Wentworth District Capital Limited

ABN 76 085 989 804

ANNUAL REPORT 2013

Wentworth & District **Community Bank®** Branch

Contents

Cover Photo:

Nicole Priest and Liz Thomson celebrating the Grand Opening of Wentworth Ambulance Station.

Back Cover:

Students graduating from another Driver Education Training Program funded by Wentworth District Capital Ltd.

Murphy Baird and Mitchell Bysouth excited at receiving $6,000 for replacement of essential equipment at Wentworth Public School.

2013 Community Development Funding recipients celebrating their share of $233,751.

Official Opening of new Netball/Umpire Changerooms facilities at the George Gordon Oval, partially funded by a $30, 000 grant.

Chairman’s report

For year ending 30 June 2013

The 2013 financial year has been another busy year for the Wentworth & District **Community Bank®** Branch. We have continued to grow our core banking business and our share of revenue from this has accumulated to the extent that it provides us with the ability to support major local projects of merit. It has also been achieved over several years of operating in an economic environment which has been challenging – especially for our primary producer and business customer base.

In the past year the share of revenue your **Community Bank®** branch receives from its partner, Bendigo and Adelaide Bank, has reduced. The revenue sharing arrangement had become marginally skewed toward the **Community Bank®** branches businesses, and after due diligence was completed, amendments to the sharing arrangements were agreed. This process has been referred to as “restoring the balance program” and will continue to be reviewed and monitored in the future. The result for Wentworth District Capital Limited will be a reduced share of revenue. The Board of Directors understand and support the program.

Acknowledgements

Firstly to our very loyal customer base – without you we wouldn’t have a **Community Bank®** branch supporting the local community. If someone new comes to town please tell them about your **Community Bank®** branch.

We acknowledge our team of staff at the branch who provide exceptional service to our customers. Many of our staff is also involved supporting other community groups.

Daryl Wescombe, our Branch Banager and team leader continually participates in community engagements on behalf of our **Community Bank®** branch.

In addition to the branch team we have several other people that contribute to our ongoing successful operations. They assist in company secretarial, marketing and accounting support.

There are more and more demands being placed on Directors. This Board deserves a huge thank you for their ongoing voluntary commitment to governance, strategy and the extensive demands that Directorship embraces in current times. Directors have attended state and national conferences and represented the Wentworth & District **Community Bank®** Branch at many local events. Matters dealt with or are ongoing include; attention to youth engagement projects, Grant assessment, OH & S, risk management, employment agreements, premises lease and franchise agreement changes.

We also acknowledge our partners at the Bendigo and Adelaide Bank. We thank the regional staff for continuing their regular involvement with our branch team and the Board of Directors. We look forward to the model being supported into the future.

Highlights

- Youth engagement

  We have been fortunate to have two Junior Board Observers from Coomealla High School participate in Board meetings and assist drive our youth initiatives this year. Sarah Clothier and Laura Bysouth have assisted our Youth Committee Directors and added to the dynamics of our youth engagement.

- Grants

  We hosted another successful Grants Presentation Evening. A further $235,750.65 of grants provided to our community taking the total amount returned to the community now exceeding $2,306,101.17 - an outstanding outcome in 14 years.

Chairman's report (continued)

- Branch access improved

  A new ramp and automatic opening doors have provided improved access to the branch. This has been welcomed by our customers – especially those with disabilities.

- Community development co-ordinator appointed

  The refurbished office next door to the branch has been opened and we are pleased that Jill Davidson has accepted this new role with us. This will facilitate separating some of our **Community Bank®** branch community involvement matters from the branch.

Summary

Our 14th year has continued the success of previous years. Challenges looming are to maintain revenue, work with community leaders to ensure projects provide an enduring benefit, and manage Director succession and the demands placed on Directors. Winning new business is challenging in a very competitive banking environment. We anticipate the next year's success will be around maintaining our results rather than about growth.

Alan Williamson
Chairman

Manager's report

For year ending 30 June 2013

The past year has been a very active one for our **Community Bank®** branch and another year of solid growth in an ever challenging and competitive environment. As you can see within the financial statements in this Annual Report, our financial performance has been excellent once again. This performance level continues to allow us to reinvest into our community through our Annual Grants process and also maintain a healthy balance sheet for the company.

In 2010 the Directors reviewed our business and set our sights on achieving business footings of $130 million by 30 June 2013. I am pleased to report that we managed to achieve growth in footings from $ 105.10 million in 2010 to $ 129.20 million as at 30 June 2013. We didn't quite get there but certainly a remarkable achievement of $24.10 million in growth over the past three years given today's economic environment.

Fair to say with the prevailing low cash rate, we are finding the deposit market very competitive however we continue to retain and grow our deposit base. In the recent reporting period we approved over $20 million in lending and continue to seek out new lending business.

Current footings as at 30 June 2013

Deposits	$ 53.9 million
Lending	$ 60.1 million
Other	$ 15.2 million
Customers	2,676

Acknowledgements:

Our **Community Bank®** branch provides products and services to many of the area's community members. We could not do this without the commitment of our volunteer Directors and dedicated staff. Many thanks go to the following people:

- Our branch staff, Liz, Janine, Marie, Leanne, Amanda, Bonnie, Breeon and Jo who continue to provide our customers with service second to none. Our Marketing Officer, Kate for her work in "telling our story".
- Our Board of Directors, Alan, Sam, Dave, Marg, Ted, Cheryl, Bill and Andrew. Our Secretary, Rob for their direction, governance and community involvement.
- Our Regional Manager, John Sirolli and his support team in Bendigo.
- Our local Business Banking team in Mildura, Paul Hewitt, Creagh Symes and Gaylene Veal.
- Our Financial Planning expert – Jim Fahey.
- Support of our fellow branches in Sunraysia, Mildura Langtree, Mildura Centro and Merbein **Community Bank®** Branch.

Aims:

My aim as Branch Manager is to continue to provide our excellent customer service and deliver relevant and competitive products and services to our customers.

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

- Buronga/Gol Gol – Has been identified as the young family growth area of our Shire and we will continue to promote the benefits of the **Community Bank®** model to the residents and business holders there.

Manager's report (continued)

- Agriculture – This is particularly exciting given Rural Bank is now a 100% wholly owned subsidiary of the Bendigo and Adelaide Bank. We now have access a range of competitive products and services specifically designed for Agribusiness customers.
- Existing customers – We will endeavour to keep in close contact with our existing customers to ensure they feel valued and kept abreast of new products and services that are relevant to their banking needs.

Closing

We must always remember this is our Community's branch. We are all stakeholders and have an interest in the business being successful, profitable and continuing to grow. Again a huge thank you for banking with us and continuing to support your **Community Bank®** branch. Without your loyalty and banking business the $2.2 million we have returned to the Wentworth & District community would not be possible. Don't forget us when talking to family, friends and business associates; we are always looking for more business.

Darryl Wescombe
Manager

Bendigo and Adelaide Bank report

For year ending 30 June 2013

This year has marked two very significant milestones for our **Community Bank®** network, celebrating its 15th anniversary of operation while also reaching $100 million in community contributions. Both achievements could not have been accomplished without your ongoing support as shareholders and customers.

The **Community Bank®** network has grown considerably since it was first launched in 1998, in partnership with the people from the western Victorian farming towns of Rupanyup and Minyip. For these communities the **Community Bank®** model was seen as a way to restore branch banking services to the towns, after the last of the major banks closed its services. But in the years since, the **Community Bank®** model has become so much more.

The **Community Bank®** network has returned more than $20 million in contributions to local communities in this financial year alone. Our branches have been able to fund health services, sports programs, aged care facilities, education initiatives, community events and much more.

These contributions have come at a time of continued economic uncertainty, and shows the high level of support the **Community Bank®** model has in the communities in which it operates.

While our established branches grow their business at a healthy rate, demand for the model in other communities continues to be strong. There are currently another 40 **Community Bank®** sites in development, and 15 new branches are expected to open in the next 12 months.

At the end of the financial year 2012/13 the **Community Bank®** network had achieved the following:

- Returns to community – $102 million
- **Community Bank®** branches – 298
- **Community Bank®** branch staff – more than 1,460
- **Community Bank®** company Directors – 1,925
- Banking business – $24.46 billion
- Customers – 640,159
- Shareholders – 72,062
- Dividends paid to shareholders since inception – $30.88 million.

Almost 300 communities have now partnered with Bendigo and Adelaide Bank, to not only enhance banking services, but more importantly take the profits their banking business generates and reinvest it in local groups and projects that will ultimately strengthen their community. This $100 million goes to new community facilities, improved services, more opportunities for community engagement activities and generally speaking, a more prosperous society.

The communities we partner with also have access to Bendigo and Adelaide Bank's extensive range of other community building solutions including the Community Enterprise Foundation™ (philanthropic arm), Community Sector Banking (banking service for not-for-profit organisations), Generation Green™ (environment and sustainability initiative), Community Telco® (telecommunications solution), tertiary education scholarships and Community Enterprises that provide **Community Bank®** companies with further development options.

In Bendigo and Adelaide Bank, your **Community Bank®** company has a committed and strong partner and over the last financial year our company has continued its solid performance.

Bendigo and Adelaide Bank report (continued)

Bendigo and Adelaide Bank remains one of the few banks globally to be awarded an upgraded credit rating since the onset of the Global Financial Crisis. Our Bank continues to be rated at least “A-” by Standard & Poor’s, Moody’s and Fitch in recognition of its strong performance in the face of what continues to be a challenging economic environment.

While continued ratings affirmation is a welcome boost for the Bank and its partners, trading conditions are still difficult, with consumer confidence and demand for credit remaining low, and competition remaining very strong for retail deposits.

Not surprisingly, these factors continue to place pressure on the 50/50 margin share agreement between the Bank and our **Community Bank®** partners. As a result some **Community Bank®** companies are receiving much more than 50 per cent of revenue earned.

In April, the Bank took a further step to restore this balance, ensuring that the **Community Bank®** model produced a more appropriate balance of return for all stakeholders within this partnership model. The Bank will continue to review this remuneration model to ensure it is fair and equitable for all parties and is as resilient as possible to the fast changing economic environment.

It continues to be Bendigo and Adelaide Bank’s vision to be Australia’s leading customer-connected bank. We believe our strength comes from our focus on the success of our customers, people, partners and communities. We take a 100-year view of our business; we listen and respect every customer’s choice, needs and objectives. We partner for sustainable long-term outcomes and aim to be relevant, connected and valued.

This is what drives each and every one of our people and we invite you as **Community Bank®** shareholders to support us as we work with your community to deliver on our goals and ensure our sustained and shared success.

As **Community Bank®** shareholders you are part of something special, a unique banking movement which has evolved into a whole new way of thinking about banking and the role it plays in modern society.

With the community’s support, there really is no limit to what can be achieved under the **Community Bank®** model, and I look forward to seeing what the next 15 years will bring.

I thank you for your important support of your local **Community Bank®** branch.

Robert Musgrove
Executive Community Engagement

Directors' report

For the financial year ended 30 June 2013

Your Directors submit their report of the company for the financial year ended 30 June 2013.

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

Margaret Elizabeth Thomson
Treasurer
Occupation: Horticulturalist
Board member since 22/11/2000

Richard Alan Williamson
Chairperson
Occupation: Retired Accountant
Board member since 24/11/2004

Andrew Mark Cottrell
Director
Occupation: Horticulturalist
Board member since 13/10/2010

David John Cross
Vice Chairperson
Occupation: Horticulturalist
Board member since 25/01/1999

Cheryl Kathleen Rix
Director
Occupation: General Manager
Board member since 25/01/1999

William Richard Brook
Director
Occupation: Retired
Board member since 25/03/2009

Edward Brian O'Shannessy
Director
Occupation: School Teacher
Board member since 28/09/2011

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

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

Review of operations

The Profit of the company for the financial year after the distribution of annual grants was $249,244 (2012: Profit of $18,486).

The net assets of the company have increased to $1,993,011 (2012: $1,743,767).

Significant changes in the state of affairs

No significant changes in the company's state of affairs occurred during the financial year.

Events subsequent to reporting date

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

Remuneration report

Remuneration policy

There has been no remuneration policy developed as Director positions are held on a voluntary basis and Directors are not remunerated for their services.

Remuneration benefits and payments

Other than detailed below, 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.

In Nov 2012 the Board resolved to engage the services of Redgum Gold Pty Ltd, a company in which Cheryl Rix has a direct interest.

Board preferences are for any paid work to be done by parties unrelated to Board members where possible.

As time was now of the essence in getting these matters dealt with promptly, rather than outsource the completion of these documents to an external consultant, it was resolved that this engagement be treated as a one off, where the professional skill set, and expertise of a Board member be utilised to complete the agreed tasks, given the very short timeframe available. This task was contracted under normal commercial terms and conditions, no more favourable than those available to other persons.

	2013 **$**
David John Dawes	-
David John Cross	-
Margaret Elizabeth Thomson	-
Cheryl Kathleen Rix	1,430
Richard Alan Williamson	-
William Richard Brook	-
Andrew Mark Cottrell	-
Edward Brian O'Shannessy	-
	1,430

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' meetings

The number of Directors' meetings held during the year were 11. Attendances by each Director during the year were as follows:

Director	Board meetings #
David John Dawes	11 (11)
David John Cross	11 (11)
Margaret Elizabeth Thomson	11 (11)
Cheryl Kathleen Rix	7 (11)
Richard Alan Williamson	9 (11)
William Richard Brook	9 (11)
Andrew Mark Cottrell	8 (11)
Edward Brian O'Shannessy	10 (11)

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

Likely developments

The company will continue its policy of being a facilitator of banking services to the community.

Environmental regulations

The company is not subject to any significant environmental regulation. However, the Board believes that the company has adequate systems in place for the management of its environment requirements and is not aware of any breach of these environmental requirements as they apply to the company.

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.

Company Secretary

Robert Verstappen has been the Company Secretary of Wentworth District Capital Limited since 26 April 2006. Robert's qualifications and experience include being an Accountant (CPA) and a Registered Tax Agent with over 30 years experience.

Non audit services

The Directors in accordance with advice from the audit committee, are satisfied that the provision of non audit services during the year is compatible with the general standard of independence for Auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed in Note 5 did not compromise the external Auditor's independence for the following reasons:

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

Auditor independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set at page 12 of this financial report. No Officer of the company is or has been a partner of the Auditor of the company.

Signed in accordance with a resolution of the Board of Directors at Wentworth on 16 October 2013.

Richard Alan Williamson
Director

Auditor’s independence declaration

Richmond Sinnott & Delahunty
Chartered Accountants

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Auditor’s Independence Declaration under section 307C of the Corporations Act 2001 to the Directors of Wentworth District Capital Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 there has been no contraventions of:

(i) the Auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RICHMOND SINNOTT & DELAHUNTY

Chartered Accountants

Name
Partner

Bendigo

Dated at Bendigo, 16 September 2013

Financial statements

Statement of profit or loss and other comprehensive income for the year ended 30 June 2013

	Notes	2013 $	2012 $
Revenue	2	1,287,090	1,278,869
Employee benefits expense	3	(516,289)	(484,286)
Depreciation and amortisation expense	3	(15,348)	(23,864)
Finance costs	3	(203)	-
Bad and doubtful debts expense	3	(200)	(604)
Rental expense		(16,233)	(13,079)
Other expenses		(253,120)	(220,133)
Operating profit/(loss) before charitable donations & sponsorships		**485,697**	**536,903**
Charitable donations and sponsorships		(236,453)	(518,417)
Profit/(loss) before income tax expense		**249,244**	**18,486**
Tax expense / (benefit)	4	-	-
Profit/(loss) for the year		**249,244**	**18,486**
Other comprehensive income		-	-
Total comprehensive income		**249,244**	**18,486**

The accompanying notes form part of these financial statements.

Statement of financial position
as at 30 June 2013

	Notes	2013 $	2012 $
Assets			
Current assets			
Cash and cash equivalents	6	1,850,268	1,539,988
Trade and other receivables	7	97,001	132,945
Total current assets		**1,947,269**	**1,672,933**
Non-current assets			
Property, plant and equipment	8	192,935	180,528
Intangible assets	9	-	-
Total non-current assets		**192,935**	**180,528**
Total assets		**2,140,204**	**1,853,461**
Liabilities			
Current liabilities			
Trade and other payables	10	83,499	61,631
Provisions	11	43,899	20,018
Total current liabilities		**127,398**	**81,649**
Non current liabilities			
Provisions	11	19,795	28,045
Total non current liabilities		**19,795**	**28,045**
Total liabilities		**147,193**	**109,694**
Net assets		**1,993,011**	**1,743,767**
Equity			
Retained earnings	12	1,993,011	1,743,767
Total equity		**1,993,011**	**1,743,767**

The accompanying notes form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2013

	Retained Earnings $	Total Equity $
Balance at 1 July 2011	**1,725,281**	**1,725,281**
Total comprehensive income for the year	18,486	18,486
Balance at 30 June 2012	**1,743,767**	**1,743,767**
Balance at 1 July 2012	1,743,767	1,743,767
Total comprehensive income for the year	249,244	249,244
Balance at 30 June 2013	**1,993,011**	**1,993,011**

The accompanying notes form part of these financial statements.

Statement of cash flows
for the year ended 30 June 2013

	Notes	2013 $	2012 $
Cash flows from operating activities			
Receipts from clients		1,262,022	1,448,683
Payments to suppliers and employees		(1,012,923)	(1,216,286)
Interest received		88,936	71,905
Net cash flows from/(used in) operating activities	**13b**	**338,035**	**304,302**
Cash flows from investing activities			
Purchase of property, plant & equipment		(28,186)	(39,024)
Proceeds from disposal of property, plant and equipment		431	13,182
Net cash flows from/(used in) investing activities		**(27,755)**	**(25,842)**
Net increase/(decrease) in cash held		**310,280**	**278,460**
Cash and cash equivalents at start of year		1,539,988	1,261,528
Cash and cash equivalents at end of year	**13a**	**1,850,268**	**1,539,988**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2013

The financial statements and notes represent those of Wentworth District Capital Limited.

The financial statements were authorised for issue by the Directors on 16 October 2013.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

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

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board 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 (IFRS). Material accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, were applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

(b) Income tax expense

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

The full bench of the Federal Court handed down a ruling under appeal from the ATO on 28 March 2011([2011] FCAFC 42) confirming the Directors' belief that the company was income tax exempt as it is a community services organisation.

(c) Property, plant and equipment

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

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight line 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%

<u>Impairment</u>

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.

Note 1. Summary of significant accounting policies (continued)

(c) Property, plant and equipment (continued)

Impairment (continued)

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.

Revaluations

Following initial recognition at cost, land and buildings are carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

(d) Impairment 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.

(e) 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 Australian Taxation Office (ATO). 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 inclusive of the amount of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position. Cash flows are presented on a gross basis. The GST components of investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(f) Employee benefits

Provision is made for the company's liability for employee benefits arising from the services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy any vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows attributable to the employee benefits.

Note 1. Summary of significant accounting policies (continued)

(g) Intangibles

Establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the Statement of Comprehensive Income.

(h) Cash

Cash on hand and in banks are stated at nominal value. Bank overdrafts are shown as short term borrowings in current liabilities in the statement of financial position.

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.

(i) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Revenue comprises service commissions and other income received by the company.

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

(j) Receivables and payables

Receivables and payables are non interest bearing and generally have payment terms of between 30 and 90 days. Receivables expected to be collected within 12 months at the end of the reporting period are classified as current assets. 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 and are recognised as a current liability.

(k) New accounting standards and interpretations not yet adopted

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company.

The company has decided not to early adopt any of the new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in the future reporting periods is set below:

(i) AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) is not expected to have an impact on the company's financial assets or financial liabilities.

Note 1. Summary of significant accounting policies (continued)

(k) New accounting standards and interpretations not yet adopted (continued)

(ii) AASB 13 Fair Value Measurement (2011)

AASB 13 provides a single source of guidance on how fair value is measured, and replaces the fair value measurement guidance that is currently dispersed throughout Australian Accounting Standards. Subject to limited exceptions, AASB 13 is applied when fair value measurements or disclosures are required or permitted by other AASBs. The company is currently reviewing its methodologies in determining fair values. AASB 13 is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

(iii) AASB 119 Employee Benefits (2011)

AASB 119 (2011) changes the definition of short-term and other long-term employee benefits to clarify the distinction between the two. For defined benefit plans, removal of the accounting policy choice for recognition of actuarial gains and losses is not expected to have any impact on the company. However, the company may need to assess the impact of the change in measurement principles of expected return on plan assets. AASB 119 (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

(l) Loans and borrowings

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

(m) Provisions

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

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

(n) Comparative figures

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

(o) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company. Estimates and judgements are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and judgements that have a significant risk of causing material adjustments to the carrying values of assets and liabilities are as follows:

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation changes for its property, plant and equipment and intangible assets. The depreciation and amortisation charge will increase where useful lives are less than previously estimated lives.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(o) Critical accounting estimates and judgements (continued)

Impairment

The company assesses impairment at the end of each reporting period by calculating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

(p) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified ‘at fair value through profit or loss’, in which case transaction costs are expensed to the profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost.

Fair value represents the amount for which an asset would be exchanged or a liability settled, between knowledgeable willing parties. Where available quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are applied to determine the fair value. Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less repayments and any reduction for impairment and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

(i) Loans and receivables

Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non derivative financial liabilities are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset is deemed to be impaired if and only if, there is objective evidence of impairment as a result of one or more events (a loss event) having occurred, which has an impact on the estimated future cash flows of the financial asset. In the case of financial assets carried at amortised cost, loss events may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in payments, indications that they will enter bankruptcy or other financial reorganisation and changes in arrears or economic conditions that correlate with defaults.

Note 1. Summary of significant accounting policies (continued)

(o) Critical accounting estimates and judgements (continued)

Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Note 2. Revenue and other income

	2013 $	2012 $
Revenue		
- services commissions	1,161,000	1,141,788
	1,161,000	**1,141,788**
Other revenue		
- interest received	88,936	71,905
- ATO refund for prior income tax paid	26,717	54,656
- other revenue	10,437	10,520
	126,090	**137,081**
Total revenue	**1,287,090**	**1,278,869**

Note 3. Expenses

	2013 $	2012 $
Employee benefits expense		
- wages and salaries	416,157	398,152
- superannuation costs	41,600	32,323
- workers' compensation costs	1,398	1,085
- other costs	57,134	52,726
	516,289	**484,286**

	2013 $	2012 $

Note 3. Expenses (continued)

Depreciation of non-current assets:		
- plant and equipment	15,348	11,418
Amortisation of non-current assets:		
- intangible assets	-	12,446
	15,348	**23,864**
Finance costs:		
- Interest paid	203	-
Bad debts	200	604

Note 4. 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.

Note 5. Auditors' remuneration

Remuneration of the Auditor for:		
- Audit of the financial report	**3,100**	**2,900**

Note 6. Cash and cash equivalents

Cash at bank and on hand	**1,850,268**	**1,539,988**

Note 7. Trade and other receivables

Current		
Trade debtors	92,795	97,466
Less: Provision for doubtful debts	(2,400)	(2,400)
Prepayments	6,606	37,879
	97,001	**132,945**

Credit risk

The company has no significant concentration of credit risk with respect to any single counterparty or company of counterparties other than those receivables specifically provided for and mentioned within Note 7. The main sources of credit risk to the company are considered to relate to the classes of assets described as trade and other receivables and "loans" (see Note 11).

Note 7. Trade and other receivables (continued)

Credit risk (continued)

The following table details the company's trade and other receivables exposed to credit risk (prior to collateral and other credit enhancements) with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled within the terms and conditions agreed between the company and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the company.

The balances of receivables that remain within initial trade terms (as detailed in the table below) are considered to be high credit quality.

	Gross amount	Past due and impaired	Past due but not impaired			Not past due
			< 30 days	31-60 days	> 60 days	
2013						
Trade receivables	92,795	-	-	-	-	92,795
Prepayments	6,606	-	-	-	-	6,606
Total	**99,401**	**-**	**-**	**-**	**-**	**99,401**
2012						
Trade receivables	97,466	-	-	-	-	97,466
Prepayments	37,879	-	-	-	-	37,879
Total	**135,345**	**-**	**-**	**-**	**-**	**135,345**

	2013 $	2012 $
Note 8. Property, plant and equipment		
Furniture & fittings		
At cost	78,272	68,155
Less accumulated depreciation	(36,491)	(33,220)
Total written down amount	**41,781**	**34,935**
Leasehold improvements		
At cost	146,345	128,707
Less accumulated depreciation	(21,195)	(17,843)
Total written down amount	**125,150**	**110,864**

Notes to the financial statements (continued)

	2013 $	2012 $

Note 8. Property, plant and equipment (continued)

	2013 $	2012 $
Motor vehicle		
At cost	37,024	37,024
Less accumulated depreciation	(11,191)	(2,580)
Total written down amount	**25,833**	**34,444**
Computer equipment		
At cost	1,544	1,544
Less accumulated depreciation	(1,373)	(1,259)
Total written down amount	**171**	**285**
Total property, plant and equipment	**192,935 -**	**180,528**
Movements in carrying amounts		
Furniture & fittings		
Balance at the beginning of the reporting period	34,935	36,262
Additions	10,548	1,999
Disposals	(431)	-
Depreciation expense	(3,271)	(3,326)
Balance at the end of the reporting period	**41,781**	**34,935**
Leasehold improvements		
Balance at the beginning of the reporting period	110,864	113,706
Additions	17,638	-
Disposals	-	-
Depreciation expense	(3,352)	(2,842)
Balance at the end of the reporting period	**125,150**	**110,864**
Motor vehicle		
Balance at the beginning of the reporting period	34,444	14,880
Additions	-	37,024
Disposals	-	(12,400)
Depreciation expense	(8,611)	(5,060)
Balance at the end of the reporting period	**25,833**	**34,444**

Notes to the financial statements (continued)

	2013 $	2012 $

Note 8. Property, plant and equipment (continued)

Computer equipment		
Balance at the beginning of the reporting period	285	475
Additions	-	-
Disposals	-	-
Depreciation expense	(114)	(190)
Balance at the end of the reporting period	**171**	**285**

Note 9. Intangible assets

Establishment costs		
At cost	60,000	60,000
Less accumulated amortisation	(60,000)	(60,000)
	-	**-**
Franchise fee		
At cost	-	-
Less accumulated amortisation	-	-
	-	**-**
	-	**-**
Movements in carrying amounts		
Franchise fee		
Balance at the beginning of the reporting period	-	12,446
Additions	-	-
Disposals	-	-
Amortisation expense	-	(12,446)
Balance at the end of the reporting period	**-**	**-**

Note 10. Trade and other payables

Current		
Unsecured liabilities:		
Trade creditors	49,333	58,406
Other creditors and accruals	34,166	3,225
	83,499	**61,631**

Note 11. Provisions

	2013 $	2012 $
Employee benefits	**63,694**	**48,063**
Movement in employee benefits		
Opening balance	48,063	40,244
Additional provisions recognised	38,273	29,793
Amounts utilised during the year	(22,642)	(21,974)
Closing balance	**63,694**	**48,063**
Current		
Employee benefit provisions	43,899	20,018
	43,899	**20,018**
Non-current		
Employee benefit provisions	19,795	28,045
	19,795	**28,045**
Total provisions	**63,694**	**48,063**

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 12. Retained earnings / (accumulated losses)

	2013 $	2012 $
Balance at the beginning of the reporting period	1,743,767	1,725,281
Profit/(loss) after income tax	249,244	18,486
Balance at the end of the reporting period	**1,993,011**	**1,743,767**

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 outstandings and obligations of the company. As at 30 June 2013 the number of members was 164 (2012:165).

	2013 $	2012 $

Note 13. Statement of cash flows

(a) Cash and cash equivalents balances as shown in the statement of financial position can be reconciled to that shown in the statement of cash flows as follows

	2013 $	2012 $
As per the statement of financial position	1,850,268	1,539,988
As per the statement of cash flow	**1,850,268**	**1,539,988**

(b) Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities

	2013 $	2012 $
Profit / (loss) after income tax	249,244	18,486
Items Classified as investing/financing activities		
(Profit) / loss on disposal of property, plant & equipment	-	(782)
Non cash items		
- Depreciation	15,348	11,418
- Amortisation	-	12,446
Changes in assets and liabilities		
- (Increase) decrease in receivables	35,944	223,195
- Increase (decrease) in payables	21,868	31,720
- Increase (decrease) in provisions	15,631	7,819
Net cash flows from/(used in) operating activities	**338,035**	**304,302**

(c) Credit standby arrangement and loan facilities

None in place at the date of this report

Note 14. Related party transactions

The company's main related parties are as follows:

(a) Key management personnel

Any person(s) having authority or responsibility for planning, directing or controlling the activities of the entity, directly or indirectly including any Director (whether executive or otherwise) of that company is considered key management personnel.

(b) Other related parties

Other related parties include close family members of key management personnel and entities that are controlled or jointly controlled by those key management personnel, individually or collectively with their close family members.

Notes to the financial statements (continued)

Note 14. Related party transactions (continued)

(c) Transactions with key management personnel and related parties

Other than detailed below, no key management personnel or related party has entered into any contracts with the company. No Director fees have been paid as the positions are held on a voluntary basis.

In Nov 2012 the Board resolved to engage the services of Redgum Gold Pty Ltd, a company in which Cheryl Rix has a direct interest.

Board preferences are for any paid work to be done by parties unrelated to Board members where possible.

As time was now of the essence in getting these matters dealt with promptly, rather than outsource the completion of these documents to an external consultant, it was resolved that this engagement be treated as a one off, where the professional skill set, and expertise of a Board member be utilised to complete the agreed tasks, given the very short timeframe available. This task was contracted under normal commercial terms and conditions, no more favourable than those available to other persons.

	2013 $
David John Dawes	-
David John Cross	-
Margaret Elizabeth Thomson	-
Cheryl Kathleen Rix	1,430
Richard Alan Williamson	-
William Richard Brook	-
Andrew Mark Cottrell	-
Edward Brian O'Shannessy	-
	1,430

(d) Other key management transactions

There has been no other transactions involving equity instruments other than those described above.

Note 15. Events after the reporting period

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

Note 16. Contingent liabilities and assets

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

Note 17. Operating segments

The company operates in the financial services sector where it provides banking services to its clients. The company operates in one geographic area being Wentworth, New South Wales. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2012: 100%).

Note 18. Company details

The registered office & principle place of business is:	Wentworth District Capital Limited 36-38 Darling Street Wentworth NSW 2648

Note 19. 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 as detailed in the accounting policies are as follows:

	Note	2013 $	2012 $
Financial assets			
Cash & cash equivalents	6	1,850,268	1,539,988
Trade and other receivables	7	97,001	132,945
Total financial assets		**1,947,269**	**1,672,933**
Financial liabilities			
Trade and other payables	10	83,499	61,631
Total financial liabilities		**83,499**	**61,631**

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.

Note 19. Financial risk management (continued)

(a) Credit risk (continued)

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

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets as presented in the statement of financial position.

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 Limited.

None of the assets of the company are past due (2012: nil past due) and based on historic default rates, the company believes that no impairment allowance is necessary in respect of assets not past due.

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

	2013 $	2012 $
Cash and cash equivalents:		
A rated	**1,850,268**	**1,539,988**

(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.

Note 19. Financial risk management (continued)

(b) Liquidity risk (continued)

Financial liability and financial asset maturity analysis:

	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
30 June 2013					
Financial liabilities due					
Trade and other payables	10	83,499	83,499	–	–
Total expected outflows		**83,499**	**83,499**	**–**	**–**
Financial assets - realisable					
Cash & cash equivalents	6	1,850,268	1,850,268	–	–
Trade and other receivables	7	97,001	97,001	–	–
Total anticipated inflows		**1,947,269**	**1,947,269**	**–**	**–**
Net (outflow)/inflow financial instruments		**1,863,770**	**1,863,770**	**–**	**–**

	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
30 June 2012					
Financial liabilities due					
Trade and other payables	10	61,631	61,631	–	–
Total expected outflows		**61,631**	**61,631**	**–**	**–**
Financial assets - realisable					
Cash & cash equivalents	6	1,539,988	1,539,988	–	–
Trade and other receivables	7	132,945	132,945	–	–
Total anticipated inflows		**1,672,933**	**1,672,933**	**–**	**–**
Net (outflow)/inflow financial instruments		**1,611,302**	**1,611,302**	**–**	**–**

Note 19. Financial risk management (continued)

(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 the risk 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.

The weighted average interest rates of the company's interest-bearing financial assets are as follows:

Financial assets	2013 %	2012 %
Cash and cash equivalents (net of bank overdrafts)	4%	5%

Sensitivity analysis

The following table illustrates sensitivities to the company's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit $	Equity $
Year ended 30 June 2013		
+/- 1% in interest rates (interest income)	18,503	18,503
	18,503	**18,503**
Year ended 30 June 2012		
+/- 1% in interest rates (interest income)	15,400	15,400
	15,400	**15,400**

The company has no exposure to fluctuations in foreign currency.

(d) Price risk

The company is not exposed to any material price risk.

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.

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 on pages 13 to 33 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 2013 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.

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

Richard Alan Williamson
Director

Signed at Wentworth on 16 October 2013.

Independent audit report

Richmond Sinnott & Delahunty
Chartered Accountants

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Bendigo, Victoria
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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 2013, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company at the year's end.

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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, 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.

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. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Wentworth District Capital Limited, would be in the same terms if provided to the directors as at the time of this auditor's report.

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 2013 and of its performance for the period ended on that date; and

(ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001; and

(b) the financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

RICHMOND SINNOTT & DELAHUNTY
Chartered Accountants

W. J. SINNOTT
Partner

Dated at Bendigo, 16 October 2013

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