



annual report **2012**

Wentworth District
Capital Limited

ABN 76 085 989 804

Contents

Chairman's report	2
Manager's report	4
Directors' report	6
Auditor's independence declaration	9
Financial statements	10
Notes to the financial statements	14
Directors' declaration	26
Independent audit report	27



Cover Photo:

2012 Community Development Funding Recipients celebrating their share of \$544,581.



Back Cover:

\$20,000 Grant to aid the establishment of a Stephanie Alexander Kitchen Garden Project at Gol Gol Public School.



\$100,000 Grant to assist Wentworth Pioneer Homes Committee construct a new Meeting Room/Office/Bedroom.



\$220,000 Grant to enable Wentworth District Ambulance Service to build an Ambulance Station to service Wentworth & District.

Chairman's report

For year ending 30 June 2012

It is pleasing to report that this has been another milestone year for the Wentworth & District **Community Bank**[®] Branch. Our 13th year of operations and we are still achieving strong growth in our business. Importantly we are also providing support to our community by the continued provision of banking services and employment.

As we endeavour to grow our business throughout the Wentworth Shire we note that each of the localities we draw our business from has different issues affecting them. We are at risk of becoming a mature business which can decline if we don't do what we can to assist our surrounding communities grow and prosper. This is not without significant challenges but we have learnt that by investing in our communities they benefit and our business also expands.

Highlights

- Grants

A new record of \$518,417 invested back into the community by way of 37 grants and sponsorships this year. This takes the total returned to the community to be in excess of \$2 million – a remarkable achievement.

Two very significant grants were made this year. The first to enable expansion of the Wentworth Pioneer Homes of \$100,000 and the second and largest grant of \$220,000 was provided toward the building of the Ambulance Station in Wentworth.

- Hall of Fame nomination/induction

After a year of outstanding achievements which followed the success last year of winning the battle to affirm our tax exempt status, it was decided to nominate for inclusion in the Bendigo and Adelaide Bank's **Community Bank**[®] Hall of Fame. It was wonderful to be announced a finalist and subsequently joint winners with Collie & Districts Community Financial Services Ltd (WA).

- Junior Board Observer

The role of Junior Board Observer was introduced to provide the youth of the district with a voice at our Board meetings. Keely Duncan has been a very capable contributor at our Board meetings. Keely has shown us the value of having a younger person's perspective by providing her opinions appropriately and providing us with very sensible feedback and advice about engaging with youth in our schools and community. We wish Keely all the best for her future studies after completing Year 12 this year.

Acknowledgements

Thank you to Daryl Wescombe, Branch Manager and all the team that make our **Community Bank**[®] branch one of the best in the business. Your commitment and professionalism continues to be outstanding.

Thank you to Kate Stockman, our Marketing Executive and Rob Verstappen, our Board Secretary. Both of you always assist with "extras" whenever asked. It is appreciated.

Without our loyal customers we wouldn't exist. You are the backbone of the business and enable the **Community Bank**[®] branch to provide the investment back into your community. You are the best ambassadors for the **Community Bank**[®] concept, so as well as sincerely thanking you, we also ask that you tell others about how you are helping your community – just by banking with Wentworth & District **Community Bank**[®] Branch.

To representatives of our banking partner, Bendigo and Adelaide Bank, we thank you for your involvement and direction. We value the model and feel secure with your continued investment and support of the **Community Bank**[®] concept.

Chairman's report (continued)

Finally to this Board of Directors, thank you for your unselfish commitment to Board responsibilities. You give of your time voluntarily. I wish to acknowledge the contribution of the previous Chair, David Dawes and also mention that David, along with Cheryl Rix and Sam Cross, as inaugural Board Members, deserve recognition for giving 13 years of dedicated service as Directors of this Board.

Summary

The last year has been successful. The future is not without its challenges. As we have learnt, not everyone is aware of our point of difference. Banking can be great for the community – if it's with a **Community Bank**[®] branch.



Alan Williamson
Chairman

Manager's report

For year ending 30 June 2012

The business

Another year has flown by and it is hard to believe our **Community Bank**[®] branch has now been open 13 years and going from strength to strength.

In the past financial year we have grown our total banking business from \$112.7 million to \$125.9 million or \$13.2 million in 12 months. This figure was made up of \$7.0 million increase in our lending, \$3.9 million increase in our deposits and \$2.3 million in other business. Customer numbers again increased from 2,566 in 2011 to 2,635 at the end of 2012 financial year.

The above results are fantastic given the prevailing economic pressures on our Horticulture and Viticulture clients due to low commodity prices. The future for dried fruit and wine grapes is a little brighter and we hope this improves over the next 2-3 years and long term. It is pleasing to see the outback benefitting from some good rains in recent years and the outlook in these industries looking as positive as it has for over 10 years.

Acknowledgements

The year's success just didn't happen accidentally, a lot of hard work went in behind the scenes to achieve these results and I must acknowledge the following people for their efforts:

- Our dedicated branch staff who continue to provide our customers with service second to none. They are why customers keep coming back and dealing with us.
- Our Board of Directors for their efforts and support throughout the year. Particularly in attending and supporting many of our promotional and community activities in their own time.
- Our Regional Manager, John Sirolli and his support team in Bendigo.
- Our local Business Banking team in Mildura, Paul Hewitt, Julie Cooper and Gaylene Veal.
- Our Financial Planning expert – Jim Fahey.

Staff

Over the year we had a few changes with Breeon heading off to maternity leave in August and bringing young Chad Cole into the world. We welcomed back Jo Russell to the fold to cover Breeon's maternity leave. Both Breeon and Jo will continue on at the branch into the 2013 financial year.

Aims

My aim as Manager is to lift the total business footings of the branch to above \$130 million by 30 June 2013. The bigger the business, the more profits we can distribute back into our community and increase its prosperity.

We will continue to explore growth opportunities throughout the Wentworth Shire precinct.

- Buronga/Gol Gol – We now have a new ATM located at the Buronga IGA supermarket and a development group underway as a result of our community consultations. We will be building on our presence in this area of the Shire.
- Agriculture – Given the rural industry makes up a large percentage of our Shire demographic, we will continue to raise our profile as a “real alternative” to the major banks. We held the first of our Agribusiness Seminars at the Anabranth Hall which was attended by some 30-40 local farmers. We secured a couple of great presenters being Chris Wilcox of Poimena Analysts, wool and textiles expert and Jane Bunn our local weather girl from WIN TV. Further seminars with genuine relevant presenters will be organised over the next financial year.

Manager's report (continued)

Existing customers

We extend a huge thank you for banking with us and continuing to support your community. Without your loyalty and business the \$2 million we have returned to the Wentworth and district community would not have been possible. Don't forget us when talking to family, friends and business associates; we are always looking for more business!

Looking forward to a bigger and better 2013.

A handwritten signature in black ink, appearing to read 'Daryl Wescombe', with a large, stylized flourish at the end.

Daryl Wescombe
Branch Manager

Directors' report

For the financial year ended 30 June 2012

Your Directors submit their report of the company for the financial year ended 30 June 2012.

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

Director

Occupation: Viticulturalist

Board member since 25/01/1999

David John Cross

Vice Chairperson

Occupation: Horticulturalist

Board member since 25/01/1999

Margaret Elizabeth Thomson

Treasurer

Occupation: Horticulturalist/Shire Councillor

Board member since 22/11/2000

Cheryl Kathleen Rix

Director

Occupation: General Manager

Board member since 25/01/1999

Richard Alan Williamson

Chairperson

Occupation: Accountant

Board member since 24/11/2004

William Richard Brook

Director

Occupation: Retired

Board member since 25/03/2009

Andrew Mark Cottrell

Director

Occupation: Horticulturalist

Board member since 13/10/2010

Edward Brian O'Shannessy

Director

Occupation: School Teacher

Board member since 28/09/2011

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 to act as facilitators in the provision of **Community Bank**[®] services under management rights to operate a franchised branch of Bendigo and Adelaide Bank.

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

Operating results

The profit of the company for the financial year after the distribution of annual grants was \$18,486. (2011: \$373,089).

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)

Events after the reporting period

Since balance date, the world financial markets have shown volatility that may have an impact on investment earnings in the 2012/13 financial year. The company continues to maintain a conservative investment strategy to manage the exposure to market volatility.

There are no other 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.

Future developments

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

Environmental issues

The company is not subject to any significant environmental regulation.

Proceedings on behalf of company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Remuneration report

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.

Indemnifying Officers or Auditor

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.

Directors' report (continued)

Directors' meetings

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

Director	Board meetings#
David John Dawes	11 (11)
David John Cross	10 (11)
Margaret Elizabeth Thomson	10 (11)
Cheryl Kathleen Rix	7 (11)
Richard Alan Williamson	11 (11)
William Richard Brook	11 (11)
Andrew Mark Cottrell	9 (11)
Edward Brian O'Shannessy	9 (9)

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 over 25 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 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 Auditor's independence declaration for the year ended 30 June 2012 has been received and can be found on page 9 of this financial report.

Signed in accordance with a resolution of the Board of Directors at Wentworth on 24 September 2012.



Alan Williamson
Chairperson

Auditor's independence declaration



**Richmond
Sinnott &
Delahunty**

Chartered Accountants

Level 2, 10-16 Forest Street
Bendigo, Victoria
PO Box 30, Bendigo, VIC 3552

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Fax: (03) 5444 4344
Email: rsd@rsdadvisors.com.au
www.rsdadvisors.com.au

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

To the Directors of Wentworth District Capital Limited

Auditor's Independence Declaration under section 307C of the Corporations Act 2001

I declare that to the best of my knowledge and belief, during the year ended 30 June 2012 there has been:

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

Richmond Sinnott + Delahunty

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants



Warren Sinnott
Partner
Dated at Bendigo, 20 September 2012

Richmond Sinnott & Delahunty
ABN 60 616 244 309
Liability limited by a scheme
approved under Professional
Standards Legislation

Partners:
Warren Sinnott Phillip Delahunty
Cara Hall Kathie Teasdale
Brett Andrews David Richmond

Financial statements

Statement of comprehensive income for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Revenue	2	1,278,869	1,375,728
Employee benefits expense	3	(484,286)	(461,005)
Depreciation and amortisation expense	3	(23,864)	(25,527)
Other expenses		(233,816)	(334,562)
Operating profit/(loss) before charitable donations & sponsorships		536,903	554,634
Charitable donations and sponsorship		(518,417)	(181,545)
Profit/(loss) before income tax expense		18,486	373,089
Income tax expense / (benefit)	1	-	-
Net profit/(loss) for the year		18,486	373,089
Other comprehensive income		-	-
Total comprehensive income for the year		18,486	373,089

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of financial position as at 30 June 2012

	Note	2012 \$	2011 \$
Assets			
Current assets			
Cash and cash equivalents	5	1,539,988	1,261,528
Receivables / prepayments	6	132,945	356,140
Total current assets		1,672,933	1,617,668
Non-current assets			
Property, plant and equipment	7	180,528	165,322
Intangible assets	8	-	12,446
Total non-current assets		180,528	177,768
Total assets		1,853,461	1,795,436
Liabilities			
Current liabilities			
Payables	9	61,631	29,911
Provisions	10	20,018	20,273
Total current liabilities		81,649	50,184
Non-current liabilities			
Provisions	10	28,045	19,971
Total non-current liabilities		28,045	19,971
Total liabilities		109,694	70,155
Net assets		1,743,767	1,725,281
Equity			
Retained earnings	11	1,743,767	1,725,281
Total equity		1,743,767	1,725,281

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of cash flows for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Cash receipts in the course of operations		1,448,683	1,145,538
Cash payments in the course of operations		(1,216,286)	(1,121,901)
Interest received		71,905	80,985
Net cash flows from operating activities	12b	304,302	104,622
Cash flows from investing activities			
Payments for property, plant and equipment		(39,024)	(3,579)
Proceeds from disposal of property, plant and equipment		13,182	-
Net cash flows used in investing activities		(25,842)	(3,579)
Net increase in cash held		278,460	101,043
Cash and cash equivalents at start of year		1,261,528	1,160,485
Cash and cash equivalents at end of year	12a	1,539,988	1,261,528

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of changes in equity for the year ended 30 June 2012

	Note	2012 \$	2011 \$
Retained earnings			
Balance at start of year		1,725,281	1,352,192
Profit after income tax expense		18,486	373,089
Balance at end of year		1,743,767	1,725,281

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2012

Note 1. Summary of significant accounting policies

(a) Basis of preparation

Wentworth District Capital Limited ('the company') is domiciled in Australia. The financial statements for the year ending 30 June 2012 are presented in Australian dollars. The company was incorporated in Australia and the principal operations involve facilitating the provision of **Community Bank**[®] services.

The financial statements are general purpose financial statements, that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement of fair value of selected non current assets, financial assets and financial liabilities.

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 2012.

(b) 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%

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.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(c) Income tax expense

These accounts have been prepared on a tax exempt basis as it has been established that Wentworth District Capital Limited operates as a community services organisation.

(d) 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.

(e) 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.

(f) Intangibles

Establishment costs have been initially recorded at cost and amortised on a diminishing value basis at a rate of 20% per annum. They are now amortised at prime cost to coincide when the next Franchise Agreement Renewal is due.

(g) 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.

(h) Revenue

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

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(i) 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.

(j) New accounting standards for application in future periods

Australian Accounting Standards that have been recently issued or amended but not yet effective have not been adopted in the preparation of these financial statements. These changes have been assessed by Directors and determined they will not have a material impact on the company's financial statements.

(k) Borrowings

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

(l) Provisions

Provisions are recognised when the company 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.

(m) Comparative figures

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

	2012 \$	2011 \$
Note 2. Revenue		
Revenue from continuing activities		
- services commissions	1,141,788	1,097,869
	1,141,788	1,097,869
Other revenue		
- interest received	71,905	80,985
- ATO Refund for prior income tax paid	54,656	196,590
- other revenue	10,520	284
	137,081	277,859
	1,278,869	1,375,728

Notes to the financial statements (continued)

	2012 \$	2011 \$
Note 3. Expenses		
Employee benefits expense		
- wages and salaries	398,152	369,921
- superannuation costs	32,323	33,621
- workers' compensation costs	1,085	1,063
- other costs	52,726	56,399
	484,286	461,005
Depreciation of non-current assets:		
- plant and equipment	11,418	13,527
Amortisation of non-current assets:		
- intangible assets	12,446	12,000
	23,864	25,527
Bad debts	604	327

Note 4. Auditors' remuneration

Remuneration of the Auditor for:

- Audit or review of the financial report	2,900	2,900
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Note 5. Cash and cash equivalents

Cash at bank and on hand	1,539,988	1,261,528
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The effective interest rate on short term bank deposits was 5.1% (2011 - 6.6%)

Note 6. Receivables

Prepayments	37,879	6,173
Trade debtors	97,466	352,367
Less: Provision for doubtful debts	(2,400)	(2,400)
	132,945	356,140

Notes to the financial statements (continued)

	2012 \$	2011 \$
Note 7. Property, plant and equipment		
Furniture & fittings		
At cost	68,155	66,156
Less accumulated depreciation	(33,220)	(29,894)
	34,935	36,262
Leasehold improvements		
At cost	128,707	128,707
Less accumulated depreciation	(17,843)	(15,001)
	110,864	113,706
Motor vehicle		
At cost	37,024	28,461
Less accumulated depreciation	(2,580)	(13,581)
	34,444	14,880
Computer equipment		
At cost	1,544	1,544
Less accumulated depreciation	(1,259)	(1,069)
	285	475
Total written down amount	180,528	165,322
Movements in carrying amounts		
Furniture & fittings		
Carrying amount at beginning of year	36,262	38,018
Additions	1,999	3,580
Disposals	-	-
Depreciation expense	(3,326)	(5,336)
Carrying amount at end of year	34,935	36,262
Leasehold improvements		
Carrying amount at beginning of year	113,706	116,621
Additions	-	-
Disposals	-	-
Depreciation expense	(2,842)	(2,915)
Carrying amount at end of year	110,864	113,706

Notes to the financial statements (continued)

	2012 \$	2011 \$
Note 7. Property, plant and equipment (continued)		
Motor vehicle		
Carrying amount at beginning of year	14,880	19,840
Additions	37,024	-
Disposals	(12,400)	-
Depreciation expense	(5,060)	(4,960)
Carrying amount at end of year	34,444	14,880
Computer equipment		
Carrying amount at beginning of year	475	791
Additions	-	-
Disposals	-	-
Depreciation expense	(190)	(316)
Carrying amount at end of year	285	475

Note 8. Intangible assets

Establishment costs		
At cost	60,000	60,000
Less accumulated amortisation	(60,000)	(47,554)
	-	12,446

Note 9. Payables

Current		
Trade creditors	58,406	5,001
Other creditors and accruals	3,225	24,910
	61,631	29,911

Note 10. Provisions

Current		
Employee benefits	20,018	20,273

Notes to the financial statements (continued)

	2012 \$	2011 \$
Note 10. Provisions (continued)		
Non-current		
Employee benefits	28,045	19,971
Movement in employee benefits		
Opening balance	40,244	32,334
Additional provisions recognised	29,793	28,455
Amounts utilised during the year	(21,974)	(20,545)
Closing balance	48,063	40,244

Note 11. Retained earnings

Balance at the beginning of the financial year	1,725,281	1,352,192
Net Profit for the year	18,486	373,089
Balance at the end of the financial year	1,743,767	1,725,281

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 2012 the number of members was 178 (2011:174).

Note 12. Statement of cash flows

(a) Cash and cash equivalents

Cash assets	1,539,988	1,261,528
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(b) Reconciliation of profit after tax to net cash provided from operating activities

Profit after income tax	18,486	373,089
Items Classified as investing/financing activities (Profit) / loss on disposal of property, plant & equipment	(782)	-
Non cash items		
- Depreciation	11,418	13,527
- Amortisation	12,446	12,000
Changes in assets and liabilities		
- (Increase) decrease in receivables / prepayments	223,195	(260,682)
- Increase (decrease) in payables	31,720	(41,222)
- Increase (decrease) in provisions	7,819	7,910
Net cash flows from operating activities	304,302	104,622

Notes to the financial statements (continued)

Note 13. 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
Richard Alan Williamson
William Richard Brook
Andrew Mark Cottrell
Edward Brian O'Shannessy

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

Note 14. Events after the reporting period

Since balance date, the world financial markets have shown volatility that may have an impact on investment earnings in the 2012/2013 financial year. The company continues to maintain a conservative investment strategy to manage the exposure to market volatility.

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

Note 15. Contingent liabilities and assets

There were no contingent liabilities or assets at the date of this report to affect the financial statements.

Note 16. Operating segments

The company operates in the financial services sector where it acts as a facilitator in the provision of banking services to its members & community clients. The company operates in one geographic area being the Wentworth Shire, New South Wales. The company has under management rights, a franchise agreement in place with Bendigo and Adelaide Bank who account for 100% of the revenue (2011:100%).

Note 17. 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 18. Financial risk management

The company's financial instruments consist mainly of deposits with banks, account receivables and payables, bank overdraft and loans.

The totals for each category of financial instruments measured in accordance with AASB 139 are as follows:

	Note	2012 \$	2011 \$
Financial assets			
Cash & cash equivalents	5	1,539,988	1,261,528
Receivables	6	95,066	349,967
Total financial assets		1,635,054	1,611,495
Financial liabilities			
Payables	9	61,631	29,911
Total financial liabilities		61,631	29,911

Financial risk management policies

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.

Specific financial risk exposure and management

The company has exposure to credit risk, liquidity risk and market risk from their use of financial instruments. There have been no substantive changes in the types of risks the company is exposed to, how the risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(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	
	2012 \$	2011 \$
Cash and cash equivalents	1,539,988	1,261,528
Receivables	95,066	349,967
	1,635,054	1,611,495

The company's exposure to credit risk is limited to Australia by geographic area. The majority of receivables are due from Bendigo and Adelaide Bank.

None of the assets of the company are past due (2011: 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.

Notes to the financial statements (continued)

Note 18. Financial risk management (continued)

(a) Credit risk (continued)

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

(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 policy 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.

Financial liability and financial asset maturity analysis

	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
30 June 2012				
Financial liabilities due for payment				
Payables	(61,631)	(61,631)	-	-
Loans and borrowings	-	-	-	-
Total expected outflows	(61,631)	(61,631)	-	-
Financial assets - cashflow realisable				
Cash & cash equivalents	1,539,988	1,539,988	-	-
Receivables	95,066	95,066	-	-
Total anticipated inflows	1,635,054	1,635,054	-	-
Net (outflow)/inflow on financial instruments	1,573,423	1,573,423	-	-

Notes to the financial statements (continued)

Note 18. Financial risk management (continued)

(b) Liquidity risk (continued)

Financial liability and financial asset maturity analysis (continued)

	Total \$	Within 1 year \$	1 to 5 years \$	Over 5 years \$
30 June 2011				
Financial liabilities due for payment				
Payables	(29,911)	(29,911)	-	-
Loans and borrowings	-	-	-	-
Total expected outflows	(29,911)	(29,911)	-	-
Financial assets - cashflow realisable				
Cash & cash equivalents	1,261,528	1,261,528	-	-
Receivables	349,967	349,967	-	-
Total anticipated inflows	1,611,495	1,611,495	-	-
Net (outflow)/inflow on financial instruments	1,581,584	1,581,584	-	-

Financial assets pledged as collateral

There are no material amounts of collateral held as security as at 30 June 2012 and 30 June 2011.

(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 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	
	2012 \$	2011 \$
Fixed rate instruments		
Financial assets	1,392,212	1,167,731
Financial liabilities	-	-
	1,392,212	1,167,731

Notes to the financial statements (continued)

Note 18. Financial risk management (continued)

(c) Market risk (continued)

Sensitivity analysis (continued)

	Carrying amount	
	2012	2011
	\$	\$
Floating rate instruments		
Financial assets	147,776	93,797
Financial liabilities	-	-
	147,776	93,797

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 2011 there was also no impact. As at both dates this assumes all other variables remain constant.

The company has no exposure to fluctuations in foreign currency.

(d) Fair values

The fair values of financial assets and liabilities approximate the carrying values as disclosed in the Statement of Financial Position. Fair value is the amount at which an asset could be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. 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 2012 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, the Directors of the company declare that:

- 1 the financial statements and notes of the company as set out in the previous pages are in accordance with the Corporations Act 2001 and:
 - (i) comply with Australian Accounting Standards, which as stated in accounting policy Note 1(a) to the financial statements constitutes compliance with International Financial Reporting Standards (IFRS); and
 - (ii) give a true and fair view of the company's financial position as at 30 June 2012 and of the performance for the year ended on that date;
- 2 in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Alan Williamson,
Chairperson

Signed at Wentworth on 24 of September 2012.

Independent audit report



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INDEPENDENT AUDIT REPORT TO THE MEMBERS OF WENTWORTH DISTRICT CAPITAL LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Wentworth District Capital Limited, which comprises the statement of financial position as at 30 June 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company for the year ended 30 June 2012.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Richmond Sinnott & Delahunty
ABN 60 616 244 309
Liability limited by a scheme
approved under Professional
Standards Legislation

Partners:	
Warren Sinnott	Philip Delahunty
Cara Hall	Kathie Teasdale
Brett Andrews	David Richmond

Independent audit report (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's Opinion

In our opinion:

- (a) the financial report of Wentworth District Capital Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1(a).

RICHMOND SINNOTT & DELAHUNTY

Chartered Accountants



W. J. SINNOTT

Partner

Dated at Bendigo, 24 September 2012



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