Annual Report 2014

Wentworth District Capital Limited

ABN 76 085 989 804

Wentworth & District **Community Bank®** Branch

Contents

Chair's report

For year ending 30 June 2014

The 2013/14 financial year has been another busy year for the Wentworth & District **Community Bank**® Branch.

As projected last year our profit ($246,500) has been reduced in comparison to previous years, but because of accumulation of profits, we were able to contribute our second highest amount of community grant funding back to the community by way of grants and sponsorships with a total of $398,000.

Standouts were:-

- Youth Scholarship Program – $15,000
- Youth Driver Training Programme – $5,000
- George Gordon Oval-new change rooms & Public Toilet Block – $80,000
- Murray House Extensions – $100,000
- Sponsorship of Inaugural Mildura – Wentworth Ski Race – $25,000

Not listed in the above total is a payment of $125,000 to the Shire of Wentworth for the purchase of the Wentworth Sporting Club.

To celebrate 15 years of working together we had a special Annual Community Development Grants Dinner attended by our members and grants recipients. A booklet was produced to record our 15-year journey and these are available by contacting the branch if a member or customer would like a copy.

A new 15-year Franchise Agreement has been negotiated with our partners, Bendigo and Adelaide Bank. We look forward to continuing our relationship with the Bendigo and Adelaide Bank and thank their Officers for their ongoing support and assistance to our franchise company Wentworth District Capital Limited.

This past year was especially busy for the Directors for which I thank them.

We accepted with regret the resignation of Cheryl Rix and Bill Brook. Bill was especially good with all matters of Corporate Governance. We wish him and Jane all the best in their relocation. Cheryl had been with the Board since its inception and her contribution to the branch has been tremendous, setting the groundwork for the future and proving that the **Community Bank**® model can work for small communities.

We are also delighted to welcome Becky Bysouth to the Board. We hope you enjoy the challenge Becky.

Our Junior Board Observer from Coomealla High School this year is Samantha McLean. It's great to have a young person's perspective when making strategic decisions on youth.

Our Branch Manager Daryl Wescombe and his team continue to provide exceptional service to our customers. We also thank the team that supports us with secretarial, marketing, accountancy and community development. All these people assist not only the Board but Daryl so he can do what he does so well - banking!

As members of Wentworth District Capital Limited I know you support your **Community Bank**® branch and I hope you will continue to spread the word that for us to thrive we need to continue to build our business.

Thank you.

M E Thomson

Margaret Thomson
Chair

Manager's report

For year ending 30 June 2014

Well, 15 years ago did we think that we would be in the position we are in today? What a ride it has been. From the humble beginnings of starting with zero customers and zero income to now holding some $132.4 million in business footings. Fair to say we have experienced some trying conditions in this period with drought, GFC, volatile Horticulture and Viticulture returns and recently the closure of our local Services Club. But we are a resilient lot in the bush and have endured and continue to prevail.

Some key statistics:

Total lending	$ 61.5 million
Total deposits	$ 58.3 million
Other business	$ 12.6 million
Total business	$132.4 million
Customers	2,691
Community development funding	$2.5 million plus

I now look to the next 15 years and wonder what **Community Bank**® model will look like. Vastly different to what it is today I would imagine. Even now the development of new electronic banking applications, iphone technology, micro pay and online account opening and loan applications, will see us being able to reach out to even more community members. Exciting stuff.

Staff

We welcomed aboard Jill Davidson in the new role of Community Development Coordinator. Jill is assisting and coordinating our community engagement activities to alleviate some of the workload of our Directors and indeed the Branch Manager. We congratulate Breeon Cole who is doing her part in building our community as we welcomed her and Geoff's daughter Milla.

During the year a restructure in the company administration saw the need to outsource our bookkeeping and accounting. Unfortunately this action saw Leanne Hancock leave the company's employment. We wish Leanne and her family all the best for the future and thank her for her contribution to our **Community Bank**® branch's success.

A big thank you to Liz, Marie, Janine, Amanda, Jo, Bonnie, Jill and Kate for your continued service and commitment to our organisation and customers.

Future

Our commitment at the branch is to continue to provide high quality financial services to our community whilst at the same time generating much needed capital to be invested into our community development.

As stated, it has been a very successful 15 years but we can't rest on our laurels and will continue to seek avenues to grow our business. Our staff have all undergone an extensive training regime called "Bigger & Better" that has provided us the edge to deliver even better service and value to our customers.

Manager's report (continued)

Closing:

I acknowledge and thank the continued contribution of our volunteer Board of Directors over the past 12 months. There has been a little changing of the guard with some valued Directors handing over the baton. Cheryl, Bill, the staff and I thank you for your friendship and contribution during your time with our company.

We must always remember this is our **Community Bank**® 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 $2.5 million we have returned to the Wentworth and 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.

Daryl Wescombe
Branch Manager

Directors' report

For the financial year ended 30 June 2014

Your Directors submit their report of the company for the financial year ended 30 June 2014.

Directors

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

Name and position held	Qualifications	Experience and other Directorships
David John Dawes Director since 25/01/1999 Treasurer	HSC Certificate in Agriculture	Involved at the executive level in various Agricultural & Community groups within the local community. Over 30 years experience a Manager and Director of Family companies.
David John Cross Director since 25/01/1999 Director	BSc / RMIT Geology	Involved at the executive level in various other Community groups within the local Shire. Over 20 years experience a Manager and Director of Family companies.
Margaret Elizabeth Thomson Director since 22/11/2000 Chair	Secondary	Executive roles & Directorships in: Mallee Family Care; Sunraysia Financial Counselling; Regional Development Aust - Murray Sunraysia Aboriginal Employment. Shire Councillor for 13 years, Mayor for 7 years.
Cheryl Kathleen Rix Director since 25/01/1999 Director Ceased 30/06/2014	B.Comm (Melb) Chartered Accountant. Graduate Aust Institute of Company Directors. Aust Rural Leadership Foundation.	Directorships in: Mildura Development Corporation; Lower Murray Water Authority; Bendigo and Adelaide Bank **Community Bank**® Strategic Advisory Board; Redgum Gold Pty Ltd. Over 14 years experience in company Directorships and in general management roles. Currently program Manager for Northern Mallee Leadership program
Richard Alan Williamson Director since 24/11/2004 Director	B.Bus (Latrobe) Retired Accountant (CPA) & Financial Planning Specialist (FPS)	Directorships in: Dried Fruits Australia; Golden Dried Fruits Pty Ltd; Padthaway Eliza Dawson Vineyards Pty Ltd; Australian Premium Dried Fruits. Principal in an Accounting & Financial practice for 20 years. Retired 2010

Directors (continued)

Name and position held	Qualifications	Experience and other Directorships
William Richard Brook Director since 25/03/2009 Director Ceased 30/06/2014	HSC Chartered Secretaries Aust: Cert in Governance Practice & Administration	Retired CEO and Airport General Manager. Airport Property re developments Executive roles & membership in numerous community organisations
Andrew Mark Cottrell Director since 13/10/2010 Vice Chairperson	B Bus Admin / Ec	Directorships in: Andpak Pty Ltd; Gol Gol Buronga Development Group; Alcheringa Tennis Club; Delegate SDTA. 25 Years experience as a Company Director and Manager of Family farming enterprises.
Edward Brian O'Shannessy Director since 28/09/2011 Director	Dip Ed	Head of Department at Coomealla High School. Member of Coomealla High School Executive. Small Business owner.
Emily Rebecca Bysouth Director since 25/06/2014 Director	HSC Office / Finance Traineeship	Small Business Owner Executive roles & membership in numerous community organisations

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®** branch 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 Loss of the company for the financial year after the distribution of annual grants was $301,443 (2013: Profit of $249,244).

The net assets of the company have decreased to $1,691,568 (2013: $1,993,011).

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

<u>Remuneration policy</u>

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

<u>Remuneration benefits and payments</u>

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.

The company engages the services of Bysouth’s Garage to service the company motor vehicle, a business in which our newly appointed Director, E. Rebecca Bysouth has a direct partnership interest. Total payment $610 (2013: Nil)

This was an existing commercial arrangement in place prior to Rebecca’s appointment as a Director, with services performed under standard commercial terms and conditions, no more favourable than those available to other persons.

	2014
David John Dawes	-
David John Cross	-
Margaret Elizabeth Thomson	-
Cheryl Kathleen Rix	-
Richard Alan Williamson	-
William Richard Brook	-
Andrew Mark Cottrell	-
Edward Brian O'Shannessy	-
Emily Rebecca Bysouth	610
	610

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 held during the year were 11. Attendances by each Director during the year were as follows:

Director	Board meetings #
David John Dawes	9 (11)
David John Cross	10 (11)
Margaret Elizabeth Thomson	11 (11)
Cheryl Kathleen Rix	9 (11)
Richard Alan Williamson	10 (11)
William Richard Brook	10 (11)
Andrew Mark Cottrell	11 (11)
Edward Brian O'Shannessy	10 (11)
Emily Rebecca Bysouth	1 (1)

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 in Public Practice and a Registered Tax Agent with over 30 years experience.

Directors' report (continued)

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 10 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 24 September 2014.

M E Thomson

Margaret Elizabeth Thomson
Director

Auditor's independence declaration

Richmond
Sinnott &
Delahunty

Chartered Accountants

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Bendigo, VICTORIA
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24 September 2014

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

Dear Directors,

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 2014 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.

P. P. Delahunty
Partner
Richmond Sinnott & Delahunty

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

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

Financial statements

Statement of profit or loss and Other Comprehensive Income for the year ended 30 June 2014

	Note	2014 $	2013 $
Revenue	2	1,117,562	1,287,090
Employee benefits expense	3	(551,449)	(516,289)
Depreciation and amortisation expense	3	(19,031)	(15,348)
Finance costs	3	-	(203)
Bad and doubtful debts expense	3	2,119	(200)
Rental expense		(16,853)	(16,233)
Other expenses		(285,870)	(253,120)
Operating profit/(loss) before charitable donations, sponsorships and grants		**246,478**	**485,697**
Charitable donations, sponsorships & grants		(547,921)	(236,453)
Profit/(loss) before income tax expense		**(301,443)**	**249,244**
Tax expense / (benefit)	4	-	-
Profit/(loss) for the year		**(301,443)**	**249,244**
Other comprehensive income		-	-
Total comprehensive income		**(301,443)**	**249,244**

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2014

	Note	2014 $	2013 $
Assets			
Current assets			
Cash and cash equivalents	6	1,580,644	1,850,268
Trade and other receivables	7	90,610	97,001
Total current assets		**1,671,254**	**1,947,269**
Non-current assets			
Property, plant and equipment	8	214,094	192,935
Intangible assets	9	67,173	-
Total non-current assets		**281,267**	**192,935**
Total assets		**1,952,521**	**2,140,204**
Liabilities			
Current liabilities			
Trade and other payables	10	205,530	83,499
Provisions	11	27,549	43,899
Total current liabilities		**233,079**	**127,398**
Non current liabilities			
Provisions	11	27,874	19,795
Total non current liabilities		**27,874**	**19,795**
Total liabilities		**260,953**	**147,193**
Net assets		**1,691,568**	**1,993,011**
Equity			
Retained earnings	12	1,691,568	1,993,011
Total equity		**1,691,568**	**1,993,011**

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of changes in equity for the year ended 30 June 2014

	Retained earnings $	Total equity $
Balance at 1 July 2012	1,743,767	1,725,281
Total comprehensive income for the year	249,244	18,486
Balance at 30 June 2013	**1,993,011**	**1,743,767**
Balance at 1 July 2013	1,993,011	1,743,767
Total comprehensive income for the year	(301,443)	249,244
Balance at 30 June 2014	**1,691,568**	**1,993,011**

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2014

	Note	2014 $	2013 $
Cash flows from operating activities			
Receipts from clients		1,161,313	1,262,022
Payments to suppliers and employees		(1,394,398)	(1,012,923)
Interest received		70,824	88,936
Net cash flows from/(used in) operating activities	**13**	**(162,261)**	**338,035**
Cash flows from investing activities			
Purchase of property, plant & equipment		(38,650)	(28,186)
Payment for intangibles		(68,713)	-
Proceeds from disposal of property, plant and equipment		-	431
Net cash flows from/(used in) investing activities		**(107,363)**	**(27,755)**
Net increase/(decrease) in cash held		**(269,624)**	**310,280**
Cash and cash equivalents at start of year		1,850,268	1,539,988
Cash and cash equivalents at end of year	**6**	**1,580,644**	**1,850,268**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2014

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

Wentworth District Capital Limited ('the company') is a company limited by guarantee, incorporated and domiciled in Australia.

The financial statements were authorised for issue by the Directors on 24 September 2014.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a not for profit entity for financial reporting purposes under Australian Accounting Standards. 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, 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.

Economic dependency

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank**® branches.

The branches operate as a franchise of Bendigo and Adelaide Bank Limited, using the name "Bendigo Bank" and the logo and system of operations of Bendigo and Adelaide Bank Limited. The company manages the **Community Bank**® branches on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank**® branches are effectively conducted between the customers and Bendigo and Adelaide Bank Limited.

All deposits are made with Bendigo and Adelaide Bank Limited, and all personal and investment products are products of Bendigo and Adelaide Bank Limited, with the company facilitating the provision of those products. All loans, leases or hire purchase transactions, issues of new credit or debit cards, temporary or bridging finance and any other transaction that involves creating a new debt, or increasing or changing the terms of an existing debt owed to Bendigo and Adelaide Bank Limited, must be approved by Bendigo and Adelaide Bank Limited. All credit transactions are made with Bendigo and Adelaide Bank Limited, and all credit products are products of Bendigo and Adelaide Bank Limited.

Bendigo and Adelaide Bank Limited provides significant assistance in establishing and maintaining the **Community Bank**® branch franchise operations. It also continues to provide ongoing management and operational support, and other assistance and guidance in relation to all aspects of the franchise operation, including advice in relation to:

- Advice and assistance in relation to the design, layout and fit out of the Community Bank® branch;
- Training for the Branch Managers and employees in banking, systems and interface protocol;
- Methods and procedures for the sale of products and provision of services;

Note 1. Summary of significant accounting policies (continued)

a) Basis of preparation (continued)

Economic dependency (continued)

- Security and cash logistic controls;
- Calculation of company revenue and payment of many operating and administrative expenses;
- The formulation and implementation of advertising and promotional programs; and
- Sale techniques and proper customer relations.

(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) Fair value of assets and liabilities

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closes equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair value of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of the liabilities and the entity's own equity instruments may be valued, where there is no observable market price in relation to the transfer of such financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted, and where significant, are detailed in the respective note to the financial statements.

(d) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, any accumulated depreciation and impairment losses.

Note 1. Summary of significant accounting policies (continued)

(d) Property, plant and equipment (continued)

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses related to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of asset	Depreciation rate
Furniture & fittings	2.5 - 40%
Leasehold improvements	2.5 - 10%
Motor Vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Impairment of assets

At each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard. Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Note 1. Summary of significant accounting policies (continued)

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or 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.

(g) Employee benefits

<u>Short-term employee benefits</u>

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

<u>Other long-term employee benefits</u>

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

The company's obligation for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(h) 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 Profit or Loss and Other Comprehensive Income.

(i) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are reported within 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.

Note 1. Summary of significant accounting policies (continued)

(j) 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).

(k) Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

(l) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(m) New and amended accounting policies adopted by the company

Employee benefits

The company adopted AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) from the mandatory application date of 1 January 2013. The company has applied these Standards retrospectively in accordance with AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors and the transitional provisions of AASB 119 (September 2011).

For the purpose of measurement, AASB 119 (September 2011) defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. In accordance with AASB 119 (September 2011), provisions for short-term employee benefits are measured at the (undiscounted) amounts expected to be paid to employees when the obligation is settled, whereas provisions that do not meet the criteria for classification as short-term (other long-term employee benefits) are measured at the present value of the expected future payments to be made to employees.

As the company expects that all of its employees would use all of their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, adoption of AASB 119 (September 2011) did not have a material impact on the amounts recognised in respect of the company's employee provisions. Note also that adoption of AASB 119 (September 2011) did not impact the classification of leave entitlements between current and non-current liabilities in the company's financial statements.

AASB 119 (September 2011) also introduced changes to the recognition and measurement requirements applicable to termination benefits and defined benefit plans. As the company did not have any of these types of obligations in the current or previous reporting periods, these changes did not impact the company's financial statements.

Note 1. Summary of significant accounting policies (continued)

(m) New and amended accounting policies adopted by the company (continued)

Fair value measurement

The company has applied AASB 13: Fair Value Measurement and the relevant consequential amendments arising from the related Amending Standards prospectively from the mandatory application date of 1 January 2013 and in accordance with AASB 108 and the specific transitional requirements in AASB 13.

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

No material adjustments to the carrying amounts of any of the company's assets or liabilities were required as a consequence of applying AASB 13. Nevertheless, AASB 13 requires enhanced disclosures regarding assets and liabilities that are measured at fair value and fair values disclosed in the company's financial statements.

The disclosure requirements in AASB 13 need not be applied by the company in the comparative information provided for periods before initial application of AASB 13 (that is, periods beginning before 1 January 2013). However, as some of the disclosures now required under AASB 13 were previously required under other Australian Accounting Standards, such as AASB 7: Financial Instruments: Disclosures, the company has provided this previously provided information as comparatives in the current reporting period.

(n) New accounting standards for application in future periods

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 and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

This Standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

Although the Directors anticipate that the adoption of AASB 9 may have an impact on the company's financial instruments, it is impractical at this stage to provide a reasonable estimate of such impact.

(ii) AASB 2012-3: Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard provides clarifying guidance relating to the offsetting of financial instruments, which is not expected to impact the company's financial statements.

(iii) AASB 2013-3: Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard amends the disclosure requirements in AASB 136: Impairment of Assets pertaining to the use of fair value in impairment assessment and is not expected to significantly impact the company's financial statements.

(o) Loans and borrowings

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

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(p) 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.

(q) Comparative figures

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

(r) 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:

<u>Estimation of useful lives of assets</u>

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.

<u>Employee benefits provision</u>

Assumptions required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. Treatment of leave under updated AASB 119 standard.

<u>Impairment</u>

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.

(s) Financial instruments

<u>Initial recognition and measurement</u>

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.

<u>Classification and subsequent measurement</u>

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

Note 1. Summary of significant accounting policies (continued)

(s) Financial instruments (continued)

Classification and subsequent measurement (continued)

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal 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.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discount estimated future cash payments or receipts over the expected life (or where this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability.

(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

A financial asset (or group of financial assets) 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(s).

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency on interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial asset is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

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.

Notes to the financial statements (continued)

	2014 $	2013 $

Note 2. Revenue and other income

	2014 $	2013 $
Revenue		
- services commissions	1,043,826	1,161,000
	1,043,826	**1,161,000**
Other revenue		
- interest received	70,824	88,936
- ATO refund for prior income tax paid	-	26,717
- other revenue	2,912	10,437
	73,736	**126,090**
Total Revenue	**1,117,562**	**1,287,090**

Note 3. Expenses

	2014 $	2013 $
Employee benefits expense		
- wages and salaries	470,191	416,157
- superannuation costs	44,540	41,600
- workers' compensation costs	1,044	1,398
- other costs	35,674	57,134
	551,449	**516,289**
Depreciation of non-current assets:		
- plant and equipment	17,491	15,348
Amortisation of non-current assets:		
- intangible assets	1,540	-
	19,031	**15,348**
Finance costs:		
- Interest paid	-	203
Bad debts	(2,119)	200

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.

	2014 $	2013 $

Note 5. Auditors' remuneration

Remuneration of the Auditor for:

- Audit or review of the financial report	**3,200**	**3,100**

Note 6. Cash and cash equivalents

Cash at bank and on hand	91,104	44,679
Short-term bank deposits	1,489,540	1,805,589
	1,580,644	**1,850,268**

The effective interest rate on short-term bank deposits was 3.5% (2013: 4.0%); these deposits have an average maturity of 180 days.

Note 7. Trade and other receivables

Current

Trade debtors	84,003	92,795
Less: Provision for doubtful debts	-	(2,400)
Prepayments	6,607	6,606
	90,610	**97,001**

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" if any.

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.

Note 7. Trade and other receivables (continued)

	Gross amount	Past due and impaired	Past due but not impaired			Not past due
			< 30 days	31-60 days	> 60 days	
2014						
Trade receivables	84,003	-	-	-	-	84,003
Prepayments	6,607	-	-	-	-	6,607
Total	**90,610**	**-**	**-**	**-**	**-**	**90,610**
2013						
Trade receivables	92,795	-	-	-	-	92,795
Prepayments	6,606	-	-	-	-	6,606
Total	**99,401**	**-**	**-**	**-**	**-**	**99,401**

Note 8. Property, plant and equipment

	2014 $	2013 $
Furniture & fittings		
At cost	84,217	78,272
Less accumulated depreciation	(41,113)	(36,491)
Total written down amount	**43,104**	**41,781**
Leasehold improvements		
At cost	175,294	146,345
Less accumulated depreciation	(26,323)	(21,195)
Total written down amount	**148,971**	**125,150**
Motor vehicle		
At cost	37,024	37,024
Less accumulated depreciation	(17,649)	(11,191)
Total written down amount	**19,375**	**25,833**
Computer equipment		
At cost	5,299	1,544
Less accumulated depreciation	(2,655)	(1,373)
Total written down amount	**2,644**	**171**
Total write down amount	**214,094**	**192,935**

	2014 $	2013 $

Note 8. Property, plant and equipment (continued)

Movements in carrying amounts

	2014 $	2013 $
Furniture & fittings		
Balance at the beginning of the reporting period	41,781	34,935
Additions	5,945	10,548
Disposals		(431)
Depreciation expense	(4,622)	(3,271)
Balance at the end of the reporting period	**43,104**	**41,781**
Leasehold improvements		
Balance at the beginning of the reporting period	125,150	110,864
Additions	28,949	17,638
Disposals	-	-
Depreciation expense	(5,128)	(3,352)
Balance at the end of the reporting period	**148,971**	**125,150**
Motor vehicle		
Balance at the beginning of the reporting period	25,833	34,444
Additions	-	-
Disposals	-	-
Depreciation expense	(6,458)	(8,611)
Balance at the end of the reporting period	**19,375**	**25,833**
Computer equipment		
Balance at the beginning of the reporting period	171	285
Additions	3,755	-
Disposals	-	-
Depreciation expense	(1,282)	(114)
Balance at the end of the reporting period	**2,644**	**171**

Note 9. Intangible assets

	2014 $	2013 $
Establishment costs		
At cost	60,000	60,000
Less accumulated amortisation	(60,000)	(60,000)
	-	**-**

	2014 $	2013 $

Note 9. Intangible assets (continued)

	2014 $	2013 $
Franchise & renewal fees		
At cost	68,713	-
Less accumulated amortisation	(1,540)	-
	67,173	**-**
Total Intangible assets	**67,173**	**-**
Movements in carrying amounts		
Franchise fee		
Balance at the beginning of the reporting period	-	-
Additions	68,713	-
Disposals	-	-
Amortisation expense	(1,540)	-
Balance at the end of the reporting period	**67,173**	**-**

Note 10. Trade and other payables

	2014 $	2013 $
Current		
Unsecured liabilities:		
Trade creditors	35,052	49,333
Other creditors and accruals	170,478	34,166
	205,530	**83,499**

Note 11. Provisions

	2014 $	2013 $
Employee benefits	**55,423**	**63,694**
Movement in employee benefits		
Opening balance	63,694	48,063
Additional provisions recognised	26,603	38,273
Amounts utilised during the year	(34,874)	(22,642)
Closing balance	**55,423**	**63,694**
Current		
Annual leave	18,158	27,246
Long-service leave	9,391	16,653
	27,549	**43,899**

	2014 $	2013 $

Note 11. Provisions (continued)

Non-current

Long-service leave	27,874	19,795
	27,874	**19,795**
Total provisions	**55,423**	**63,694**

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

	2014 $	2013 $
Balance at the beginning of the reporting period	1,993,011	1,743,767
Profit/(loss) after income tax	(301,443)	249,244
Balance at the end of the reporting period	**1,691,568**	**1,993,011**

Wentworth District Capital Limited is a company 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 2014 the number of members was 161 (2013:164).

Note 13. Statement of cash flows

	2014 $	2013 $
Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities		
Profit / (loss) after income tax	(301,443)	249,244

Notes to the financial statements (continued)

	2014 $	2013 $

Note 13. Statement of cash flows (continued)

Items classified as investing/financing activities		
(Profit) / loss on disposal of property, plant & equipment		
Non cash items		
- Depreciation	17,490	15,348
- Amortisation	1,540	-
Changes in assets and liabilities		
- (Increase) decrease in receivables	6,392	35,944
- (Increase) decrease in deferred tax asset	-	-
- Increase (decrease) in payables	122,031	21,868
- Increase (decrease) in provisions	(8,271)	15,631
Net cash flows from/(used in) operating activities	**(162,261)**	**388,035**

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.

(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.

The company engages the services of Bysouth's Garage to service the company motor vehicle, a business in which our newly appointed Director, E. Rebecca Bysouth has a direct partnership interest. Total payment $610 (2013: Nil)

This was an existing commercial arrangement in place prior to Rebecca's appointment as a Director, with services performed under standard commercial terms and conditions, no more favourable than those available to other persons.

(d) Other key management transactions

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

Notes to the financial statements (continued)

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 facilitates the provision of banking services to its clients. The company operates in one geographic area being Wentworth, NSW. The company has a franchise agreement in place with Bendigo and Adelaide Bank Limited who account for 100% of the revenue (2013: 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	2014 $	2013 $
Financial assets			
Cash & cash equivalents	6	1,580,644	1,850,268
Trade and other receivables	7	90,610	97,001
Total financial assets		**1,671,254**	**1,947,269**
Financial liabilities			
Trade and other payables	10	205,530	83,499
Total financial liabilities		**205,530**	**83,499**

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 / Remuneration Committee which reports regularly to the Board. This Committee is assisted in the area of risk management by internal Bendigo and Adelaide Bank Limited audit functions.

Note 19. Financial risk management (continued)

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.

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 (2013: 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.

	2014 $	2013 $
Cash and cash equivalents:		
A rated	**1,580,644**	**1,850,268**

(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:

30 June 2014	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial liabilities due					
Trade and other payables	10	205,530	205,530	-	-
Total expected outflows		**205,530**	**205,530**	**-**	**-**
Financial assets - realisable					
Cash & cash equivalents	6	1,580,644	1,580,644	-	-
Trade and other receivables	7	90,610	90,610	-	-
Total anticipated inflows		**1,671,254**	**1,671,254**	**-**	**-**
Net (Outflow)/Inflow financial instruments		**1,465,724**	**1,465,724**	**-**	**-**

30 June 2013	Note	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
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 on financial instruments		**1,863,770**	**1,863,770**	**-**	**-**

(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.

Note 19. Financial risk management (continued)

(c) Market risk (continued)

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

	2014 %	2013 %
Financial assets		
Cash and cash equivalents (net of bank overdrafts)	3.5%	4.0%

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 2014		
+/- 1% in interest rates (interest income)	15,806	15,806
	15,806	**15,806**
Year ended 30 June 2013		
+/- 1% in interest rates (interest income)	18,503	18,503
	18,503	**18,503**

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 11 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 2014 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.

M E Thomson

Margaret Elizabeth Thomson
Director

Signed at Wentworth on 24 September 2014.

Independent audit report

Richmond Sinnott & Delahunty
Chartered Accountants
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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 2014, 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.

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

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

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 2014 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

P. P. Delahunty
Partner

Dated at Bendigo, 24 September 2014

Wentworth & District **Community Bank®** Branch
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