

Annual Report 2024

AGECOM Enterprises Limited

Community Bank
Aspendale Gardens-Edithvale
ABN 68 138 046 303

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Message from Bendigo & Adelaide Bank



This past year has been particularly significant for Bendigo Bank and the Community Bank network. After five years apart, we had the opportunity to come together in person and connect in Bendigo at our National Conference in September.

It was lovely to see so many familiar faces and to meet many directors who haven't attended previously. We feel proud to support such an amazing network.

We are committed to our strategy and the qualities that make Bendigo Bank unique, by staying true to our connection with communities, our regional roots, and our position as Australia's most trusted bank.

As Bendigo Bank adapts to the evolving digital landscape and changing customer expectations, the Community Bank Network is organically evolving in response.

Over the past 12 months, we have seen Community Bank companies seek to enhance their presence within their communities more than ever.

This has been through expanding or consolidating branch sites, collaborating with local, state, and national governments to support community initiatives, or by prioritising social value alongside financial performance through Social Trader accreditation.

The anniversary of the Community Bank model, along with changing environmental factors, provides an opportunity to reset and establish a clear pathway towards the next 25 years.

Bendigo Bank's purpose, to feed into the prosperity of communities, and our willingness to ensure our purpose is relevant to the needs of communities in which we are present, is a key contributor to our commercial success.

When we utilise our combined strengths, exercise our imaginations and have the courage to commit to creating our own opportunities, we will be the partner of choice for customers and communities regardless of location or cause.

Community, regional presence, and trust are the distinctive attributes of Bendigo Bank that we have maintained and plan to uphold in the future.

While Bendigo Bank emphasises commercial success, our foundation remains in community values. Our aim is to generate mutual value by providing solutions to local challenges.

On behalf of Bendigo Bank, thank you for being a shareholder in your local Community Bank. Your contribution helps foster economic growth, creates employment opportunities, and provides essential financial services to the members of your community.

Your dedication and support is making a positive impact on your community.

Justine Minne

Bendigo and Adelaide Bank

Chairman's Report

For year ended 30 June 2024



Dear Fellow AGEKOM Shareholders,

As Chair of AGEKOM Enterprises Limited (AGEKOM), it is my privilege to present the 2023-2024 Annual Report.

The 2024 financial year has been one of steady performance for Community Bank Aspendale Gardens-Edithvale, despite facing challenges in an increasingly competitive market. Our after-tax profit for the year was \$208,925, compared to \$444,625 last year. This decrease reflects a more competitive business environment and some temporary pressures on revenue, but our commitment to long-term growth and sustainability remains strong. Importantly, we made strategic decisions to maintain service excellence while continuing to invest in areas that support our future growth.

Despite these challenges, we significantly increased our contribution to the community. I am proud to report that this year, we returned \$101,771 in sponsorships, grants, and donations—more than double last year's \$40,400. This highlights our unwavering dedication to making a positive impact in the communities we serve, even as we navigate a dynamic economic landscape.

Looking forward, we remain focused on balancing profitability with community support. Our growth strategy includes deepening relationships within the community and expanding initiatives, such as new scholarship programs and a more streamlined sponsorship approval process.

While the competitive landscape has impacted short-term revenue, we are confident in the steps we've taken to strengthen our market position. In line with this, the Board has declared a fully franked dividend of 10.95 cents per share, a strong increase from last year's unfranked dividend of 7.45 cents per share. This demonstrates our continued focus on delivering value to shareholders.

On behalf of the Board, I extend my heartfelt thanks to our dedicated and hardworking staff at the Community Bank Aspendale Gardens-Edithvale branch. Your unwavering commitment to excellent customer service and operational excellence has been the cornerstone of our success. The recognition you continue to receive is well-deserved, and we are deeply grateful for your contributions.

I would also like to acknowledge the contributions of my fellow directors. Your leadership and commitment have been instrumental in guiding AGEKOM through a challenging environment while positioning us for sustained future success.

As we look ahead to the 2024-25 financial year, we are confident in our strategic direction and remain well-positioned for future growth, with a strong revenue pipeline and a clear focus on community engagement.

Thank you for your continued support.

Meghraj Thakkar

Chairman, AGEKOM Enterprises Limited

Aspendale Gardens-Edithvale Manager's Report

For year ended 30 June 2024



First, a huge thank you to our Board of Directors, branch staff, shareholders and our clients. May 2024 marks 14 years of existence for Community Bank Aspendale Gardens-Edithvale.

The second half of 2023 brought some internal staffing changes, including:

- Julian Rodriguez (Branch Manager)
- Cassandra Monteiro (Customer Relationship Officer)
- Shaneeza Chand (Customer Service Officer)

As a team, we leveraged on Sonia Peiris's 14 years of experience at the branch. Her passion to provide excellent customer service to our clients has been instrumental in the coaching and development of the new team. I am proud of the new team at our branch. Everyone has demonstrated resilience and an immense sense of belonging. We are looking forward to a new year where we can implement all the learnings and continue to grow as a team.

Our clients have always been and will continue to be at the centre of every decision we make.

Key highlights for the year include:

- Net customer growth of 2.33%
- Wealth needs exceeded budget across our Managed Funds and Wealth Concierge products
- 27 customers protected through our suit of general insurance products
- Home loan book retracted by \$1.13M
- Deposit book retracted by \$12.8M
- Over \$100k invested back to our community
- CCTV security system and corporate Wi-Fi upgrade

With staff movement and recruitment, we anticipated some of the impacts highlighted above. Our YTD data for the new financial year is drawing a story of success, and we will continue to be disciplined with our "Customer Centric" approach as we move forward through 2024 and 2025.

We continue to support our local community by providing sponsorships and grants. Community Bank Aspendale Gardens-Edithvale is proud of the level of engagement shown within the community, and we are committed to the delivery of future investment opportunities.

I will complete 12 months of service in October 2024 as your local Branch Manager. I am proud of the changes made so far, and we are 100% committed to the ongoing success of our branch and to many more years of dedicated service to all our clients.

I would like to take this opportunity to once again thank our shareholders, clients and the entire community who have chosen to bank with us. I encourage everyone to continue to support Community Bank Aspendale Gardens-Edithvale with all your banking needs.

I look forward to seeing you at our branch.

Julian Rodriguez
Branch Manager

Community Company Highlights 2024

“I am proud to report that this year, we returned \$101,771 in sponsorships, grants, and donations—more than double last year’s \$40,400.”

Meghraj Thakkar, Chairman of AGECOM Enterprises Limited

Community Investment

- Aiolos
- Aspendale Cricket Club
- Aspendale Gardens Community Service
- Australia-Ceylon Fellowship Inc
- Bonbeach Cricket Club
- Chelsea FC
- Chelsea Heights Aspendale Gardens CC
- Chelsea Heights Community Centre
- Chelsea Heights Football Netball Club
- Chelsea Little Athletics Club
- Edithvale Bowling Club
- Edithvale Fire Brigade
- Patterson Lakes Combined Probus Club
- Rotary Club of Chelsea
- St Bede’s Hockey Club
- Story Dogs
- Waterways Residents Association Incorporated



For the year ended 30 June 2024

The directors present their report on Agecom Enterprises Limited for the financial year ended 30 June 2024.

Directors

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

Meghraj Thakkar

Kate Rode

Serge Yan

Helen Lockman

Supriya Arora

Appointed 1 July 2024

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

Information on directors

Meghraj Thakkar

Current Roles:

Chairman of the Board, Treasurer, Ex-Officio member (Finance & Audit Committee, Community Engagement Committee)

Qualifications, experience and expertise:

Megh is a GAICD with over 30 years of experience working globally for clients in numerous sectors including private and government, consulting on digital transformation, cybersecurity, emerging technologies and strategy. He has a portfolio career consisting of Board Director, Executive Technical Adviser, Gateway Reviewer and Author. He has an International Certificate in Corporate Finance (ICCF) from Columbia Business School, a Certificate of Specialisation (Strategy) from Harvard Business School and he is a Certified Information Systems Auditor (CISA). 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 execution of that strategy. Megh additionally is also a Certified Information Systems Security Professional (CISSP).

Kate Rode

Roles:

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

Occupation:

Executive Director

Qualifications, experience and expertise:

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

For the year ended 30 June 2024

Information on directors

Serge Yan

Roles: Deputy Board Chair, Member - Community Engagement Committee, Member – Finance & Audit 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.

Helen Lockman

Roles: Non-Executive Director, Chair Community Engagement Committee

Occupation: Principal Consultant

Qualifications, experience and expertise: Master of Business, 2021, Australian Institute of Management, where there was a strong focus on strategy and organisational change. Member of Australian Institute of Project Managers. Graduate Member of Information Systems Audit and Control Association, Member Institute of Managers & Leaders Australia. Helen has spent over 20 years in senior IT leadership positions, in which 15 years was within the Victorian Public Sector. She has also worked in transportation, energy, risk & insurance and is currently in the Health Sector. She has held a number of positions including CIO, IT Management and Operations, IT Program & Project Management, and Information Management. Helen is an IT Generalist who specialises in IT Risk & Governance, IT Security, Information Management and Data and Analytics. Graduate Certificate in Digital Transformation at RMIT.

Supriya Arora

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

Occupation: Head of Enterprise Portfolio Management Office

Qualifications, experience and expertise: Supriya is a seasoned enterprise leader with over 25 years of experience in Technology, Transformation, and Business Portfolio Management, including 25+ years in Strategic, Portfolio, and Delivery (E)PMO Management. Supriya has a strong track record in establishing and recovering (E)PMOs, managing portfolios with budgets up to \$260 million, and leading teams of up to 65 members. Supriya has completed Master of Information Technology and excels in aligning Portfolio and Programs with corporate strategy, engaging with Executives and Senior Stakeholders, and ensuring successful delivery of complex projects. She has a deep expertise in driving process improvements and delivering outcomes in commercially sensitive environments across various industries, including Utilities, Telecommunications, Consulting, Natural Resources, Government, and Education.

Company secretary

The company secretary is Kate Rode. Qualifications and experiences of the secretary can be found above.

For the year ended 30 June 2024

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 \$ 208,925 (2023: \$ 444,625).

Dividends paid or recommended

Dividends of \$55,272 were paid or payable since the start of the financial year.

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 \$383,009 (2023: \$641,434). The change was predominantly due to a decrease in revenues by 17% or \$ 204,615 from prior year.

Significant changes in state of affairs

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

Events after the reporting date

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

Future developments and results

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

Benefits received directly or indirectly by officers

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

Environmental matters

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

Meetings of directors

During the financial year, 6 meetings of directors (excluding committees of Directors) were held. Attendances by each directors during the year were as follows:

AGECOM Enterprises Limited

Director's Report

For the year ended 30 June 2024

Meetings of directors

	Board		Board Subcommittees			
	Directors' Meetings		Audit and Finance Committee		Community Engagement	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Meghraj Thakkar	4	4	4	4	6	6
Kate Rode	4	4	4	4	6	5
Serge Yan	4	4	4	4	6	6
Helen Lockman	4	4	-	-	6	6
Supriya Arora	-	-	-	-	-	-

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.

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.

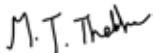
Auditor's independence declaration


The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2024 has been received and can be found on page 6 of the financial report.

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

AGECOM Enterprises Limited Director's Report

For the year ended 30 June 2024

Director: 
Meghraj Thakkar

Director: 
Serge Yan

Dated 17 September 2024

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 2024, there have been:

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

Ashfords Audit and Assurance

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants



Ryan H. Dummett
Director

19 September 2024

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

AGECOM Enterprises Limited

Statement of Profit or Loss and Others Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue and other income	4	997,358	1,201,973
Employee benefits expense		(440,981)	(373,197)
Depreciation and amortisation expense	5	(60,886)	(58,689)
Operating expenses		(24,285)	(23,771)
Accounting fees		(18,600)	(16,150)
IT expenses		(11,198)	(11,471)
Insurance expenses		(11,279)	(12,036)
Finance expenses		(3,426)	(5,841)
Other operating expenses		(43,694)	(59,384)
Profit before community contributions and income tax expense		383,009	641,434
Charitable donations, sponsorships and grants expense		(101,771)	(40,400)
Profit before income tax expense		281,238	601,034
Income tax expense	6	(72,313)	(156,409)
Profit after income tax expense for the year		208,925	444,625
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Nil		-	-
Items that will be reclassified to profit or loss when specific conditions are met			
Nil		-	-
Total comprehensive income for the year		208,925	444,625
Earnings per share for profit attributable to the ordinary shareholders of the Company:		¢	¢
Basic earnings per share	16	28.2	59.8

The accompanying notes form part of these financial statements.

AGECOM Enterprises Limited

Statement of Financial Position

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	916,570	781,418
Trade and other receivables	8	95,316	128,829
TOTAL CURRENT ASSETS		1,011,886	910,247
NON-CURRENT ASSETS			
Property, plant and equipment	9	58,498	93,202
Deferred tax assets	14	13,756	13,183
Intangible assets	10	34,804	47,771
TOTAL NON-CURRENT ASSETS		107,058	154,156
TOTAL ASSETS		1,118,944	1,064,403
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	57,863	58,611
Lease liabilities	12	45,257	48,546
Employee benefits	13	36,780	29,425
Current tax liabilities	14	32,824	86,489
TOTAL CURRENT LIABILITIES		172,724	223,071
NON-CURRENT LIABILITIES			
Lease liabilities	12	-	46,917
Employee benefits	13	204	2,052
TOTAL NON-CURRENT LIABILITIES		204	48,969
TOTAL LIABILITIES		172,928	272,040
NET ASSETS		946,016	792,363
EQUITY			
Issued capital	15	712,707	712,707
Retained Earnings		233,309	79,656
TOTAL EQUITY		946,016	792,363

The accompanying notes form part of these financial statements.

AGECOM Enterprises Limited

Statement of Changes in Equity

For the year ended 30 June 2024

2024

	Issued capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2023	712,707	79,656	792,363
Profit attributable to members	-	208,925	208,925
Dividends provided for or paid	-	(55,272)	(55,272)
Balance at 30 June 2024	<u>712,707</u>	<u>233,309</u>	<u>946,016</u>

2023

	Issued capital	Retained Earnings	Total
	\$	\$	\$
Balance at 1 July 2022	712,707	(335,293)	377,414
Profit attributable to members	-	444,625	444,625
Dividends provided for or paid	-	(29,676)	(29,676)
Balance at 30 June 2023	<u>712,707</u>	<u>79,656</u>	<u>792,363</u>

The accompanying notes form part of these financial statements.

AGECOM Enterprises Limited

Statement of Cash Flow

For the year ended 30 June 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from customers	1,265,916	1,542,014
Payments to suppliers and employees	(885,846)	(909,523)
	(126,551)	-
Interest received	58	58
Net cash provided by/(used in) operating activities	253,577	632,549
	23	
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of plant and equipment	(13,215)	(7,925)
Net cash used by investing activities	(13,215)	(7,925)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds/(repayments) of leases	(53,632)	(54,523)
Dividends paid	(51,578)	(26,786)
Net cash used by financing activities	(105,210)	(81,309)
Net increase/(decrease) in cash and cash equivalents held	135,152	543,315
Cash and cash equivalents at beginning of year	781,418	238,103
Cash and cash equivalents at end of financial year	916,570	781,418
	7	

The accompanying notes form part of these financial statements.

For the year ended 30 June 2024

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 17 September 2024.

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.

2 Material Accounting Policy Information

Material accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(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.

For the year ended 30 June 2024

2 Material Accounting Policy Information

(b) Income Tax

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

(c) Revenue and other income

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

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

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

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

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

Revenue calculation

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

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

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

Core banking products

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

For the year ended 30 June 2024

2 Material Accounting Policy Information

(c) Revenue and other income

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.

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.

For the year ended 30 June 2024

2 Material Accounting Policy Information

(c) Revenue and other income

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.

Grant revenue

Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Other income

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

(d) 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.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

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

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

For the year ended 30 June 2024

2 Material Accounting Policy Information

(d) Property, plant and equipment

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

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

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

(e) Financial instruments

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

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

For the year ended 30 June 2024

2 Material Accounting Policy Information

(e) Financial instruments

Financial assets

Impairment of financial assets

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

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

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

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 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.

Financial liabilities

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

(f) 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.

(g) 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.

For the year ended 30 June 2024

2 Material Accounting Policy Information

(g) Intangibles

Franchise Fees

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.

(h) Leases

Lessee accounting

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

(i) Adoption of new and revised accounting standards

The Company has adopted all standards which became effective for the first time at 30 June 2024, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

3 Critical Accounting Estimates and Judgments

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

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

The significant estimates and judgements made have been described below.

Key estimates - Estimation of useful lives of assets

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

Key estimates - employee entitlements

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

For the year ended 30 June 2024

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 - income tax

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

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

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.

For the year ended 30 June 2024

4 Revenue and Other Income

	2024	2023
	\$	\$
Trading revenue		
- provision of services	997,300	1,201,915
Finance income		
- Interest income	58	58
Total Revenue and other income	997,358	1,201,973

Disaggregation of revenue from contracts with customers:

Time of revenue recognition

- At a point in time	997,300	1,201,915
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Revenue from contracts with customers

997,300	1,201,915
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Type of contract

- provision of services	997,300	1,201,915
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Revenue from contracts with customers

997,300	1,201,915
---------	-----------

5 Result for the Year

The result for the year includes the following specific expenses:

	2024	2023
	\$	\$
Depreciation and amortisation expense		
- Right-of-Use assets	36,584	37,440
- Franchise fee	10,805	10,805
- Leasehold improvements	6,668	6,668
- Furniture and fittings	4,000	1,215
- Franchise renewal fee	2,161	2,161
- Computer equipment	668	400
	60,886	58,689
Impairment of receivables:		
- Bad debts	78	39
Total impairment of receivables	78	39

AGECOM Enterprises Limited

Notes to the Financial Statements

For the year ended 30 June 2024

Income Tax Expense

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

	2024	2023
	\$	\$
Current tax expense		
Local income tax expense	(72,888)	(86,488)
Underprovision for tax	272	(6,476)
Deferred tax expense		
Movement in deferred tax accounts	303	(63,445)
Total income tax expense	<u>(72,313)</u>	<u>(156,409)</u>

(b) Reconciliation of income tax to accounting profit:

	2024	2023
	\$	\$
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2023: 25%)	(70,310)	(150,259)
Add:		
Tax effect of:		
- under provision for tax	-	6,476
- permanent difference expenses	2,275	826
	<u>(72,585)</u>	<u>(157,561)</u>
Less:		
Tax effect of:		
- over provision for tax	272	-
- permanent difference income	-	1,152
	<u>(72,313)</u>	<u>(156,409)</u>
Income tax expense	<u>(72,313)</u>	<u>(156,409)</u>
Weighted average effective tax rate	26 %	26 %

Cash and Cash Equivalents

	2024	2023
	\$	\$
Bank balances	897,270	762,118
Short-term deposits	19,300	19,300
	<u>916,570</u>	<u>781,418</u>

For the year ended 30 June 2024

7 Cash and Cash Equivalents

Reconciliation of cash

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

	2024	2023
	\$	\$
Cash and cash equivalents	916,570	781,418
Balance as per statement of cash flows	<u>916,570</u>	<u>781,418</u>

8 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Trade receivables	85,613	119,195
Prepayments	9,703	9,634
Total current trade and other receivables	<u>95,316</u>	<u>128,829</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.

AGECOM Enterprises Limited

Notes to the Financial Statements

For the year ended 30 June 2024

9 Property, plant and equipment

	2024	2023
	\$	\$
PLANT AND EQUIPMENT		
Furniture, fixtures and fittings		
At cost	86,369	73,152
Accumulated depreciation	(64,771)	(60,771)
Total furniture, fixtures and fittings	<u>21,598</u>	<u>12,381</u>
Computer equipment		
At cost	2,836	2,836
Accumulated depreciation	(1,618)	(950)
Total computer equipment	<u>1,218</u>	<u>1,886</u>
Leasehold Improvements		
At cost	115,853	115,853
Accumulated depreciation	(110,307)	(103,639)
Total leasehold improvements	<u>5,546</u>	<u>12,214</u>
Total plant and equipment	<u>28,362</u>	<u>26,481</u>
RIGHT-OF-USE		
Right-of-Use - Buildings		
At cost	344,354	344,354
Accumulated depreciation	(327,137)	(304,180)
Total Right-of-Use - Buildings	<u>17,217</u>	<u>40,174</u>
Right-of-Use - Plant and Equipment		
At cost	28,072	28,072
Accumulated depreciation	(25,228)	(22,592)
Total Right-of-Use - Plant and Equipment	<u>2,844</u>	<u>5,480</u>
Right-of-Use - Computer Equipment		
At cost	109,913	109,913
Accumulated depreciation	(99,838)	(88,846)
Total Right-of-Use - Computer Equipment	<u>10,075</u>	<u>21,067</u>
Total right-of-use	<u>30,136</u>	<u>66,721</u>
Total property, plant and equipment	<u><u>58,498</u></u>	<u><u>93,202</u></u>

For the year ended 30 June 2024

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:

	Furniture, Fixtures and Fittings	Computer Equipment	Leasehold Improvements	Right-of- Use - Buildings	Right-of- Use - Plant and Equipment	Right-of- Use - Computer Equipment	Total
	\$	\$	\$	\$	\$	\$	\$
Year ended 30 June 2024							
Balance at the beginning of year	12,381	1,886	12,214	40,174	5,480	21,067	93,202
Additions	13,217	-	-	-	-	-	13,217
Depreciation expense	(4,000)	(668)	(6,668)	(22,957)	(2,636)	(10,992)	(47,921)
Balance at the end of the year	21,598	1,218	5,546	17,217	2,844	10,075	58,498
Year ended 30 June 2023							
Balance at the beginning of year	7,375	580	18,883	63,131	8,972	32,058	130,999
Additions	6,220	1,706	-	-	-	-	7,926
Depreciation expense	(1,214)	(400)	(6,669)	(22,957)	(3,492)	(10,991)	(45,723)
Balance at the end of the year	12,381	1,886	12,214	40,174	5,480	21,067	93,202

AGECOM Enterprises Limited

Notes to the Financial Statements

For the year ended 30 June 2024

10 Intangible Assets

	2024	2023
	\$	\$
Licenses and franchises		
Cost	100,000	100,000
Accumulated amortisation	(100,000)	(100,000)
Net carrying value	-	-
Computer software		
Cost	10,409	10,409
Accumulated amortisation	(10,409)	(10,409)
Net carrying value	-	-
Renewal processing fee		
Cost	54,026	54,026
Accumulated amortisation	(45,022)	(34,217)
Net carrying value	9,004	19,809
Franchise Fee		
Cost	10,805	10,805
Accumulated amortisation	(9,005)	(6,843)
Net carrying value	1,800	3,962
Redomicile fee		
Cost	24,000	24,000
Accumulated amortisation	-	-
Net carrying value	24,000	24,000
Total Intangibles	34,804	47,771

11 Trade and Other Payables

	2024	2023
	\$	\$
CURRENT		
Trade payables	12,411	2,802
GST payable	19,648	31,805
Accrued expense	18,190	5,078
Other payables	175	15,181
Dividend payable	7,439	3,745
	57,863	58,611

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.

AGECOM Enterprises Limited

Notes to the Financial Statements

For the year ended 30 June 2024

12 Lease Liabilities

	2024	2023
	\$	\$
CURRENT		
Leases	45,257	48,546
Total	45,257	48,546
	2024	2023
	\$	\$
NON-CURRENT		
Leases	-	46,917
Total	-	46,917

13 Employee Benefits

	2024	2023
	\$	\$
CURRENT LIABILITIES		
Provision for long service leave	20,890	17,276
Provision for annual leave	15,890	12,149
	36,780	29,425
NON-CURRENT LIABILITIES		
Provision for long service leave	204	2,052
	204	2,052

14 Tax assets and liabilities

	2024	2023
	\$	\$
Income tax payable	32,824	86,489
Current tax liabilities	32,824	86,489

AGECOM Enterprises Limited

Notes to the Financial Statements

For the year ended 30 June 2024

14 Tax assets and liabilities

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
Deferred tax assets			
Property, plant and equipment	5,816	(536)	5,280
Intangibles	(9,184)	3,242	(5,942)
Right- of-use assets	(26,040)	9,360	(16,680)
Provisions - employee benefits	6,578	1,291	7,869
Lease liabilities	36,036	(12,170)	23,866
Accruals	1,087	38	1,125
Prepayments	(2,535)	126	(2,409)
Deferred tax assets attributable to tax losses	71,244	(71,244)	-
Borrowing costs	101	(27)	74
Balance at 30 June 2023	83,103	(69,920)	13,183
Property, plant and equipment	5,280	(1,095)	4,185
Intangible assets	(5,942)	3,242	(2,700)
Right- of-use assets	(16,680)	(3,407)	(20,087)
Provisions - employee benefits	7,869	1,377	9,246
Lease liabilities	23,866	-	23,866
Accruals	1,125	500	1,625
Prepayments	(2,409)	(17)	(2,426)
Borrowing costs	74	(27)	47
Balance at 30 June 2024	13,183	573	13,756

	2024	2023
	\$	\$
The franking credits available for subsequent financial years at a tax rate of 25%	159,376	86,489

The above available balance is based on the dividend franking account at year-end adjusted for:

- (a) Franking credits that will arise from the payment of the current tax liabilities;
- (b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;
- (c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

For the year ended 30 June 2024

15 Issued Capital

	2024	2023
	\$	\$
741,909 (2023: 741,909) ordinary shares fully paid	712,707	712,707

Rights attached to shares

(a) Voting rights

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

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

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

(b) Dividends

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

(c) Transfer

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

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

Prohibited shareholding interest

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

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

- They control or own 10% or more of the shares in the Company (the "10% limit").
- In the opinion of the board they do not have a close connection to the community or communities in which the Company predominantly carries on business (the "close connection test").
- Where the person is a shareholder, after the transfer of shares in the Company to that person the number of shareholders in the Company is (or would be) lower than the base number (the "base number test"). The base number is 118. As at the date of this report, the Company has 205 shareholders.

For the year ended 30 June 2024

15 Issued Capital

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

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

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

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

16 Earnings per Share

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

	2024	2023
	\$	\$
Profit from continuing operations	208,925	444,625
Earnings used to calculate basic EPS from continuing operations	<u>208,925</u>	<u>444,625</u>

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

	2024	2023
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	<u>741,909</u>	<u>741,909</u>

For the year ended 30 June 2024

17 Capital and Leasing Commitments

(a) Leases

	2024	2023
	\$	\$
Minimum lease payments:		
- not later than one year	46,192	54,719
- between one year and five years	-	44,150
Minimum lease payments	46,192	98,869
Less: finance changes	(935)	(3,429)
Present value of minimum lease payments	<u>45,257</u>	<u>95,440</u>

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

18 Financial Risk Management

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

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

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

Specific risks

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

Financial instruments used

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

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

For the year ended 30 June 2024

18 Financial Risk Management

	2024	2023
	\$	\$
Financial assets		
Cash and cash equivalents	916,570	781,418
Trade and other receivables	95,316	128,829
Total financial assets	1,011,886	910,247
Financial liabilities		
Trade and other payables	57,863	58,611
Total financial liabilities	57,863	58,611

Objectives, policies and processes

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

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

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

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

Mitigation strategies for specific risks faced are described below:

Liquidity risk

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

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

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

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

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

For the year ended 30 June 2024

18 Financial Risk Management

Liquidity risk

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

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

Financial liability maturity analysis - Non-derivative

	Weighted average		Within 1 Year		1 to 5 Years		Total	
	Interest rate		2024	2023	2024	2023	2024	2023
	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade and other payables	-	-	57,863	58,611	-	-	57,863	58,611
Total contractual outflows	-	-	57,863	58,611	-	-	57,863	58,611

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

Credit risk

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

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

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

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

Trade receivables and contract assets

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

Credit risk exposures

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

For the year ended 30 June 2024

18 Financial Risk Management

Credit risk

None of the assets of the company are past due (2023: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

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

Interest Rate Risk

Financial instrument composition and maturity analysis

The Company's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	-	-	-	-	897,150	762,118	897,150	762,118
Short term deposits	0.30	0.30	19,300	19,300	-	-	19,300	19,300
Receivables (excluding deposits)	-	-	-	-	85,613	119,195	85,613	119,195
Total Financial Assets			<u>19,300</u>	<u>19,300</u>	<u>982,763</u>	<u>881,313</u>	<u>1,002,063</u>	<u>900,613</u>
Financial Liabilities:								
Trade and sundry payables	-	-	-	-	57,863	58,611	57,863	58,611
Total Financial Liabilities	-	-	<u>-</u>	<u>-</u>	<u>57,863</u>	<u>58,611</u>	<u>57,863</u>	<u>58,611</u>

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

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

Sensitivity analysis

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +0.50% and -0.50% (2023: +3.00%/-3.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

For the year ended 30 June 2024

18 Financial Risk Management

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

	2024		2023	
	+0.50%	-0.50%	+3.00%	-3.00%
	\$	\$	\$	\$
Net results	97	(97)	434	(434)
Equity	97	(97)	434	(434)

Price risk

The company is not exposed to any material price risk.

Market risk

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

19 Related Parties

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

Meghraj Thakkar

Kate Rode

Serge Yan

Helen Lockman

No director or related entity has entered into a contract with the Company. No director's fees have been paid, however, the shareholders have approved for the directors to be paid up to \$15,000 in total.

Directors Shareholdings:

	2024	2023
Director	\$	\$
Serge Yan	2,000	2,000

There was no movement in directors shareholdings during the year.

For the year ended 30 June 2024

20 Key Management Personnel Remuneration

Directors get remunerated using a capped pool of \$15,000.

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

Community Bank Directors' Privileges Package

Agecom Enterprises Limited has not accepted the **Community Bank** Directors' Privileges Package. The package is available to all directors who can elect to avail themselves of the benefits based on their personal banking with the Agecom **Community Bank** branch. There is no requirement to own Bendigo and Adelaide Bank Limited shares and there is no qualification period to qualify to utilise the benefits. The package mirrors the benefits currently available to Bendigo and Adelaide Bank Shareholders.

21 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor of the entity for:		
- auditing or reviewing the financial statements	6,300	5,650
- Financial reporting	2,450	2,150
	<u>8,750</u>	<u>7,800</u>
Remuneration of entities related to auditor:		
- taxation services provided by related practice of the auditor	4,000	3,200
Total	<u><u>12,750</u></u>	<u><u>11,000</u></u>

22 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023:None).

For the year ended 30 June 2024

23 Cash Flow Information

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

	2024	2023
	\$	\$
Profit for the year	208,925	444,625
Non-cash flows in profit:		
- amortisation	12,966	12,966
- depreciation	47,920	45,723
- interest payments on finance lease	3,426	5,841
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	21,425	(26,258)
- (increase)/decrease in prepayments	(69)	503
- (increase)/decrease in deferred tax asset	(573)	69,920
- increase/(decrease) in trade and other payables	7,715	(12,425)
- increase/(decrease) in income taxes payable	(53,665)	86,489
- increase/(decrease) in provisions	5,507	5,165
Cashflows from operations	<u>253,577</u>	<u>632,549</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 17 September 2024 by the board of directors.

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.

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

Director's Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2024 are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position and performance of the Company;
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Meghraj Thakkar

Director

Serge Yan

Dated 17 September 2024

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 accompanying financial report of Agecom Enterprises Limited (the Company), which comprises the statement of financial position as at 30 June 2024, 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 2024 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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine necessary to enable the preparation of a 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.

Agecom Enterprises Limited

Independent Audit Report to the members of Agecom Enterprises Limited

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

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

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

Ashfords Audit and Assurance

Ashfords Audit and Assurance Pty Ltd
Chartered Accountants



Ryan H. Dummett
Director

Level 3, 148 Logis Boulevard, Dandenong South, Vic. 3175
19 September 2024

Community Bank Aspendale Gardens-Edithvale

Shop 12, 11 Narelle Drive,
Aspendale Gardens VIC, 3195
Ph: 03 9588 0610 | Fax: 03 9587 6757
Web: bendigobank.com.au/aspendale-gardens-edithvale

Franchisee: AGEKOM Enterprises Limited

ABN: 68 138 046 303
Shop 12, 11 Narelle Drive,
Aspendale Gardens VIC, 3195
Ph: 03 9588 0610 | Fax: 03 9587 6757
Email: cosec@agecom.org.au

Share registry: RSD Registry

PO Box 30, Bendigo, Victoria 3552
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Email: shares@rsdregistry.com.au

 facebook.com/CommunityBankAspendaleGardensEdithvale/

Bendigo and Adelaide Bank Limited, ABN 11 068 049 178 AFSL/Australian Credit Licence 237879. (15804 (23/10/2024))

