

annual report 2009



Wentworth District
Capital Limited
ABN 76 085 989 804

Wentworth & District **Community Bank**[®] Branch

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Chairman's report

For year ending 30 June 2009

It is with much pleasure I present to you my last Chairman's Report for our **Community Bank**[®] branch. Ten years as Chairman of the Wentworth & District **Community Bank**[®] Branch have flown by and each year has been one of growth and change for the banking business and also our region. My personal goals for the business were to reach and maintain a \$100 million bank book, a net annual profit in excess of \$200,000 and community grants of more than \$1 million. It is gratifying to know each of these goals has been achieved through the dedication of the staff, customers and the Board.

At 30 June 2009 total banking business exceeded \$96.50 million. The net profit for the financial period ending 30 June 2009 was \$235,488 compared to \$308,136 in 2008. Grants, donations and sponsorship to the community now stand at a total of \$1,059,000.

Highlights of the year

- The 10th Birthday celebrations at the junction provided a chance to reflect on the impact the Bank has had on our district and bring our supporters together to say thank you.
- The presentation and installation of the cod and catfish benches in Darling Street in recognition of the support the Wentworth township has provided to the Bank and the town turning 150 years old.
- The grants night at the Coomealla Club where the \$1 million figure was reached and another 29 recipients were provided with grants to improve our district's facilities and resources. The message to the recipients this year was, "the Bank is supporting you, but are you supporting the Bank?"
- The "U" campaign which improved the Bendigo brand recognition and advertised "community" nationwide. Our staff proudly paraded the "community" letters in the 150th celebrations parade.

Appreciation

I would like to express my appreciation to the following persons:

- The Board of Directors. Bill Brook joined the Board during the year and his professional experience is a welcome addition. Congratulations to those original Directors Rod McLeod, Sam Cross and David Dawes who have achieved 10 years of service to the **Community Bank**[®] branch.
- Our Bendigo and Adelaide Bank Ltd Partners. The global financial crisis has been challenging for the regional banks as the smaller banks have not been able to compete on equal terms with the government guarantee and the margin squeeze has reduced profits. Despite this the **Community Bank**[®] network has continued to grow strongly. Due recognition must be given to the father of **Community Bank**[®] concept, Rob Hunt who retired on 30 June 2009. Rob was an inspirational leader for the network and his belief in rural communities to build their own capital and find their own solutions has been a key driver for the Wentworth & District **Community Bank**[®] Branch.

Chairman's report continued

- Our staff have again provided exceptional customer service and continue to be well regarded and an integral part of both the business and the area.
- Our customers. There are 2,475 customers banking with the Bank. Everyone has to bank somewhere and our constant message is why not the **Community Bank**[®] branch. The benefits are much wider than simple banking and the loyal customer base recognises why it is important to support the Bank. With over 400 branches Australia wide, actual banking can be performed just about anywhere.

The future

The Board has started a strategic planning process to identify what future the **Community Bank**[®] branch should be aiming for. It is clear the Banks destiny is intertwined with the economic performance of the region and how the community sees itself managing the many challenges it faces. The Bank will continue to be a positive story and a base of support for growth and vision.

Finally, it has been an honour to serve as your **Community Bank**[®] Chairman for ten years.



Cheryl Rix
Chairman

Manager's report

For year ending 30 June 2009

10 years and counting...

The past twelve months has certainly been a roller coaster ride. The continued drought, uncertainty in the financial markets and the Government Guarantee impositions placed on deposits over \$1 million have made a significant impact on our business. In the face of these adversities, our **Community Bank**[®] branch has performed quite admirably and again returned nearly \$150,000 back to the community in our 6th Development Grants Program.

The business

In 2008/09 our business footings saw negative growth and stood at \$96.5 million as at the 30 June 2009 against \$99.5 million in 2008.

Our deposit footings remain stable at \$42.04 million after an early surge to \$49.44 million and then dropping away from November 2008. The run off came at the same time the government introduced the guarantee premium for bank deposits over \$1 million. The playing field has not been level since for second tier financial institutions.

Lending footings have decreased over the past 12 months from \$38.07 million in 2008 to \$35.70 million at 30 June 2009. We have seen many people reducing their commitments due to the financial uncertainty which included some sale of investment property. Lending demand in the current climate has been subdued and writing enough new loans to replace the run off from our book has been tough.

It is pleasing that our loyal customers have stuck with us as our customer numbers have been stable at 2,475 down just a little from last year 2,491.

Telco

Our Community Telco initiative which was launched nearly 2 years ago has grown slowly however it has seen a lot of success. Locals who have transferred their telephone spend to our Wentworth Telco have already purchased an Electric Bed for Murray House. We are now in a position to purchase an Oxygen Accumulator for the Wentworth District Hospital which should happen this September. If you haven't changed your phone over, bring in a recent phone bill and let the girls at the branch provide you with a comparison.

Staff

During 2009 we said goodbye to Daffyd Scholes our Customer Relationship Manager. Daffyd was with us for nearly 18 months but made the decision to return to the big smoke in Mildura to take up a similar position closer to home. Daffyd's replacement, Janine Smith needs no introduction as she is a local lass hailing from Dareton and now living at Tara Downs with her family. Janine brings with her a wealth of local knowledge and will enhance our already high level of customer service our clients deserve and receive. With the growth of our business approaching \$100 million, we sought the services of a Casual Marketing Officer to assist the Manager and the Board of Directors in the marketing of the business. In early January this year, Kate Stockman joined the team in the Marketing Officer role. Kate has an extensive knowledge of the marketing world and will become a great asset to our business going forward.

Manager's report continued

10 years down, where to from here?

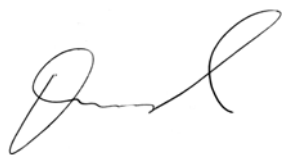
With a very successful 10 years of the **Community Bank**[®] branch under the bridge, where to from here? Clearly our business growth has leveled out over the past 12 - 18 months which is a trend I would like to reverse. Our ability to support Community Development Grant applications each year is dependant upon the earnings of the business. I would imagine that there are many in our community who enjoy the benefits of the **Community Bank**[®] concept but don't hold their banking business with us. My aim for the ensuing financial year is to continue to support our existing customers but also to get our story out to those who aren't on board yet. I would like to invoke the support of our members and existing customers to make sure we are telling our friends and family of the benefits to the **Community Bank**[®] concept. The biggest compliment you could pay to our staff is a referral of a friend or family member that we could assist.

In the next few months the Board and staff will be meeting to develop strategies to ensure the long-term success and relevance of our bank within the community.

Acknowledgements

- Staff - I would like to thank the staff, whom provides the excellent customer service that keeps our customers coming back. Without them and their commitment, the branch would not be where it is today.
- The Board of Directors - has provided excellent guidance and support over the past 12 months which makes my job so much more enjoyable. It should also be noted and applauded that our Board received an Australia Day Achievement Award for Community Group of the Year. This achievement award speaks volumes for their dedication and ongoing commitment to ensuring that we retain a successful Bank in our District. The benefits of this have been realised over 10 years with the \$1,059,000 returned in our Community Development Grants program.
- Bookkeeper and Secretary – Thanks to Rob Verstappen for his efforts in the Secretary role and also Sue Chapman who has done a great job keeping the Company books for us.
- Our loyal customers – A huge thank you to all our loyal customers who continue to support us with their banking business. It is a true pleasure serving you as I believe the staff will agree.
- Regional Office staff – Regional Manager, John Sirolli and his support staff have provided the Direction and back up that we need to run a branch in our remote area.
- Local Support staff – Business Bankers, Paul Hewitt and David Talbot, and Financial Planner, Jim Fahey. Your assistance and expertise has been invaluable throughout the year.

The one thing that gives me so much job satisfaction is the look of appreciation on people faces when collecting their Community Development Grant cheque. As Branch Manager I receive invitations to many Grant recipient functions and openings. To see our grant and sponsorship monies fulfilling the dreams of many community volunteers is something that no other bank can offer.



Daryl Wescombe
Branch Manager

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2009

2008/09 will go down as one of the most tumultuous financial years in history. The global financial crisis and its aftermath wiped trillions of dollars off the world's net wealth. Some of the biggest names in international banking disappeared; many other banks – vastly bigger than Bendigo and Adelaide Bank Ltd – turned to governments to bail them out. Not surprisingly, confidence sagged, reflected in rising unemployment and stock markets falling by around half their former valuations.

In short, we have seen the biggest financial meltdown since the Great Depression of nearly 80 years ago.

Amidst all that turmoil, though, our grassroots banking movement marched steadily on. Twenty new **Community Bank**[®] branches joined Bendigo and Adelaide Bank Ltd's national network. Around 120,000 new customers switched to the Bendigo style of banking. And 70 more communities continued their local campaign to open a **Community Bank**[®] branch.

Those statistics are impressive in themselves, but it is the story behind them that is really important.

That's the story of ordinary people – an awful phrase, but you know what I mean – who inherently understand that the role of a bank is to feed into prosperity, rather than profit from it. That lesson was forgotten by many bankers across the globe, with devastating consequences. But it is now well understood by the residents of 237 towns and suburbs that own their own **Community Bank**[®] branch, because every day they see the fruits of their investment in locally owned banking.

Again, the statistics are impressive enough – \$29 million paid out in community projects and nearly \$11 million in local shareholder dividends. But again, the real stories lie behind the numbers – new community centres and fire trucks, more local nurses, new walking tracks and swimming pools, safer young drivers, more trees and fewer wasteful incandescent globes, innovative water-saving projects... the list goes on.

And of course more money retained and spent locally. And more jobs. Fifteen hundred or so just in the branches alone. More because of the flow-on, or multiplier, effect of those wages being spent locally. And yet more because of the extra shopping now done in communities made more prosperous and active by having their own bank branch.

Community Bank[®] branches have not escaped the fallout from the global turmoil. Like Bendigo and Adelaide Bank Ltd, they have received less income than in normal times. But also like Bendigo and Adelaide Bank Ltd, they have not needed anyone's help to get through this crisis. And every day we are reminded that banks that are relevant and connected locally will be valued by their customers and communities. For the better of all.



Russell Jenkins
Chief General Manager

Directors' report

For year ending 30 June 2009

Your Directors submit their report of the Company for the financial year ended 30 June 2009.

Directors

The names and details of the Company's Directors who held office during or since the end of the financial year are:

Cheryl Kathleen Rix

Chairperson

Occupation: General Manager

David John Cross

Vice Chairperson

Occupation: Horticulturalist

Margaret Elizabeth Thomson

Treasurer

Occupation: Horticulturalist/Shire Councillor

David John Dawes

Director

Occupation: Viticulturalist

Roderick Murray McLeod

Director

Occupation: Retired

Judith Leslie Lamb

Director

Occupation: Registered Nurse

Richard Alan Williamson

Director

Occupation: Accountant

William Richard Brook (appointed 25 February 2009)

Director

Occupation: Retired

Directors were in office for this entire year unless otherwise stated.

No Directors have material interests in contracts or proposed contracts with the Company.

Principal activities

The principal activities of the Company during the course of the financial year were in providing **Community Bank**[®] services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Ltd.

There has been no significant changes in the nature of these activities during the year.

Operating results

Operations have continued to perform in line with expectations. The profit of the Company for the financial year after provision for income tax was \$139,144 (2008: \$237,837).

Directors' report continued

Significant changes in the state of affairs

In the opinion of the Directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review not otherwise disclosed in this report.

Significant events after the balance date

There are no matters or circumstances that have arisen since the end of the financial year that have 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 years.

Likely developments

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

Directors' benefits

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. This statement excludes a benefit included in the aggregate amount of emoluments received or due and receivable by Directors shown in the Company's accounts, or the fixed salary of a full-time employee of the Company, controlled entity or related body corporate.

Indemnification and insurance of Directors and Officers

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 Managers 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.

Directors' report continued

Directors' meetings

The number of Directors' meetings attended by each of the Directors of the Company during the year were:

Number of meetings held: 11

Number of meetings attended:

Cheryl Kathleen Rix	10
David John Cross	11
Margaret Elizabeth Thomson	9
David John Dawes	7
Roderick Murray McLeod	11
Richard Alan Williamson	8
Judith Leslie Lamb	9
William Richard Brook (appointed 25 February 2009)	3

Company Secretary

Robert Verstappen has been the Company Secretary of Wentworth District Capital Ltd since 26 April 2006. He is an accountant (CPA) and a registered tax agent with 21 years experience.

Corporate governance

The Company has implemented various corporate governance practices, which include:

- (a) The establishment of an audit committee. Members of the audit committee are Cheryl Rix, Rod McLeod and Alan Williamson;
- (b) Director approval of operating budgets and monitoring of progress against these budgets;
- (c) Ongoing Director training; and
- (d) Monthly Director meetings to discuss performance and strategic plans.

Auditor independence declaration

The Directors received the following declaration from the Auditor of the Company:

Richmond Sinnott & Delahunty
Chartered Accountants

Directors' report continued

Richmond Sinnott & Delahunty Chartered Accountants



Partners:
Kenneth J Richmond
Warren J Sinnott
Philip P Delahunty
Brett A Andrews

21 September 2009

The Directors
Wentworth District Capital Limited
36-38 Darling Street
Wentworth NSW 2648

Dear Directors

Auditor's Independence Declaration

In relation to our audit of the financial report of Wentworth District Capital Limited for the year ended 30 June 2009, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Warren Sinnott
Partner
Richmond Sinnott & Delahunty

Signed in accordance with a resolution of the Board of Directors at Wentworth on 21 September 2009.

Cheryl Rix
Chairperson

Financial statements

Income statement For year ending 30 June 2009

	Note	2009 \$	2008 \$
Revenue from ordinary activities	2	1,027,472	1,039,974
Employee benefits expense	3	(389,056)	(357,036)
Depreciation and amortisation expense	3	(19,061)	(12,560)
Finance costs	3	(3,008)	(1,256)
Charitable donations and sponsorship		(163,253)	(144,271)
Other expenses from ordinary activities		(253,017)	(220,535)
Profit before income tax expense		200,077	304,316
Income tax expense	4 / 17	60,933	66,479
Profit after income tax expense		139,144	237,837

The accompanying notes form part of these financial statements.

Financial statements continued

Balance sheet As at 30 June 2009

	Note	2009 \$	2008 \$
Current assets			
Cash assets	6	942,294	857,000
Receivables / prepayments	7	79,787	80,581
Total current assets		1,022,081	937,581
Non-current assets			
Property, plant and equipment	8	189,261	170,642
Intangible assets	9	30,558	38,198
Total non-current assets		219,819	208,840
Total assets		1,241,900	1,146,421
Current liabilities			
Payables	10	83,883	82,551
Interest bearing liabilities	11	-	15,200
Provisions	12	24,060	24,336
Total current liabilities		107,943	122,087
Non-current liabilities			
Payables	10	-	33,000
Provisions	12	11,041	7,562
Total non-current liabilities		11,041	40,562
Total liabilities		118,984	162,649
Net assets		1,122,916	983,772
Equity			
Retained earnings	13	1,122,916	983,772
Total equity		1,122,916	983,772

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows As at 30 June 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Cash receipts in the course of operations		1,047,638	1,087,375
Cash payments in the course of operations		(928,918)	(856,232)
Interest paid		(3,008)	(1,256)
Interest received		78,873	51,328
Income tax paid		(60,933)	(66,479)
Net cash flows from operating activities	14b	133,652	214,736
Cash flows from investing activities			
Proceeds from property, plant and equipment		10,000	-
Payments for property, plant and equipment		(43,158)	(1,023)
Net cash flows used in investing activities		(33,158)	(1,023)
Cash flows from financing activities			
Repayment of borrowings		(15,200)	(2,066)
Net cash flows used in financing activities		(15,200)	(2,066)
Net increase in cash held		85,294	211,647
Add opening cash brought forward		857,000	645,353
Closing cash carried forward	14a	942,294	857,000

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity As at 30 June 2009

	Note	2009 \$	2008 \$
Retained earnings			
Balance at start of year		983,772	745,935
Profit after income tax expense		139,144	237,837
Balance at end of year		1,122,916	983,772

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ending 30 June 2009

Note 1. Basis of preparation of the financial report

(a) Basis of accounting

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Australian Accounting Standards and other mandatory professional reporting requirements.

The financial report has been prepared on an accruals basis and is based on historical costs (except for land and buildings and available-for-sale financial assets that have been measured at fair value) and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The financial report was authorised for issue by the Directors on 21 September 2009.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS'). Australian Accounting Standards that have been recently issued or amended, but are not yet effective, have not been adopted in the preparation of this financial report.

(c) Significant accounting policies

The following is a summary of the material accounting policies adopted. The accounting policies have been consistently applied and are consistent with those applied in the 30 June 2008 financial statements.

Property, plant and equipment

Property, plant and equipment are brought to account at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a diminishing value basis over the estimated useful life of the asset as follows:

Class of asset	Depreciation rate
• Furniture & fittings	2.5 - 40%
• Leasehold improvements	2.5%
• Motor vehicles	25%

Notes to the financial statements continued

Note 1. Basis of preparation of the financial report (continued)

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying value exceeds the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater 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.

Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the Company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Goods and services tax

Revenues, 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 taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet. Cash flows are included in the cash flow statement on a gross basis.

The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Employee benefits

The provision for employee benefits to wages, salaries and annual leave represents the amount which the Company has a present obligation to pay resulting from employees' services provided up to the balance date. The provision has been calculated on undiscounted amounts based on wage and salary rates expected to be paid and includes related on-costs.

Long service leave is measured as the present value of the estimated future cash outflows to be made by the Company. In calculating present value, consideration is given to expected future wage and salary levels and periods of service.

The Company contributes to a defined contribution plan. Contributions to employee superannuation funds are charged against income as incurred.

Notes to the financial statements continued

Note 1. Basis of preparation of the financial report (continued)

Intangibles

Establishment costs have been initially recorded at cost and amortised on a diminishing value basis at a rate of 20% per annum.

Cash

Cash on hand and in banks are stated at nominal value.

For the purposes of the cash flow statement, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Comparative figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

Revenue

Interest and fee revenue is recognised when earned. All revenue is stated net of the amount of goods and services tax (GST).

Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables are recognised and carried at original invoice amount less a provision for any uncollected debts. 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.

Interest bearing liabilities

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

Provisions

Provisions are recognised when the economic entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Notes to the financial statements continued

	2009 \$	2008 \$
Note 2. Revenue from ordinary activities		
Operating activities		
- services commissions	948,549	988,626
Total revenue from operating activities	948,549	988,626
Non-operating activities:		
- interest received	78,873	51,328
- other revenue	50	20
Total revenue from non-operating activities	78,923	51,348
Total revenue from ordinary activities	1,027,472	1,039,974

Note 3. Expenses

Employee benefits expense		
- wages and salaries	334,726	297,807
- superannuation costs	30,289	26,783
- workers' compensation costs	1,189	36
- other costs	22,852	32,410
	389,056	357,036
Depreciation of non-current assets:		
- plant and equipment	11,421	10,550
Amortisation of non-current assets:		
- intangibles	7,640	2,010
	19,061	12,560
Finance costs:		
- Interest paid	3,008	1,256
Bad debts	325	2,922

Notes to the financial statements continued

Note 4. Income tax expense

These accounts have been prepared on a tax exempt basis as the Directors of Wentworth District Capital Limited believe the organisation is a community service organisation.

Income tax shown in the income statement of \$60,933 was actually paid during the year. This payment was based on the lodgement of prior year taxation returns and payment of tax for the financial year ending 30 June 2008.

Refer to note 17 for further information.

	2009	2008
	\$	\$

Note 5. Auditors' remuneration

Amounts received or due and receivable by
Richmond, Sinnott & Delahunty for:

- Audit or review of the financial report of the Company	2,700	2,700
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Note 6. Cash assets

Cash at bank and on hand	942,294	857,000
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Note 7. Receivables

Prepayments	-	182
Trade debtors	82,187	82,799
Less: Provision for doubtful debts	(2,400)	(2,400)
	79,787	80,581

Notes to the financial statements continued

	2009 \$	2008 \$
Note 8. Property, plant and equipment		
Furniture & fittings		
At cost	62,576	49,423
Less accumulated depreciation	(20,698)	(17,446)
	41,878	31,977
Leasehold improvements		
At cost	128,707	128,707
Less accumulated depreciation	(9,096)	(6,029)
	119,611	122,678
Motor vehicle		
At cost	28,461	29,852
Less accumulated depreciation	(2,008)	(13,865)
	26,453	15,987
Computer equipment		
At cost	1,544	-
Less accumulated depreciation	(225)	-
	1,319	-
Total written down amount	189,261	170,642
Movements in carrying amounts		
Furniture & fittings		
Carrying amount at beginning of year	31,977	33,030
Additions	13,153	1,023
Disposals	-	-
Depreciation expense	(3,252)	(2,076)
Carrying amount at end of year	41,878	31,977

Notes to the financial statements continued

	2009 \$	2008 \$
Note 8. Property, plant and equipment (continued)		
Leasehold improvements		
Carrying amount at beginning of year	122,678	125,824
Additions	-	-
Disposals	-	-
Depreciation expense	(3,067)	(3,146)
Carrying amount at end of year	119,611	122,678
Motor vehicle		
Carrying amount at beginning of year	15,987	21,315
Additions	28,461	-
Disposals	(13,118)	-
Depreciation expense	(4,877)	(5,328)
Carrying amount at end of year	26,453	15,987
Computer equipment		
Carrying amount at beginning of year	-	-
Additions	1,544	-
Disposals	-	-
Depreciation expense	(225)	-
Carrying amount at end of year	1,319	-

Note 9. Intangible assets

Establishment costs		
At cost	40,208	40,208
Less accumulated amortisation	(9,650)	(2,010)
	30,558	38,198

Notes to the financial statements continued

	2009 \$	2008 \$
Note 10. Payables		
Current		
Trade creditors	45,088	42,225
Other creditors and accruals	38,795	40,326
	83,883	82,551
Non-current		
Other creditors and accruals	-	33,000
	-	33,000

Note 11. Interest Bearing Liabilities

Current		
Chattel mortgage	-	16,149
Future finance charges	-	(949)
	-	15,200

Note 12. Provisions

Current		
Employee benefits	24,060	24,336
Non-current		
Employee benefits	11,041	7,562
Number of employees at year end	7	6

Note 13. Retained earnings

Balance at the beginning of the financial year	983,772	745,935
Profit after income tax	139,144	237,837
Balance at the end of the financial year	1,122,916	983,772

Wentworth District Capital Limited is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the Company. As at 30 June 2009 the number of members was 167 (2008: 162).

Notes to the financial statements continued

	2009 \$	2008 \$
Note 14. Cash flow statement		
(a) Reconciliation of cash		
Cash assets	942,294	857,000
(b) Reconciliation of profit after tax to net cash provided from operating activities		
Profit after income tax	139,144	237,837
Non cash items		
- Depreciation	11,421	10,550
- Amortisation	7,640	2,010
- Loss from sale of plant and equipment	3,118	-
Changes in assets and liabilities		
- (Increase) decrease in receivables	794	(4,142)
- Increase (decrease) in payables	(31,668)	(39,525)
- Increase (decrease) in provisions	3,203	8,006
Net cash flows from operating activities	133,652	214,736

Note 15. Director and related party disclosures

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

Cheryl Kathleen Rix

David John Cross

Margaret Elizabeth Thomson

David John Dawes

Roderick Murray McLeod

Richard Alan Williamson

Judith Leslie Lamb

William Richard Brook (appointed 25 February 2009)

No Director or related entity has entered into a material contract with the Company. Other than detailed below no Directors' fees have been paid as the positions are held on a voluntary basis.

Notes to the financial statements continued

Note 16. Subsequent events

There have been no events after the end of the financial year that would materially affect the financial statements.

Note 17. Contingent liabilities

Other than outlined below there were no contingent liabilities at the date of this report to affect the financial statements.

No tax liability has been recognised for the 2008 or 2009 financial year. An amount of \$60,933 was paid during the year in relation to the 2008 tax liability. This payment was based on the lodgement of prior year taxation returns and payment of tax for the financial year ending 30 June 2008.

The Directors believe that Wentworth District Capital Limited is tax exempt as it is a community services organisation. The Directors have sought a tax ruling regarding the tax exempt nature of Wentworth District Capital Limited which was unsuccessful, this decision was appealed unsuccessfully. The Company is continuing with its objection to the ruling. If the decision comes back unfavourably a liability for tax may exist. This amount is yet to be determined.

Note 18. Segment reporting

The economic entity operates in the financial services sector where it provides banking services to its clients. The economic entity operates in one geographic area being Wentworth, New South Wales.

Note 19. Corporate information

Wentworth District Capital Ltd is a Company limited by guarantee incorporated in Australia.

The registered office and principal place of business is:

Wentworth District Capital Limited
36-38 Darling Street,
Wentworth NSW 2648

Notes to the financial statements continued

Note 20. Financial risk management

The Company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments.

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established an Audit Committee which reports regularly to the Board. The Audit Committee is assisted in the area of risk management by an internal audit function.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. For the Company it arises from receivables and cash assets.

The maximum exposure to credit risk at balance date to recognised financial assets is the carrying amount of those assets as disclosed in the Balance Sheet and notes to the financial statements. The Company's maximum exposure to credit risk at reporting date was:

	Carrying amount	
	2009	2008
	\$	\$
Cash assets	942,294	857,000
Receivables	79,787	80,581
	1,022,081	937,581

The Company's exposure to credit risk is limited to Australia by geographic area. The majority of the balance of receivables is due from Bendigo and Adelaide Bank Ltd.

None of the assets of the Company are past due (2008: 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 Ltd.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company ensures it will have enough liquidity to meet its liabilities when due under both normal and stressed conditions. Liquidity management is carried out within the guidelines set by the Board.

Typically, the Company maintains sufficient cash on hand to meet 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.

Notes to the financial statements continued

Note 20. Financial risk management (continued)

The following are the estimated contractual maturities of financial liabilities, including estimated interest payments.

	Carrying amount \$	Contractual cash flows \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$
30 June 2009					
Payables	83,883	(83,883)	–	–	–
Interest bearing liabilities	–	–	–	–	–
	83,883	(83,883)	–	–	–
30 June 2008					
Payables	115,551	(115,551)	(82,551)	(33,000)	–
Interest bearing liabilities	15,200	(16,801)	(16,801)	–	–
	130,751	(132,352)	(99,352)	(33,000)	–

(c) 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.

Interest rate risk

Interest rate risk is that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company reviews the exposure to interest rate risk as part of the regular Board meetings.

Notes to the financial statements continued

Note 20. Financial risk management (continued)

(c) Market risk (continued)

Sensitivity analysis

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	2009	2008
	\$	\$
Fixed rate instruments		
Financial assets	842,298	-
Financial liabilities	-	(15,200)
	842,298	(15,200)
Variable rate instruments		
Financial assets	99,996	857,000
Financial liabilities	-	-
	99,996	857,000

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed interest rate financial assets or liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have no impact on profit or retained earnings. For the analysis performed on the same basis as at 30 June 2008 there was also no impact. As at both dates this assumes all other variables remain constant.

(d) 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 year end.

(e) Capital management

The Board's policy is to maintain a strong capital base so as to sustain future development of the Company. Capital is represented by total equity as recorded in the Balance Sheet.

There are no externally imposed capital requirements, although the nature of the Company is such that amounts will be paid in the form of charitable donations and sponsorship. Charitable donations and sponsorship paid for the year ended 30 June 2009 can be seen in the Income Statement.

There were no changes in the Company's approach to capital management during the year.

Directors' declaration

In accordance with a resolution of the Directors of Wentworth District Capital Limited, I state that:

In the opinion of the Directors:

- (a) the financial statements and notes of the Company are 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 2009 and of their performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.



Cheryl Rix
Chairperson

Signed at Wentworth on 21 September 2009.

Independent audit report

Richmond Sinnott & Delahunty Chartered Accountants



Partners:
Kenneth J Richmond
Warren J Sinnott
Philip P Delahunty
Brett A Andrews

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WENTWORTH DISTRICT CAPITAL LIMITED

SCOPE

The financial report comprises the balance sheet, income statement, statement of changes in equity, cash flow statement, accompanying notes to the financial statements, and the directors' declaration for Wentworth District Capital Limited, for the year ended 30 June 2009.

The directors of the company are responsible for preparing a financial report that gives a true and fair view of the financial position and performance of the company, and that complies with Accounting Standards in Australia, in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are established to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit of the financial report in order to express an opinion on it to the members of the company. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly in accordance with the Corporations Act 2001, including compliance with Accounting Standards in Australia, and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report; and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant account estimates made by the directors.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

We performed procedures to assess whether the substance of business transactions was accurately reflected in the financial report. These and our other procedures did not include consideration or judgement of the appropriateness or reasonableness of the business plans or strategies adopted by the directors and management of the company.

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Independent audit report continued

INDEPENDENCE

We are independent of the company, and have met the independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

AUDIT OPINION

In our opinion, the financial report of Wentworth District Capital Limited is in accordance with:

- (a) the Corporations Act 2001 including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Richmond Sinnott & Delahunty

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

W. J. Sinnott

W. J. SINNOTT
Partner
Bendigo

Date: 21 September 2009

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