

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

| Names                   | Appointed/Resigned   |
|-------------------------|--|
| Kevin John O'Donnell    |  |
| Gary Racine             |  |
| Anna McDonald           | Leave of absence 12 November 2018, Resigned on 3 February 2019 |
| John Gerhard Bainbridge | Resigned on 22 October 2018                                    |
| Raymond John Smith      | Resigned on 22 October 2018                                    |
| Nicole Pegrum           | Appointed 22 October 2018, Resigned on 3 February 2019         |
| Julie Opperman          | Appointed on 2 July 2018, Resigned on 6 May 2019               |
| Mark Nolan              | Appointed 22 October 2018, Resigned on 4 February 2019         |
| Kim Flanagan            | Appointed on 4 February 2019                                   |
| Meghraj Thakkar         | Appointed on 4 February 2019                                   |
| Derek Dunne             | Appointed on 4 February 2019                                   |
| Serge Yan               | Appointed on 4 February 2019                                   |
| Anton Zoltan Ady        | Appointed on 4 February 2019                                   |
| Terri Bateman           | Appointed on 4 February 2019                                   |
| Nesan Naidoo            | Appointed on 4 February 2019                                   |
| Winta Zhao              | Appointed on 6 May 2019  |
| Charan Naidoo           |  |

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:

#### Kevin John O'Donnell

|   |   |
|---|---|
| Current 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. |

# Agecom Enterprises Limited

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## Directors' Report

30 June 2019

### Information on directors

#### Gary Racine

**Roles:** Non-Executive Director, Chair- Finance and Audit Committee, Member-Community Engagement Committee

**Occupation:** Executive Manager

**Qualifications, experience and expertise:** Gary is a customer focused professional with extensive executive management experience in operations, commercial, financial and corporate governance. His executive experience spans a number of organisations including Telstra, Transfield Services, Kordia Solutions Australia and Urban Maintenance Systems. Gary is an inspirational leader of change having successfully 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.

#### Anna McDonald

**Roles:** Leave of absence 12 November 2018, Resigned on 4 February 2019  
Non-Executive Director, Board Chair, Member-Community Engagement Committee

**Occupation:** Project Partner, Cherry Energy Solutions, a commercial solar company and Consultant for Saving Point, a specialist government grant's consultancy based in Moorabbin

**Qualifications, experience and expertise:** Anna's qualifications include Bachelor of Arts, Post Grad Dip(Pol Science) , and a Masters of Entrepreneurship and Innovation. Anna is also a graduate member of the Australian Institute of Company Directors. Additionally, Anna is a member of Carrum sailing Club. Anna's past occupations include Director at Community Elco from 2014 – 2016; CTO and board member of the solar business Rezeko(EKO energy from 2007 – 2011) and then the Senior Manager IT and New Product Development at AGL Solar from 2011-2013 following the trade sale of EKO Energy to AGL, Key skills involve start-ups, commercialisation and supporting business growth.

#### John Gerhard Bainbridge

**Roles:** Resigned on 22 October 2018  
Non-Executive Director, Treasurer, Company Secretary, Member - Finance & Audit Committee, Member - Community Engagement Committee.

**Occupation:** Retired

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

#### Raymond John Smith

**Roles:** Resigned on 22 October 2018  
Non-Executive Director, Member- Finance and Audit Committee, Member-Community Engagement Committee

**Occupation:** Retired Executive Manager

**Qualifications, experience and expertise:** Ray has retired from his role as Executive Manager of a motor body repair company which he built, owned and operated for 45 years. Past President Rotary Club of Aspendale. Past Commodore Patterson River Motor Yacht Club. Ray was the founding Chairman of AGECOM Enterprises Limited.

## **Directors' Report**

**30 June 2019**

### **Information on directors**

|   |  |
|---|--|
| <b>Nicole Pegrum</b>                      | Appointed 22 October 2018, Resigned on 2 February 2019   |
| Roles:                                    | Executive Director, Community Engagement Committee Chair.  |
| Occupation:                               | Customer Relationship Officer Bendigo Bank Aspendale-Gardens Edithvale Community Bank® Branch  |
| Qualifications, experience and expertise: | Nicole commenced her working career with the State Bank of Victoria/CBA in 1989 for a period of 6 years. Following that she moved to Sydney and worked for a sales company for a period of 5 years. When she returned to Melbourne in 2000 she worked for Dunn & Bradstreet for 2 years before focusing on her family. She then commenced employment with Woolworths as a Customer Service Supervisor for a period of 10 years. In 2014 Nicole commenced her role within Bendigo Bank Aspendale-Gardens Edithvale Community Bank® Branch as a Customer Relationship Officer. She is also the secretary of the Chelsea Heights football Netball club and has been involved within the club for a period of 20 years.  |
| <b>Julie Opperman</b>                     | Appointed on 2 July 2018, Resigned on 6 May 2019.  |
| Roles:                                    | Non-Executive Director, Deputy Chair, Chair - People & Performance Committee, Member - Community Engagement Committee.   |
| Occupation:                               | Self -Employed   |
| Qualifications, experience and expertise: | Julie has spent over three decades in administration & Business Management within a corporate & small business environment helping to achieve the vision & goals of the business she has spent the last 7 years as the Business Manager of a commercial Real Estate Agency. Now self-employed running her Administration business Stellar Skills & her Global Health & Wellness business. Julie passion for the community & people has recently involved her completing a community Project 'Opening the Doors to being Amazing' which Mordialloc College was the first school to be involved, she plans to take it to other schools.  |
| <b>Mark Nolan</b>                         | Appointed 22 October 2018, Resigned on 4 February 2019   |
| Roles:                                    | Non-Executive Director, Deputy Chair, regional Manager - Bendigo & Adelaide Bank   |
| Occupation:                               | Community Business Manager   |
| Qualifications, experience and expertise: | Mark is a Career Banker with over 38 years of banking experience. He has worked for Bendigo and Adelaide Bank Ltd for over 34 years, starting as a Teller and holding a variety of positions, in the last 10 years holding the positions of Regional Manager and Regional Community Manager. These roles have seen Mark working closely with several Community Bank® partners, giving him an excellent understanding of the Community Bank® model. Mark is currently a Community Business Manager, which is a state based role, working with Community Bank® partners on strategic matters. He is married to Jennifer and they have 4 adult children and 7 grand children, who keep them very busy. Mark is a long term Football Umpire, umpiring over 850 games and still an active member of the Geelong Football Umpires League, still umpiring senior football. In the last few years he has taken on a mentoring role, umpiring with young up and coming umpires to help them in their growth and in the capacity of on field coaching. |

# Agecom Enterprises Limited

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## Directors' Report

30 June 2019

### Information on directors

#### Kim Flanagan

Appointed on 4 February 2019

Roles:

Non-Executive Director, Chair - People & Performance and Chair - Governance & Risk Committee.

Occupation:

Chief Operating Officer of New Age HSE Services and a Non-Executive Director of Alexandra District Health Service.

Qualifications, experience and expertise:

Kim has worked in both Federal and State Government Business Enterprises and departments such as the Department of Health and Human Services and the Westgate Tunnel Authority. He has also been an Executive in the private sector with companies such as BHP, Finemore Holdings Limited, the Ford Motor Company of Australia, UGL Limited and NBN Co. Kim has a bachelor's degree in social science majoring in Physiology and Sociology as well as a Diploma of Business Management. He is trained in Six Sigma and Lean philosophy, Six Sigma Project Champion and is an accredited Exemplar Global Master Auditor. He is also a Fellow of the Institute of Logistics and Transport Member of Australian Institute of Company Directors and a Fellow of the International Safety, Quality & Environment Management Association. Kim is an experienced Operational, Health, Safety, Risk, Quality and Environment Executive with the demonstrated ability to change cultured lead major projects and operations within organisations. With over 20 years at executive level, he is able to build and maintain systems and programs, devise and implement quality approaches and practices to ensure compliance and governance.

#### Meghraj Thakkar

Appointed on 4 February 2019

Roles:

Non-Executive Director, Member - Finance & Audit Committee, Community Engagement 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.

#### Derek Dunne

Appointed on 4 February 2019

Roles:

Non-Executive Director, Chair - Marketing Committee, AGECON 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.

## **Directors' Report**

**30 June 2019**

### **Information on directors**

**Serge Yan**

Appointed on 4 February 2019

**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

**Anton Zoltan Ady**

Appointed on 4 February 2019

**Roles:**

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

**Occupation:**

Banking professional

**Qualifications, experience and expertise:**

Bachelor of Economics, Monash University, Master of Business, Monash University, Postgraduate Diploma of Finance & Securities, Securities Institute of Australia. Anton has many years banking experience, including nearly 15 years with NAB, including as Manager, Payments Portfolio Management and manager, Optimisation & System Integration. His expertise includes managing teams involved in compliance and quality assurance programs. He believes in participative leadership, with open communication and collaboration combined with leadership accountability. He is committed to achieving growth through integrity, empowering, enabling and building the capability of people and teams, and the development of the best digital technologies. Anton is a keen supporter of junior sports and team manager for 2 junior basketball clubs.

**Terri Bateman**

Appointed on 4 February 2019

**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.

## **Directors' Report**

**30 June 2019**

### **Information on directors**

**Nesan Naidoo**

Appointed on 4 February 2019

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**

Appointed on 6 May 2019

Roles:

Non-Executive Director, Company Secretary, Member - Finance & Audit Committee

Occupation:

Tax and accounting professional

Qualifications, experience and expertise:

Winta holds a Master of Banking and finance from Monash University. She is a CPA, and Xero Certified Advisor. She is a detail-oriented efficient and organised tax and accounting professional. Zaho adapts seamlessly to constantly evolving accounting processes and technology. She has extensive knowledge of accounting software and systems.

**Charan Naidoo**

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 will be studying in France at the Institut d'Etudes Politiques de Paris. 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 19 local businesses. Charan was appointed as a Cadet Director in January 2018.

Special responsibilities

Charan's role in our Pitch team included; - 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.

# **Agecom Enterprises Limited**

ABN: 68 138 046 303

## **Directors' Report**

**30 June 2019**

### **Company secretary**

The following person held the position of Company secretary at the end of the financial year:

The company secretary is Winta Zhao. Zhao was appointed to the position of secretary on 4 February 2019 after taking over the role that Anna McDonald filled from 22 October 2018 to 4 February 2019. Qualifications and experiences of both secretaries can be found above.

### **Principal activities**

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

### **Operating results**

The profit of the Company after providing for income tax amounted to \$ 103,751 (2018: \$ 119,410).

### **Review of operations**

A review of the operations of the Company during the financial year and the results of those operations show that the profit of the Company before income tax was \$ 143,399 (2018: \$ 164,704). This result is driven by the increased revenue and employee benefit expenses and advertising expenses.

### **Significant changes in state of affairs**

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

### **Dividends paid or recommended**

Finance committee recommended a 3 cent dividend per share to be paid from profits for the year ended 30 June 2018. The dividend was 100% unfranked and approved to pay on 3 September 2018 to all shareholders registered as at the date of the AGM.

### **Matters or circumstances arising after the end of the year**

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

### **Future developments and results**

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

### **Benefits received directly or indirectly by officers**

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

### **Environmental matters**

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



## Agecom Enterprises Limited

ABN: 68 138 046 303

## Directors' Report

30 June 2019

### Meetings of directors

During the financial year, 12 meetings of directors (including committees of Directors) were held. Attendances by each director during the year were as follows:

|                         | Board                     |                 | Board Subcommittees         |                 |                           |                 |                           |                 |
|-------------------------|---------------------------|-----------------|-----------------------------|-----------------|---------------------------|-----------------|---------------------------|-----------------|
|                         | Directors' Meetings       |                 | Audit and Finance Committee |                 | Community Engagement      |                 | People and Performance    |                 |
|                         | Number eligible to attend | Number attended | Number eligible to attend   | Number attended | Number eligible to attend | Number attended | Number eligible to attend | Number attended |
| Kevin John O'Donnell    | 12                        | 10              | 7                           | 7               | 11                        | 9               | 2                         | 2               |
| Gary Racine             | 12                        | 12              | 11                          | 11              | 11                        | 9               | -                         | -               |
| Anna McDonald*          | 7                         | 4               | 3                           | 3               | 7                         | 3               | 2                         | 2               |
| John Gerhard Bainbridge | 4                         | 4               | 11                          | 11              | 4                         | 4               | -                         | -               |
| Raymond John Smith      | 4                         | 2               | -                           | -               | 4                         | 3               | -                         | -               |
| Nicole Pegrum           | 3                         | 3               | -                           | -               | 7                         | 7               | -                         | -               |
| Julie Opperman          | 9                         | 8               | -                           | -               | 6                         | 6               | 3                         | 3               |
| Mark Nolan              | 3                         | 3               | -                           | -               | -                         | -               | -                         | -               |
| Kim Flanagan            | 5                         | 4               | -                           | -               | 5                         | 4               | 4                         | 4               |
| Meghraj Thakkar         | 5                         | 4               | 5                           | 4               | 5                         | 4               | -                         | -               |
| Derek Dunne             | 5                         | 5               | -                           | -               | 5                         | 3               | -                         | -               |
| Serge Yan               | 5                         | 5               | -                           | -               | 5                         | 3               | -                         | -               |
| Anton Zoltan Ady        | 5                         | 4               | -                           | -               | 5                         | 4               | 5                         | 4               |
| Terri Bateman           | 5                         | 5               | -                           | -               | 5                         | 4               | 4                         | 4               |
| Nesan Naidoo            | 5                         | 4               | -                           | -               | 5                         | 4               | -                         | -               |
| Winta Zhao              | 5                         | 5               | 5                           | 4               | -                         | -               | -                         | -               |
| Charan Naidoo           | 11                        | 8               | -                           | -               | 11                        | 10              | -                         | -               |

\* Denotes leave of absence from 22 October 2018 until 3 February 2019

### 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.

## Agecom Enterprises Limited

ABN: 68 138 046 303

### Directors' Report

30 June 2019

#### Non-audit services

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

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

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

#### Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2019 has been received and can be found on page 17 of the financial report.

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

Director:   
Kevin John O'Donnell

Director:   
Gary Racine

Dated 27 September 2019

## 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 2019, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Ashfords Audit and Assurance Pty Ltd  
Chartered Accountants



Ryan Dummett  
Director

27 September 2019

Suite 5, 14 Garden Boulevard, Dingley VIC 3172

## Agecom Enterprises Limited

ABN: 68 138 046 303

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2019

|   |      | 2019           | 2018           |
|---|------|----------------|----------------|
|   | Note | \$             | \$             |
| Revenue   | 4    | 750,021        | 714,399        |
| Employee benefits expense   |      | (366,975)      | (332,690)      |
| Depreciation and amortisation expense   | 5    | (22,834)       | (23,383)       |
| Advertising and sponsorship   |      | (38,698)       | (19,592)       |
| Donations   |      | (2,704)        | (3,150)        |
| Operating expenses  |      | (62,759)       | (61,736)       |
| IT Expenses   |      | (32,219)       | (30,536)       |
| Other operating expenses  |      | (79,700)       | (73,554)       |
| Finance expenses  |      | (733)          | (5,054)        |
| <b>Profit before income tax</b>   |      | <b>143,399</b> | <b>164,704</b> |
| Income tax expense  | 6    | (39,648)       | (45,294)       |
| <b>Profit for the year</b>  |      | <b>103,751</b> | <b>119,410</b> |
| <b>Total comprehensive income for the year</b>  |      | <b>103,751</b> | <b>119,410</b> |
| <b>Earnings per share for profit/(loss) attributable to the ordinary shareholders of the Company:</b> |      |                |                |
|   |      | ¢              | ¢              |
| Basic earnings per share  | 16   | 13.90          | 16.09          |

The accompanying notes form part of these financial statements.

# Agecom Enterprises Limited

ABN: 68 138 046 303

## Statement of Financial Position

30 June 2019

|                                      | Note | 2019<br>\$     | 2018<br>\$     |
|--------------------------------------|------|----------------|----------------|
| <b>ASSETS</b>                        |      |                |                |
| <b>CURRENT ASSETS</b>                |      |                |                |
| Cash and cash equivalents            | 7    | 145,016        | 24,041         |
| Trade and other receivables          | 8    | 43,471         | 55,975         |
| <b>TOTAL CURRENT ASSETS</b>          |      | <b>188,487</b> | <b>80,016</b>  |
| <b>NON-CURRENT ASSETS</b>            |      |                |                |
| Property, plant and equipment        | 9    | 51,549         | 60,772         |
| Deferred tax assets                  | 14   | 113,122        | 152,769        |
| Intangible assets                    | 10   | 35,342         | 48,954         |
| <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>200,013</b> | <b>262,495</b> |
| <b>TOTAL ASSETS</b>                  |      | <b>388,500</b> | <b>342,511</b> |
| <b>LIABILITIES</b>                   |      |                |                |
| <b>CURRENT LIABILITIES</b>           |      |                |                |
| Trade and other payables             | 11   | 64,727         | 56,011         |
| Borrowings                           | 12   | -              | 31,031         |
| Employee benefits                    | 13   | 9,906          | 16,918         |
| <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>74,633</b>  | <b>103,960</b> |
| <b>NON-CURRENT LIABILITIES</b>       |      |                |                |
| Trade and other payables             | 11   | -              | 15,073         |
| Employee benefits                    | 13   | 10,305         | 1,410          |
| <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>10,305</b>  | <b>16,483</b>  |
| <b>TOTAL LIABILITIES</b>             |      | <b>84,938</b>  | <b>120,443</b> |
| <b>NET ASSETS</b>                    |      | <b>303,562</b> | <b>222,068</b> |
| <b>EQUITY</b>                        |      |                |                |
| Issued capital                       | 15   | 712,707        | 712,707        |
| Accumulated losses                   |      | (409,145)      | (490,639)      |
| <b>TOTAL EQUITY</b>                  |      | <b>303,562</b> | <b>222,068</b> |

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 2019

#### 2019

|  | Issued<br>capital | Accumulated<br>losses | Total          |
|--|-------------------|-----------------------|----------------|
|  | \$                | \$                    | \$             |
| <b>Balance at 1 July 2018</b>                | 712,707           | (490,639)             | 222,068        |
| Profit attributable to members of the entity | -                 | 103,751               | 103,751        |
| Dividends provided for or paid               | -                 | (22,257)              | (22,257)       |
| <b>Balance at 30 June 2019</b>               | <u>712,707</u>    | <u>(409,145)</u>      | <u>303,562</u> |

#### 2018

|  | Issued<br>capital | Accumulated<br>losses | Total          |
|--|-------------------|-----------------------|----------------|
|  | \$                | \$                    | \$             |
| <b>Balance at 1 July 2017</b>                | 712,707           | (595,634)             | 117,073        |
| Profit attributable to members of the entity | -                 | 119,410               | 119,410        |
| Dividends provided for or paid               | -                 | (14,415)              | (14,415)       |
| <b>Balance at 30 June 2018</b>               | <u>712,707</u>    | <u>(490,639)</u>      | <u>222,068</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 2019

|   | <b>2019</b> | <b>2018</b> |
|---|-------------|-------------|
| <b>Note</b>   | <b>\$</b>   | <b>\$</b>   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>              |             |             |
| Receipts from customers                                   | 835,743     | 786,890     |
| Payments to suppliers and employees                       | (657,018)   | (604,472)   |
| Interest received   | 502         | 579         |
| Interest paid   | (733)       | (5,054)     |
| Net cash provided by/(used in) operating activities       | 23 178,494  | 177,943     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>              |             |             |
| Dividends paid  | (26,488)    | (10,183)    |
| Net cash used by financing activities                     | (26,488)    | (10,183)    |
| Net increase/(decrease) in cash and cash equivalents held | 152,006     | 167,760     |
| Cash and cash equivalents at beginning of year            | (6,990)     | (174,750)   |
| Cash and cash equivalents at end of financial year        | 7 145,016   | (6,990)     |

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

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 27 September 2019.

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 2019**

## **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 of current income tax expense plus deferred tax expense.

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

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.

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) Leases**

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### **(d) Revenue and other income**

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

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2019**

### **2 Summary of Significant Accounting Policies**

#### **(d) Revenue and other income**

##### **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

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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **2 Summary of Significant Accounting Policies**

##### **(d) Revenue and other income**

###### **Ability to change financial return**

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

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

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

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

###### **Monitoring and changing financial return**

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

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

###### **Revenue from contracts with customers**

For current year

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those 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

For Comparative Year

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

##### **(e) Finance costs**

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **2 Summary of Significant Accounting Policies**

##### **(f) 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.

##### **(g) Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

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

##### **Plant and equipment**

Plant and equipment are measured using the cost model.

##### **Depreciation**

Property, plant and equipment, excluding freehold land, is depreciated on a reducing balance basis over the assets useful life to the Company, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life on Straight-line method.

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

| <b>Fixed asset class</b> | <b>Depreciation rate</b> |
|--------------------------|--------------------------|
| Motor Vehicles           | 13.33%-25%               |
| Leasehold improvements   | 10%-20%                  |

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

##### **(h) Financial instruments**

For comparative year

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

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

## **2 Summary of Significant Accounting Policies**

### **(h) Financial instruments**

#### **Financial assets**

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

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

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

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

#### *Loans and receivables*

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

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

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

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

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets:

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

The Company has some derivatives which are designated as financial assets at fair value through profit or loss. Assets included within this category are carried in the statement of financial position at fair value with changes in fair value recognised in finance income or expenses in profit or loss.

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

## **2 Summary of Significant Accounting Policies**

### **(h) Financial instruments**

#### **Financial assets**

##### *Held-to-maturity investments*

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

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

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets or which have been designated in this category. The Company's available-for-sale financial assets comprise listed securities.

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

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

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

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

#### **Financial liabilities**

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

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

## **2 Summary of Significant Accounting Policies**

### **(h) Financial instruments**

#### **Impairment of Financial Assets**

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

##### *Financial assets at amortised cost*

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

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

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

##### *Available-for-sale financial assets*

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

For current year

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
- fair value through other comprehensive income - debt investments (FVOCI - debt)

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.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

## **2 Summary of Significant Accounting Policies**

### **(h) Financial instruments**

#### **Financial assets**

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.

#### *Fair value through other comprehensive income*

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 (refer to hedging accounting policy for derivatives designated as hedging instruments.)

#### *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.

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.



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

## **2 Summary of Significant Accounting Policies**

### **(h) Financial instruments**

#### **Financial assets**

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 finance lease liabilities.

### **(i) Impairment of non-financial assets**

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

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

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

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

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

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

## **2 Summary of Significant Accounting Policies**

### **(j) Intangibles**

#### **Franchise Fees**

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

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

#### **Software**

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

#### **Amortisation**

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

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

### **(k) 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.

### **(l) Employee benefits**

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

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

### **(m) Trade receivables and payables**

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **2 Summary of Significant Accounting Policies**

##### **(n) Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the unwinding of the discount is taken to finance costs in the statement of profit or loss and other comprehensive income.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

##### **Provisions for dividends**

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

##### **(o) Borrowings**

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

##### **(p) 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.

##### **(q) 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.

##### **(r) Adoption of new and revised accounting standards**

The Company has adopted all standards which became effective for the first time at 30 June 2019, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

## **2 Summary of Significant Accounting Policies**

### **(s) New Accounting Standards and Interpretations**

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

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

| <b>Standard Name</b>  | <b>Effective date for entity</b> |
|---|----------------------------------|
| Interpretation 23 Uncertainty over Income Tax Treatments and AASB 2017-4 Amendments to Australian Accounting Standards - Uncertainty over Income Tax Treatments | 1 January 2019                   |
| AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements Cycle 2015-2017 Cycle   | 1 January 2019                   |
| AASB 16 Leases  | 1 January 2019                   |
| AASB 2017-5 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections                      | 1 January 2022                   |
| Revised Conceptual Framework for Financial Reporting  | 1 January 2020                   |
| AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation  | 1 January 2019                   |

## **3 Critical Accounting Estimates and Judgments**

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

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

Key estimates - Estimation of useful lives of assets

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **3 Critical Accounting Estimates and Judgments**

##### **Key estimates - Impairment of assets**

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

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

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

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

##### **Key judgments**

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

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

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

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 4 Revenue and Other Income

|                         | 2019<br>\$     | 2018<br>\$     |
|-------------------------|----------------|----------------|
| Sales revenue           |                |                |
| - provision of services | 737,387        | 713,820        |
| Finance income          |                |                |
| - Interest received     | 502            | 579            |
| Other revenue           |                |                |
| - Other income          | 12,132         | -              |
| <b>Total Revenue</b>    | <b>750,021</b> | <b>714,399</b> |

#### 5 Result for the Year

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

|   | 2019<br>\$ | 2018<br>\$   |
|---|------------|--------------|
| Finance Costs                                     |            |              |
| Financial liabilities measured at amortised cost: |            |              |
| - Interest on bank overdrafts                     | 733        | 5,054        |
| <b>Total finance costs</b>                        | <b>733</b> | <b>5,054</b> |

The result for the year includes the following specific expenses:

|  | 2019<br>\$    | 2018<br>\$    |
|--|---------------|---------------|
| Other expenses:                        |               |               |
| Depreciation expenses                  |               |               |
| - Furniture and fittings               | 2,554         | 3,103         |
| - Leasehold improvements               | 6,668         | 6,668         |
| Amortisation expense                   |               |               |
| - franchise fee                        | 11,343        | 11,343        |
| - franchise renewal fee                | 2,269         | 2,269         |
|  | <b>22,834</b> | <b>23,383</b> |
| Impairment of receivables:             |               |               |
| - Bad debts                            | 557           | 1,020         |
| <b>Total impairment of receivables</b> | <b>557</b>    | <b>1,020</b>  |

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 6 Income Tax Benefit/ (Expense)

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

|   | 2019            | 2018            |
|---|-----------------|-----------------|
|   | \$              | \$              |
| Current tax expense (benefit)                     |                 |                 |
| Local income tax expense                          | (39,648)        | (45,294)        |
| Recoupment of prior year tax losses               | 39,648          | 45,294          |
| Deferred tax expense                              |                 |                 |
| Origination and reversal of temporary differences | (39,648)        | (45,294)        |
| <b>Total income tax (expense)/ benefit</b>        | <b>(39,648)</b> | <b>(45,294)</b> |

(b) Reconciliation of income tax to accounting profit:

|   | 2019   | 2018   |
|---|--------|--------|
|   | \$     | \$     |
| Prima facie tax payable on profit from ordinary activities before income tax at 27.5% (2018: 27.5%) | 39,435 | 45,294 |
| Add:  |        |        |
| Tax effect of:  |        |        |
| - permanent difference expenses   | 213    | -      |
|   | 39,648 | 45,294 |
| Income tax expense  | 39,648 | 45,294 |

#### 7 Cash and Cash Equivalents

|                     | 2019    | 2018   |
|---------------------|---------|--------|
|                     | \$      | \$     |
| Cash on hand        | 83      | 83     |
| Bank balances       | 125,633 | 4,658  |
| Short-term deposits | 19,300  | 19,300 |
|                     | 145,016 | 24,041 |

#### 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:

|   | 2019           | 2018           |
|---|----------------|----------------|
|   | \$             | \$             |
| Cash and cash equivalents                     | 145,016        | 24,041         |
| Bank overdrafts                               | -              | (31,031)       |
| <b>Balance as per statement of cash flows</b> | <b>145,016</b> | <b>(6,990)</b> |

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## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **8 Trade and Other Receivables**

|  | <b>2019</b>          | <b>2018</b>          |
|--|----------------------|----------------------|
|  | <b>\$</b>            | <b>\$</b>            |
| CURRENT  |                      |                      |
| Trade receivables                                | 36,514               | 49,163               |
| Provision for impairment                         | -                    | -                    |
|  | <u>36,514</u>        | <u>49,163</u>        |
| Prepayments                                      | 6,957                | 6,812                |
|  | <u>6,957</u>         | <u>6,812</u>         |
| <b>Total current trade and other receivables</b> | <u><u>43,471</u></u> | <u><u>55,975</u></u> |

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

#### **9 Property, plant and equipment**

|  | <b>2019</b>          | <b>2018</b>          |
|--|----------------------|----------------------|
|  | <b>\$</b>            | <b>\$</b>            |
| PLANT AND EQUIPMENT                        |                      |                      |
| Furniture, fixtures and fittings           |                      |                      |
| At cost                                    | 66,560               | 66,561               |
| Accumulated depreciation                   | (53,899)             | (51,345)             |
| Total furniture, fixtures and fittings     | <u>12,661</u>        | <u>15,216</u>        |
| Leasehold Improvements                     |                      |                      |
| At cost                                    | \$ 115,853           | \$ 115,853           |
| Accumulated amortisation                   | (76,965)             | (70,297)             |
| Total leasehold improvements               | <u>\$ 38,888</u>     | <u>\$ 45,556</u>     |
| <b>Total property, plant and equipment</b> | <u><u>51,549</u></u> | <u><u>60,772</u></u> |



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **9 Property, plant and equipment**

(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:

|                                       | <b>Furniture,<br/>Fixtures and<br/>Fittings</b> | <b>Leasehold<br/>Improvements</b> | <b>Total</b>  |
|---------------------------------------|---|-----------------------------------|---------------|
|                                       | <b>\$</b>                                       | <b>\$</b>                         | <b>\$</b>     |
| <b>Year ended 30 June 2019</b>        |   |                                   |               |
| Balance at the beginning of year      | 15,216  | 45,556                            | 60,772        |
| Depreciation expense                  | (2,555)   | (6,668)                           | (9,223)       |
| <b>Balance at the end of the year</b> | <b>12,661</b>                                   | <b>38,888</b>                     | <b>51,549</b> |
|                                       |   |                                   |               |
|                                       | <b>Furniture,<br/>Fixtures and<br/>Fittings</b> | <b>Leasehold<br/>Improvements</b> | <b>Total</b>  |
|                                       | <b>\$</b>                                       | <b>\$</b>                         | <b>\$</b>     |
| <b>Year ended 30 June 2018</b>        |   |                                   |               |
| Balance at the beginning of year      | 18,319  | 52,224                            | 70,543        |
| Depreciation expense                  | (3,103)   | (6,668)                           | (9,771)       |
| <b>Balance at the end of the year</b> | <b>15,216</b>                                   | <b>45,556</b>                     | <b>60,772</b> |

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 10 Intangible Assets

|                           | 2019<br>\$    | 2018<br>\$    |
|---------------------------|---------------|---------------|
| Licenses and franchises   |               |               |
| Cost                      | 100,000       | 100,000       |
| Accumulated amortisation  | (100,000)     | (100,000)     |
| <b>Net carrying value</b> | <b>-</b>      | <b>-</b>      |
| Computer software         |               |               |
| Cost                      | 10,409        | 10,409        |
| Accumulated amortisation  | (10,409)      | (10,409)      |
| <b>Net carrying value</b> | <b>-</b>      | <b>-</b>      |
| Renewal processing fee    |               |               |
| Cost                      | 56,713        | 56,713        |
| Accumulated amortisation  | (47,261)      | (35,918)      |
| <b>Net carrying value</b> | <b>9,452</b>  | <b>20,795</b> |
| Franchise Fee             |               |               |
| Cost                      | 21,343        | 21,343        |
| Accumulated amortisation  | (19,453)      | (17,184)      |
| <b>Net carrying value</b> | <b>1,890</b>  | <b>4,159</b>  |
| Redomicile fee            |               |               |
| Cost                      | 24,000        | 24,000        |
| Accumulated amortisation  | -             | -             |
| <b>Net carrying value</b> | <b>24,000</b> | <b>24,000</b> |
| <b>Total Intangibles</b>  | <b>35,342</b> | <b>48,954</b> |

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **11 Trade and Other Payables**

|                  | <b>Note</b> | <b>2019</b><br><b>\$</b> | <b>2018</b><br><b>\$</b> |
|------------------|-------------|--------------------------|--------------------------|
| CURRENT          |             |                          |                          |
| Trade payables   |             | 31,082                   | 5,655                    |
| Accrued expense  |             | 6,116                    | 4,259                    |
| Other payables   |             | 27,529                   | 41,866                   |
| Dividend payable |             | -                        | 4,231                    |
|                  |             | <u>64,727</u>            | <u>56,011</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.

|               | <b>2019</b><br><b>\$</b> | <b>2018</b><br><b>\$</b> |
|---------------|--------------------------|--------------------------|
| NON-CURRENT   |                          |                          |
| Other payable | -                        | 15,073                   |
|               | <u>-</u>                 | <u>15,073</u>            |

#### **12 Borrowings**

|                                 | <b>2019</b><br><b>\$</b> | <b>2018</b><br><b>\$</b> |
|---------------------------------|--------------------------|--------------------------|
| CURRENT                         |                          |                          |
| Secured liabilities:            |                          |                          |
| Bank overdraft                  | -                        | 31,031                   |
| <b>Total current borrowings</b> | <u>-</u>                 | <u>31,031</u>            |

The financial assets pledged as collateral represent a floating charge and cannot be disposed of without consent of the financier.

##### **(a) Bank overdrafts**

The bank overdraft has an approved limit of \$ 100,000 and currently attracts an interest rate of 3.77% per agreement with Bendigo and Adelaide Bank Limited. The bank overdraft is secured by a fixed and floating charge over the Company's assets.

##### **(b) Defaults and breaches**

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

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 13 Employee Benefits

|                                  | 2019<br>\$    | 2018<br>\$    |
|----------------------------------|---------------|---------------|
| CURRENT LIABILITIES              |               |               |
| Provision for long service leave | 4,301         | 9,182         |
| Provision for annual leave       | 5,606         | 7,736         |
|                                  | <u>9,907</u>  | <u>16,918</u> |
| NON-CURRENT LIABILITIES          |               |               |
| Provision for long service leave | 10,305        | 1,410         |
|                                  | <u>10,305</u> | <u>1,410</u>  |

#### 14 Tax assets and liabilities

|  | Opening<br>Balance<br>\$ | Charged to<br>Income<br>\$ | Closing<br>Balance<br>\$ |
|--|--------------------------|----------------------------|--------------------------|
| <b>Deferred tax assets</b>                     |                          |                            |                          |
| Property, plant and equipment                  |                          |                            |                          |
| Property, plant and equipment                  | 1,541                    | 882                        | 2,423                    |
| Provisions - employee benefits                 | 4,106                    | 933                        | 5,039                    |
| Accruals                                       | 1,010                    | 161                        | 1,171                    |
| Deferred tax assets attributable to tax losses | 191,406                  | (47,270)                   | 144,136                  |
| <b>Balance at 30 June 2018</b>                 | <u>198,063</u>           | <u>(45,294)</u>            | <u>152,769</u>           |
| Property, plant and equipment                  | 2,423                    | 1,066                      | 3,489                    |
| Provisions - employee benefits                 | 5,039                    | 518                        | 5,557                    |
| Accruals                                       | 1,171                    | 511                        | 1,682                    |
| Deferred tax assets attributable to tax losses | 144,136                  | (41,742)                   | 102,394                  |
| <b>Balance at 30 June 2019</b>                 | <u>152,769</u>           | <u>(39,647)</u>            | <u>113,122</u>           |

#### 15 Issued Capital

|  | 2019<br>\$     | 2018<br>\$     |
|--|----------------|----------------|
| 741,909 (2018: 741,909) ordinary shares fully paid | 741,909        | 741,909        |
| Less: equity raising expenses                      | (29,202)       | (29,202)       |
| <b>Total</b>                                       | <u>712,707</u> | <u>712,707</u> |

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **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 to reflect the nature of the Company as a community based Company by providing that all members of the community who have contributed to the establishment and ongoing operation of the **Community Bank®** branch have the same ability to influence the operation of the Company.

##### **(b) *Dividends***

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

##### **(c) *Transfer***

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

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

Prohibited shareholding interest

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

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

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

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **15 Issued Capital**

##### **Rights attached to shares**

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**

|   | <b>2019</b>    | <b>2018</b>    |
|---|----------------|----------------|
|   | <b>\$</b>      | <b>\$</b>      |
| Profit from continuing operations                               | 103,751        | 119,410        |
| Earnings used to calculate basic EPS from continuing operations | <u>103,751</u> | <u>119,410</u> |

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

|  | <b>2019</b>    | <b>2018</b>    |
|--|----------------|----------------|
|  | <b>No.</b>     | <b>No.</b>     |
| 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) Operating Leases**

|   | <b>2019</b>   | <b>2018</b>   |
|---|---------------|---------------|
|   | <b>\$</b>     | <b>\$</b>     |
| Minimum lease payments under non-cancelable operating leases: |               |               |
| - not later than one year                                     | 31,845        | 43,055        |
| - between one year and five years                             | -             | 43,055        |
|   | <u>31,845</u> | <u>86,110</u> |

The branch lease is a non-cancelable lease with a ten-year term, with rent payable monthly in advance. An option to renew the lease for a further five years is available. The current lease expires in 2020.

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

#### 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
- Bank overdraft
- Investments in listed shares
- Trade and other payables
- Floating rate bank loans
- Bills of exchange
- Forward currency contracts

|                                    | Weighted<br>Average<br>Effective Interest<br>Rate |      | Floating Interest<br>Rate |        | Fixed interest<br>rate |        | Non-interest<br>Bearing |        | Total   |        |
|------------------------------------|---|------|---------------------------|--------|------------------------|--------|-------------------------|--------|---------|--------|
|                                    | 2019  | 2018 | 2019                      | 2018   | 2019                   | 2018   | 2019                    | 2018   | 2019    | 2018   |
|                                    | %   | %    | \$                        | \$     | \$                     | \$     | \$                      | \$     | \$      | \$     |
| <b>Financial Assets:</b>           |   |      |                           |        |                        |        |                         |        |         |        |
| Cash and cash equivalents          | -   | -    | -                         | -      | -                      | -      | 125,716                 | 4,741  | 125,716 | 4,741  |
| Short term deposits                | 3.00  | 3.00 | -                         | -      | 19,300                 | 19,300 | -                       | -      | 19,300  | 19,300 |
| Receivables                        | -   | -    | -                         | -      | -                      | -      | 36,514                  | 49,163 | 36,514  | 49,163 |
| <b>Total Financial Assets</b>      |   |      | -                         | -      | 19,300                 | 19,300 | 162,230                 | 53,904 | 181,530 | 73,204 |
| <b>Financial Liabilities:</b>      |   |      |                           |        |                        |        |                         |        |         |        |
| Bank loans and overdrafts          | 3.77  | 4.11 | -                         | 31,031 | -                      | -      | -                       | -      | -       | 31,031 |
| Trade and sundry payables          | -   | -    | -                         | -      | -                      | -      | 31,082                  | 9,886  | 31,082  | 9,886  |
| <b>Total Financial Liabilities</b> |   |      | -                         | 31,031 | -                      | -      | 31,082                  | 9,886  | 31,082  | 40,917 |

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **18 Financial Risk Management**

##### Net Fair Values

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

##### Credit risk

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 8. The main source of credit risk to the Company is considered to relate to the class of assets described as 'trade and other receivables'.

##### Interest rate risk

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

##### Sensitivity analysis

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

As at 30 June 2019, the effect on profit and equity as a result of change in interest rate, with all other variable remaining constant would be as follows.

|                                 | <b>2019</b> | <b>2018</b> |
|---------------------------------|-------------|-------------|
|                                 | <b>\$</b>   | <b>\$</b>   |
| <b>Change in profit/(loss)</b>  |             |             |
| Increase in interest rate by 1% | 140         | (117)       |
| Decrease in interest rate by 1% | (140)       | 117         |
| <b>Change in Equity</b>         |             |             |
| Increase in interest rate by 1% | 140         | (117)       |
| Decrease in interest rate by 1% | (140)       | 117         |



## Agecom Enterprises Limited

ABN: 68 138 046 303

### Notes to the Financial Statements For the Year Ended 30 June 2019

#### 19 Related Parties

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

Anna McDonald  
John Gerhard Bainbridge  
Kevin John O'Donnell  
Raymond John Smith  
Gary Racine  
Nicole Pegrum  
Julie Opperman  
Mark Nolan  
Kim Flanagan  
Meghraj Thakkar  
Derek Dunne  
Serge Yan  
Anton Ady  
Terri Bateman  
Nesan Naidoo  
Winta Zhao

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

|                         | 2019  | 2018   |
|-------------------------|-------|--------|
|                         | \$    | \$     |
| John Gerhard Bainbridge | 2,001 | 2,001  |
| Malcom Andrew Cemeran   | -     | 45,001 |
| Raymond John Smith      | 5,001 | 5,001  |
| Serge Yan               | 2,000 | -      |

## Notes to the Financial Statements

### For the Year Ended 30 June 2019

There was no movement in directors shareholdings during the year.

#### 20 Key Management Personnel Remuneration

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

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

##### Community Bank® Directors' Privileges Package

Agecom Enterprises Limited has accepted the **Community Bank®** Directors' Privileges Package. The package is available to all directors who can elect to avail themselves of the benefits based on their personal banking with the Agecom **Community Bank®** branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Shareholders.

The Directors have estimated the total benefits received from Director's Privilege Package to be \$1,654 for the year ended 2019 (2018: \$ 6,890) and the details are given below:

|                         | Privileges Discount<br>2019<br>\$ | Privileges Discount<br>2018<br>\$ |
|-------------------------|-----------------------------------|-----------------------------------|
| <b>Director</b>         |                                   |                                   |
| Anna McDonald           | 1,190                             | 5,509                             |
| John Gerhard Bainbridge | -                                 | 204                               |
| Kevin John O'Donnell    | 206                               | 625                               |
| Nicole Pegrum           | -                                 | 552                               |
| Derek Dunne             | 258                               | -                                 |
| <b>Total</b>            | <u>1,654</u>                      | <u>6,890</u>                      |

#### 21 Auditors' Remuneration

|   | 2019<br>\$   | 2018<br>\$   |
|---|--------------|--------------|
| Remuneration of the auditor of the entity for:      |              |              |
| - auditing or reviewing the financial statements    | 4,650        | 4,450        |
| - other services                                    | 1,800        | 1,800        |
| Remuneration of other auditors of subsidiaries for: |              |              |
| - share registry services                           | 1,900        | -            |
| <b>Total</b>  | <u>8,350</u> | <u>6,250</u> |

#### 22 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018:None).

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2019**

#### **23 Cash Flow Information**

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

|  | <b>2019</b>    | <b>2018</b>    |
|--|----------------|----------------|
|  | <b>\$</b>      | <b>\$</b>      |
| Profit for the year                                  | 103,751        | 119,410        |
| Non-cash flows in profit:                            |                |                |
| - amortisation                                       | 13,611         | 13,611         |
| - depreciation                                       | 9,223          | 9,771          |
| Changes in assets and liabilities:                   |                |                |
| - (increase)/decrease in trade and other receivables | 12,649         | 1,688          |
| - (increase)/decrease in prepayments                 | (145)          | 236            |
| - (increase)/decrease in deferred tax asset          | 39,648         | 45,294         |
| - increase/(decrease) in trade and other payables    | (2,126)        | (15,462)       |
| - increase/(decrease) in provisions                  | 1,883          | 3,395          |
| Cashflows from operations                            | <u>178,494</u> | <u>177,943</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 27 September 2019 by the board of directors.

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

#### **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: 68 138 046 303

### Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2019 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 .....

  
Kevin John O'Donnell

Director .....

  
Gary Racine

Dated 27 September 2019

## 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 2019, 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 2019 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**

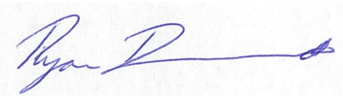
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

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

Ashfords Audit and Assurance Pty Ltd

Chartered Accountants

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

Ryan Dummett  
Director

Suite 5, 14 Garden Boulevard, Dingley VIC 3172  
30 September 2019