

annual report 2010



Wentworth District

Capital Limited

ABN 76 085 989 804

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

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Cover photo

2010 Community Grant Recipients celebrating their share of \$119,977.50.
Photo courtesy of Mr Tom Doolan.



Back cover: (l-r)

\$100,000 Pledge to assist the establishment of an Ambulance Station at Wentworth. Photo courtesy of Mr Grant Maynard from Mildura Weekly.



Wentworth Community Telco gives \$1,800 towards the purchase of a new Oxygen Concentrator for Wentworth District Hospital. Photo courtesy of Mr Daryl Wescombe.

Chairman's report

For year ending 30 June 2010

It is with much pleasure that I present my first Chairman's Report for the Wentworth & District **Community Bank**[®] Branch. My intention is that we continue to aim to grow our bank business and its positive influence within our community as has been done so effectively during the first ten years of operation.

Over the last 12 months our business has grown strongly against a background of challenging economic conditions prevailing in our district. This has been a great result with the effects of drought, poor commodity prices and the GFC all impacting our rural community.

As at 30 June 2010, our total bank business exceeded \$105 million, an increase of some \$9 million in 12 months from \$96 million. Net profit for the financial year was \$229,276. When grants of \$119,977 and legal expenses (of which 70% will be rebated) are added back in to our bottom line, this has delivered an outstanding result.

Australian Taxation Office legal case

Wentworth District Capital (WDC) has been in an ongoing dispute with the ATO in regards to our not-for-profit tax status. Our case was recently heard in the Federal Court with the majority of our legal costs being met by the Federal Government through Test Case funding agreement, to procure a definitive ruling on our Company's tax status. The outcome of this case was ruled in our favour, but the ATO has appealed this decision. This appeal will be heard early in 2011 before the full board of the Federal Court. Our government test case funding will continue to subsidise our legal costs. WDC Board will continue to defend our not-for-profit status on behalf of our members and our wider community.

Highlights

Our Grants Night this year was held at the Wentworth Services Sporting Club and a total of \$119,977 was granted swelling our total donations and sponsorships to over \$1.17million. This year one of our grants of \$10,000 went to Sunraysia Residential Services towards the purchase of a wheelchair enabled vehicle. We see partnerships like this as a perfect fit with the **Community Bank**[®] model with great on-going benefits.

Your **Community Bank**[®] branch also pledged \$100,000 to Wentworth District Ambulance Service Inc, to assist with funding the construction of a permanent Ambulance Station in Wentworth. This will be a fantastic outcome for our Community and a fine example of what can be achieved when Community Groups such as WDAS Inc, the Wentworth Shire, and WDC all working together.

Another joint project with local organisations (Mildura Arts Council and the Wentworth Shire) has been the loan and installation of a major piece of artwork in Wentworth. World-renowned artist Peter Blizzard's metal sculpture now stands in Wentworth adding another feature and aspect to our town.

Chairman's report continued

Appreciation

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

Firstly I must acknowledge our previous Chairperson Cheryl Rix, who filled the position for the first 10 years of our Branch. Cheryl as Chair has provided strong stable leadership, and has helped guide the strong community asset that we have today. She is a continuing WDC Board member, and also now sits on the Bendigo Strategic Advisory Board, providing advice to the Bendigo Bank on the **Community Bank**[®] model.

I would also like to thank all my fellow Board members for their dedication throughout the year. I would like to especially thank my deputy, Sam Cross, who has put in countless hours towards the ATO test case over the last 12 months.

To our Manager, Daryl Wescombe, and all our dedicated branch staff, thank you again for another year of outstanding and professional service to our customers.

Bendigo and Adelaide Bank Ltd partners, your continued support of both our branch and the **Community Bank**[®] model is invaluable. I have greatly appreciated the support that I have received from regional staff over the previous 12 months as I assumed the role of Chairperson. To be part of the **Community Bank**[®] network that has now grown beyond a total of 250 **Community Bank**[®] branches this year is very rewarding and reassuring to be partnering with an Australia wide Company.

Finally I would like to thank our loyal customers who are the back bone of our amazing success story. Please continue to support us in the way that you have and take the opportunity to spread the story of the **Community Bank**[®] concept to your friends and families.

Future

In August WDC conducted a business planning day to set our future goals and directions. A growth target of \$120 million bank book by 2013 has been set. This growth will be achieved by a campaign aimed at our existing customer base and, more importantly, new customers from our wider community. We need to continually re-tell the underlying message of the **Community Bank**[®] model and use the granting of our profits back to our community as our point of difference to drive our business forward.



David Dawes

Chairman

Manager's report

For year ending 30 June 2010

The 2010 financial year was a great come back year after the effects of the Global Financial Crisis in 2008/2009. There remains some concern as to whether the drought is behind us, but at least we can see that it can actually rain again. Time will tell and the outlook is a lot brighter than the same time last year. It is certainly great to see water in the Darling and a high river level in the Murray. We certainly understand that the horticulture and viticulture industries are still suffering low commodity prices. We hope this turns around in the not too distant future as this not only impacts on our rural community but also businesses and their employees that rely on the rural sector.

The business

In 2009/2010 our business footings bounced back to \$105.10 million from \$96.5 million figure in 2009 and again above 2008 \$99.5 million.

Our deposit footings increased from \$42.04 million to \$46.83 million an increase of \$4.79 million.

Lending footings also increased from \$41.51 million to \$48.67 million, an increase of \$7.16 million, (Other business like, Rural Bank, Financial Planning, Equipment Finance makes up the difference in the total footings).

Our customer numbers have been maintained at 2,476.

The ATM continues to prove a great asset to our local people and also visitors, with monthly transactions now consistently reaching above 5,000.

The business turned over \$1.095 million which is a record since opening and in comparison, well above our turnover of \$0.745 million in 2005. The real, before tax profit should read \$333,600 if we allow for annual Grants \$119,997 and one off legal expenses \$80,840. This is an amazing result given that the economy in our district has possibly been at its lowest ever ebb over the past 5, possibly 10 years. Imagine what we could achieve as a community if the rural sector returned to somewhere near normal.

These results give me a high level of satisfaction and pride, as we purposely set out last year to arrest the adverse trends we were experiencing in 2009. Some of this can be attributed to the up turn in the economy, but I would like to think it resulted more from our efforts over the past year. We purposely ramped up our efforts in marketing and sponsorship and made a concerted effort to get amongst our Community groups and canvas their support.

Manager's report continued

Staff

We have a stable staff with no changes over the past 12 months. Our staff continues to provide our clients with exceptional service and often go above and beyond the call of duty. Our Customer Service levels have again been confirmed via our Mystery Shopper program, as we have achieved results of no less than 87.5% and normally above 90%. It is pleasing to manage an office where there are no complaints recorded and many compliments received. I would like to personally thank each and every staff member for their support and commitment to our clients and community.

Acknowledgements

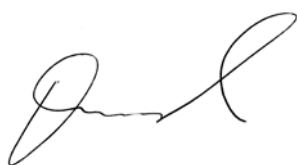
- Our loyal customers – A huge thank you to all our loyal customers who continue to support us with their banking business. It is a true pleasure serving you, and I know the staff will agree.
- The Board of Directors - has provided excellent guidance and support over the past 12 months, which makes my job so much more enjoyable.
- Secretary – Thanks to Rob Verstappen for his efforts in the Secretary role throughout the year.
- 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, Financial Planner, Jim Fahey. Your assistance and expertise has been invaluable throughout the year.

We have recently commenced a Business Planning initiative at Board level with the view to mapping out our plans for the next 3, 5, 10 years. Whilst we acknowledge we have many loyal customers and supporters out there in our community, we also feel there are still many out there who we would like to get on board. We need to keep telling our story, celebrating our success and being relevant to our community through our engagement activities, grants and sponsorship funding.

Our pledge towards the construction of a new Ambulance station in Wentworth of \$100,000 shows just how powerful our **Community Bank**[®] Company can be. These types of funding opportunities now become realistic because our community has the capacity to partner Local Government, State Government and Federal government by placing seed funding on the table for future projects.

I would like to encourage our existing clients, members and supporters to become advocates for our **Community Bank**[®] branch. The staff and I would certainly appreciate any business referred from family, friends and business acquaintances. The more business held with our branch means the greater the capacity we have to support local projects and programs.

Thanks everyone again for your support and celebrate our success this year.



Daryl Wescombe
Branch Manager

Bendigo and Adelaide Bank Ltd report

For year ending 30 June 2010

Now in its 13th year, the **Community Bank**[®] network continues to grow and make significant contributions to local communities right across Australia.

In the 2009/10 financial year 22 new **Community Bank**[®] branches were opened, taking the total number of branches to 259.

More than 545,000 customers chose to support the network with their banking business made up of more than 788,000 accounts, giving the networks a combined banking book of more than \$16.3 billion.

Our **Community Bank**[®] customers have been served by more than 1150 staff that are supported by almost 1700 volunteer Directors.

And these Directors are endorsed by around 63,000 shareholders who have received more than \$14.7 million in dividends, a reward for their belief in the **Community Bank**[®] concept.

All of this support has enabled the **Community Bank**[®] network to return more than \$40.3 million to assist local community groups and projects since the first **Community Bank**[®] branch opened in 1998.

These figures add up to a strong **Community Bank**[®] network, a franchise of the Bendigo and Adelaide Bank Ltd, which like its community partners, continues to flourish attracting more than 10,000 new customers every month.

This has been made possible through the restructure of the bank's executive team under the leadership of Managing Director, Mike Hirst.

At the start of 2010, the world's great economies continued to feel the aftershocks of the Global Financial Crisis. However, Australia's economy remained relatively stable during the turbulent times. While the impact of the GFC was felt by our community owned and operated branches, it is a testament to our business models and partners that our **Community Bank**[®] network continues to develop.

In fact, not only did our network continue to develop, in the past year we have witnessed one of our most successful launch programs to date. We saw a new branch emerge out of the ashes in Kinglake, less than a year after the region was devastated by Victoria's Black Saturday Bushfires.

The Pyrmont **Community Bank**[®] Branch saw us make an inroad into the competitive but lucrative Sydney banking market. And over the next 12 months Bendigo Bank will continue to grow its ATM and branch network in New South Wales, providing further support in boosting the profile of Bendigo's brand in the state.

This year we have also launched Community Snapshots on the Bendigo Bank website. This online initiative shares and highlights the great contributions and tangible outcomes the **Community Bank**[®] network generates for its local communities.

Bendigo and Adelaide Bank Ltd report continued

There has also been a focus on the continued roll out of our Good for Business, Good for Community program, which is an important element of our overall Community Strengthening for the coming year.

Thank you again for your continued commitment and support of the **Community Bank**[®] network.



Russell Jenkins

Executive Customer and Community

Directors' report

For the financial year ended 30 June 2010

Your Directors submit their report of the Company for the financial year ended 30 June 2010.

Directors

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

David John Dawes

Chairperson

Occupation: Viticulturalist

David John Cross

Vice Chairperson

Occupation: Horticulturalist

Margaret Elizabeth Thomson

Treasurer

Occupation: Horticulturalist/Shire Councillor

Cheryl Kathleen Rix

Director

Occupation: General Manager

Roderick Murray McLeod

Director

Occupation: Retired

Judith Leslie Lamb

Director

Occupation: Registered Nurse

Richard Alan Williamson

Director

Occupation: Accountant

William Richard Brook

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 \$229,276 (2009: \$139,144).

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.

Directors' report continued

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 agreed to indemnify each Officer (Director, Secretary or employee) out of assets of the Company to the relevant extent against any liability incurred by that person arising out of the discharge of their duties, except where the liability arises out of conduct involving dishonesty, negligence, breach of duty or the lack of good faith. The Company also has Officers Insurance for the benefit of Officers of the Company against any liability occurred by the Officer, which includes the Officer's liability for legal costs, in or arising out of the conduct of the business of the Company or in or arising out of the discharge of the Officer's duties.

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 during the year were:

Director	Board Meetings #
David John Dawes	9 (11)
David John Cross	9 (11)
Margaret Elizabeth Thomson	10 (11)
Cheryl Kathleen Rix	8 (11)
Roderick Murray McLeod	9 (11)
Richard Alan Williamson	9 (11)
Judith Leslie Lamb	9 (11)
William Richard Brook	10 (11)

The first number is the meetings attended while in brackets is the number of meetings eligible to attend.

Company Secretary

Robert Verstappen has been the Company Secretary of Wentworth District Capital Limited since 26 April 2006. He is an accountant (CPA) and a registered tax agent with 22 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.

Directors' report continued

Auditor Independence Declaration

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

Richmond Sinnott & Delahunty Chartered Accountants



24 September 2010

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

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

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 2010, 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 24 September 2010.



David Dawes
Chairperson

Financial statements

Statement of comprehensive income For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Revenue from ordinary activities	2	1,095,415	1,027,472
Employee benefits expense	3	(423,156)	(418,703)
Depreciation and amortisation expense	3	(20,103)	(19,061)
Finance costs	3	-	(3,008)
Charitable donations and sponsorship		(135,007)	(163,253)
Other expenses from ordinary activities		(287,873)	(223,370)
Profit before income tax expense		229,276	200,077
Income tax expense	4/16	-	60,933
Profit after income tax expense		229,276	139,144
Other comprehensive income		-	-
Total comprehensive income		229,276	139,144

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of financial position As at 30 June 2010

	Note	2010 \$	2009 \$
Current assets			
Cash and cash equivalents	6	1,160,485	942,294
Receivables / prepayments	7	95,458	79,787
Total current assets		1,255,943	1,022,081
Non-current assets			
Property, plant and equipment	8	175,270	189,261
Intangible assets	9	24,446	30,558
Total non-current assets		199,716	219,819
Total assets		1,455,659	1,241,900
Current liabilities			
Payables	10	71,133	83,883
Provisions	11	17,146	24,060
Total current liabilities		88,279	107,943
Non-current liabilities			
Provisions	11	15,188	11,041
Total non-current liabilities		15,188	11,041
Total liabilities		103,467	118,984
Net assets		1,352,192	1,122,916
Equity			
Retained earnings	12	1,352,192	1,122,916
Total equity		1,352,192	1,122,916

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of cash flows For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Cash receipts in the course of operations		1,146,981	1,047,638
Cash payments in the course of operations		(966,381)	(928,918)
Interest paid		-	(3,008)
Interest received		37,591	78,873
Income tax paid		-	(60,933)
Net cash flows from operating activities	13b	218,191	133,652
Cash flows from investing activities			
Proceeds from property, plant and equipment		-	10,000
Payments for property, plant and equipment		-	(43,158)
Net cash flows used in investing activities		-	(33,158)
Cash flows from financing activities			
Repayment of borrowings		-	(15,200)
Net cash flows used in financing activities		-	(15,200)
Net increase in cash held		218,191	85,294
Cash and cash equivalents at start of year		942,294	857,000
Cash and cash equivalents at end of year	13a	1,160,485	942,294

The accompanying notes form part of these financial statements.

Financial statements continued

Statement of changes in equity For the year ended June 2010

	Note	2010 \$	2009 \$
Retained earnings			
Balance at start of year		1,122,916	983,772
Profit after income tax expense		229,276	139,144
Balance at end of year		1,352,192	1,122,916

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2010

Note 1. Basis of preparation of the financial report

(a) Basis of preparation

Wentworth District Capital Limited ('the Company') is domiciled in Australia. The financial statements for the year ending 30 June 2010 are presented in Australian dollars. The Company was incorporated in Australia and the principal operations involve providing **Community Bank®** services.

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets.

The financial statements require judgements, estimates and assumptions to be made that affect the application of accounting policies. Actual results may differ from these estimates.

The financial statements were authorised for issue by the Directors on 24 September 2010.

(b) Statement of compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report of the Company complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. 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 2009 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)

Property, plant and equipment (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 Statement of Financial Position. Cash flows are included in the Statement of Cash Flows 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 reporting 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 statement of cash flows, 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.

Loans and borrowings

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

	2010 \$	2009 \$
Note 2. Revenue from ordinary activities		
Operating activities		
- services commissions	1,039,792	948,549
Total revenue from operating activities	1,039,792	948,549
Non-operating activities:		
- interest received	37,591	78,873
- other revenue	18,032	50
Total revenue from non-operating activities	55,623	78,923
Total revenue from ordinary activities	1,095,415	1,027,472

Note 3. Expenses

Employee benefits expense		
- wages and salaries	349,827	334,726
- superannuation costs	33,033	30,289
- workers' compensation costs	1,221	1,189
- other costs	39,075	52,499
	423,156	418,703
Depreciation of non-current assets:		
- plant and equipment	13,991	11,421
Amortisation of non-current assets:		
- intangibles	6,112	7,640
	20,103	19,061
Finance costs:		
- Interest paid	-	3,008
Bad debts	639	325

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.

A ruling was handed down by the Federal Court of Australia on 13 August 2010 declaring the Company is tax exempt. Since this date the Australian Taxation Office have appealed this decision and an outcome is pending.

The 2009 income tax shown in the statement of comprehensive income of \$60,933 was actually paid during the 2009 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 16 for further information.

	2010 \$	2009 \$
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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	2,900	2,700
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Note 6. Cash and cash equivalents

Cash at bank and on hand	1,160,485	942,294
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Note 7. Receivables

Prepayments	3,297	-
Trade debtors	94,561	82,187
Less: Provision for doubtful debts	(2,400)	(2,400)
	95,458	79,787

Note 8. Property, plant and equipment

Furniture & fittings

At cost	62,576	62,576
Less accumulated depreciation	(24,558)	(20,698)
	38,018	41,878

Notes to the financial statements continued

	2010 \$	2009 \$
Note 8. Property, plant and equipment (continued)		
Leasehold improvements		
At cost	128,707	128,707
Less accumulated depreciation	(12,086)	(9,096)
	116,621	119,611
Motor vehicle		
At cost	28,461	28,461
Less accumulated depreciation	(8,621)	(2,008)
	19,840	26,453
Computer equipment		
At cost	1,544	1,544
Less accumulated depreciation	(753)	(225)
	791	1,319
Total written down amount	175,270	189,261
Movements in carrying amounts		
Furniture & fittings		
Carrying amount at beginning of year	41,878	31,977
Additions	-	13,153
Disposals	-	-
Depreciation expense	(3,860)	(3,252)
Carrying amount at end of year	38,018	41,878
Leasehold improvements		
Carrying amount at beginning of year	119,611	122,678
Additions	-	-
Disposals	-	-
Depreciation expense	(2,990)	(3,067)
Carrying amount at end of year	116,621	119,611

Notes to the financial statements continued

	2010 \$	2009 \$
Note 8. Property, plant and equipment (continued)		
Motor vehicle		
Carrying amount at beginning of year	26,453	15,987
Additions	-	28,461
Disposals	-	(13,118)
Depreciation expense	(6,613)	(4,877)
Carrying amount at end of year	19,840	26,453
Computer equipment		
Carrying amount at beginning of year	1,319	-
Additions	-	1,544
Disposals	-	-
Depreciation expense	(528)	(225)
Carrying amount at end of year	791	1,319

Note 9. Intangible assets

Establishment costs		
At cost	60,000	40,208
Less accumulated amortisation	(35,554)	(9,650)
	24,446	30,558

Note 10. Payables

Current		
Trade creditors	16,415	45,088
Other creditors and accruals	54,718	38,795
	71,133	83,883

Notes to the financial statements continued

	2010 \$	2009 \$
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Note 11. Provisions

Current

Employee benefits	17,146	24,060
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Non-current

Employee benefits	15,188	11,041
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Note 12. Retained earnings

Balance at the beginning of the financial year	1,122,916	983,772
Profit after income tax	229,276	139,144
Balance at the end of the financial year	1,352,192	1,122,916

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 2010 the number of members was 171 (2009: 167).

Note 13. Statement of cash flows

(a) Cash and cash equivalents

Cash assets	1,160,485	942,294
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(b) Reconciliation of profit after tax to net cash provided from operating activities

Profit after income tax	229,276	139,144
Non cash items		
- Depreciation	13,991	11,421
- Amortisation	6,112	7,640
- Loss from sale of plant and equipment	-	3,118
Changes in assets and liabilities		
- (Increase) decrease in receivables / prepayments	(15,671)	794
- Increase (decrease) in payables	(12,750)	(31,668)
- Increase (decrease) in provisions	(2,767)	3,203
Net cash flows from operating activities	218,191	133,652

Notes to the financial statements continued

Note 14. 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

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

Note 15. Subsequent events

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

Note 16. 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 2010 financial year as the Federal Court handed down a ruling on 13 August 2010 which stated that the Company was tax exempt as it is a community services organisation. Since this date the Australian Taxation Office have appealed this ruling and the outcome is still pending.

Note 17. 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 18. Corporate information

Wentworth District Capital Limited 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 19. 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 reporting date to recognised financial assets is the carrying amount of those assets as disclosed in the Statement of Financial Position and notes to the financial statements. The Company's maximum exposure to credit risk at reporting date was:

	Carrying amount	
	2010	2009
	\$	\$
Cash assets	1,160,485	942,294
Receivables	92,161	79,787
	1,252,646	1,022,081

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 (2009: 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.

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

Notes to the financial statements continued

Note 19. Financial risk management (continued)

(b) Liquidity risk (continued)

	Carrying amount \$	Contractual cash flows \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$
30 June 2010					
Payables	71,133	(71,133)	(71,133)	-	-
	71,133	(71,133)	(71,133)	-	-
30 June 2009					
Payables	83,883	(83,883)	(83,883)	-	-
	83,883	(83,883)	(83,883)	-	-

(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.

Sensitivity analysis

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

	Carrying amount	
	2010 \$	2009 \$
Fixed rate instruments		
Financial assets	1,077,819	842,298
Financial liabilities	-	-
	1,077,819	842,298
Variable rate instruments		
Financial assets	82,666	99,996
Financial liabilities	-	-
	82,666	99,996

Notes to the financial statements continued

Note 19. Financial risk management (continued)

(c) Market risk (continued)

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 2009 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 Statement of Financial Position. 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 Statement of Financial Position.

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 2010 can be seen in the Statement of Comprehensive Income.

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 2010 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.



David Dawes

Chairperson

Signed at Wentworth on 24 September 2010.

Independent audit report

Richmond Sinnott & Delahunty Chartered Accountants



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WENTWORTH DISTRICT CAPITAL LIMITED

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

SCOPE

The financial report comprises the statement of financial position, statement of comprehensive income, statement of cash flows, statement of changes in equity, accompanying notes to the financial statements, and the directors' declaration for Wentworth District Capital Limited, for the year ended 30 June 2010.

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 2010 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
Partner
Bendigo

Date: 24 September 2010



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(BMPAR10051) (09/10)