Annual Report 2016

Wentworth District Capital Limited

ABN 76 085 989 804

Wentworth & District **Community Bank**® Branch

Contents

Chairman's report

For year ending 30 June 2016

It is with great pleasure that I present our 2015/16 Annual Report.

Our profit for the year was $192,163.

Grants and sponsorships that were distributed to local community groups and organisations totalled $128,560 and some of these included:

Chances for Children Youth Scholarship Program	$20,000
Learner Driver program (Austlink)	$5,000
Coomealla/Wentworth Cricket Club (partly funded air-conditioning unit in clubrooms)	$3,500
Pooncarie Outreach Children's Services (Bridging the Isolation Gap)	$4,000
Sponsorships distributed to seven Sporting Clubs	$42,400

The Board considers that sponsorship of major community events benefits all the community especially businesses and were therefore pleased to secure naming rights to the Country Music Festival for $20,000.

We have also provided the services of our Community Development Officer Jill Davidson to be the co-ordinator of the 60th Great Flood Rally, the cost of which is not included as a separate item.

Jill is now part of the **Community Bank**® branch's new initiative of obtaining a state of the art Skate Park for Wentworth. This is known as Wentworth Area Skate Park - WASP. Jill will be organising meetings, planning, grant applications, etc. as part of our contribution to the project.

Our partners Bendigo and Adelaide Bank have continued their support and assistance to our franchise company Wentworth District Capital Limited. for which I thank them. I would also like to thank our previous Regional Manager John Sirolli for his advice and suggestions and wish him well in his new position. We welcome Wayne Tobin, Community Relationships Manager, and look forward to working with him.

This year we have three Junior Board Observers from Coomealla High School - Stephanie Wescombe, Oliver Mangan and Bailey Tyers. They have been busy with meetings to organise the second Youth Conference known as Jumpstart which is in partnership with Headspace, Mildura. Their participation in Board meetings is valuable from a youth viewpoint and I know that this experience is worthwhile and beneficial to these young people as to how a Board operates.

The Directors have worked really well with everyone undertaking extra roles for which I thank them, they are great to work with.

David Dawes who was an original Board member retired in December. He undertook a number of roles including Chairperson and Treasurer with great efficiency and we thank him for his valuable contribution.

Our Branch Manager Daryl Wescombe and his staff continue to provide exceptional service to our customers and staff have been keen to suggest ideas and improvements to the Board. We also thank the team that supports the Board with secretarial, marketing, accountancy and community development. All these people really assist the Board and helps take the load of Daryl. Thanks everyone.

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 grow our business.

M E Thomson

Margaret E Thomson
Chair

Manager's report

For year ending 30 June 2016

The year in review

The past 12 months has been a great year with our business growing by $ 7.10 million which is reflective of a lot of hard work put in by our staff and Directors. We saw a growth rate of 7.8% in lending and a 6.4% growth in deposits with our total branch footings now sitting at $ 137.9 million. The 7.8% growth in lending footings is particularly pleasing given we are in a very low interest rate period and our customers are paying down loans quicker than at any time since we opened.

Once again this achievement does not just happen and I would like to take the opportunity to thank our staff for their continued dedication to serving our customers and ensuring they are receiving the best banking package we can provide with a genuine smile. Our Board of Directors also provide strong support and direction to the business and our company operations and for that I sincerely thank them.

At the end of June this year we have seen a change in the Regional Management Team with long term Regional Manager, John Sirolli moving to another region, Regional Lending Manager and Dave Gray moving out of banking to greener pastures. Regional Sales Lead, Naomi Waters is now all married up and has moved to Adelaide to further her career. I would like to take this opportunity to thank them and other regional back office staff for their support to our branch staff, Directors and myself over the past 10 years or so.

So with the end of an era, a new beginning. I would like to welcome Wayne Tobin, Senior Manager Community Relationships and Scott Whatley, Senior Manager Strategy and Performance. We are looking forward to working with these guys into the future and further growing our business and community.

Internally we have had some changes with long term supervisor Liz Thomson moving from her Supervisor role to Customer Relationship Officer, Amanda Gooding moving from Customer Service Officer to Senior Customer Service Officer and Marie Pappin moving from full time Customer Relationship Officer to a part time role in the same position.

Call to action

I recently had a local non-customer ask me how our **Community Bank**® branch stacks up against the Big Four and other financial institutions. This statement got me thinking and reflecting on our value proposition and some keys points to ponder.

- Our Partner, the Bendigo Bank was the only Bank interested in supporting our community when other finance institutions closed branches throughout our Shire and across the country. The Bendigo and Adelaide Bank Limited is the 5th largest Bank in Australia and has been voted "The Best Business Banker in Australia" four years in a row.
- Our franchise company is owned by our local community for our community and is a not for profit entity.
- Our Board is made up of volunteers representing a cross section of our community who make local decisions based on local knowledge.
- Over $2.9 million has been invested back into our community since 1999 to over 273 community groups or programs.
- We are the only full service bank branch outlet in Wentworth (whole of shire) and the only convenient banking outlet supporting the day-to-day banking of Wentworth Shire communities.
- ATM's have been established in Wentworth and Buronga as a service to our communities.
- An Online Banking agency established and located in the township of Dareton to service this community.

Manager's report (continued)

- We employ nine local staff with wages of over $480,000 pa. A large proportion of these wages are expended within our Wentworth Shire communities.
- The community has direct access to branch staff and the Branch Manager and other banking specialists within the Bendigo Bank network.
- We have established a funding partnership with the Wentworth Shire Council and other community groups to help establish/retain infrastructure in the Shire and its communities i.e. Wentworth Sporting Complex $125,000, George Gordon Oval Football and Netball change rooms and lights $110,000, Gol Gol Hawks Pavilion $20,000, PS Ruby $41,670, Wentworth Ambulance Station $220,000, Murray House $245,000 as well as Whyte Homes $185,000.
- We provide funding via sponsorships to establish new and sustain existing vital events held in the Wentworth Shire driving new money into our community, for example: Wentworth Ski Race, 60th Great Flood Tractor Rally, Wentworth and Pooncarie Race Days, Pooncarie Field Day, Wentworth Show, Country Music Festival and many more.

Yes sir, I think we stack up pretty well with our value proposition to our local communities. Our value is not all about being the cheapest in the market it is about being **Bigger than a bank**. I would ask all our members, customers and community grant recipient groups to remember, this is our **Community Bank**® branch, started by our community for the benefit of our community. Please be active in telling our story and referring new business our way. Continued growth of our branch will help us to continue our investment back into our community to support vital new and existing programs, infrastructure and sponsorships into the future.

To all our existing customers, thank you for your continued support and look forward to serving you all in the coming year and beyond.

Daryl Wescombe
Branch Manager

Directors' report

For the financial year ended 30 June 2016

Your Directors submit their report of the company for the financial year ended 30 June 2016.

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 Retired 30/11/2015	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 as a Manager and Director of Family companies.
Margaret Elizabeth Thomson Director since 22/11/2000 Chairperson	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.
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
Donna Kristine Scopelliti Director since 25/02/2015 Director	HSC	Directorships and Manager of Family companies; Gol Gol Buronga Development Group. Board Secretary Sunraysia Growers Co-Op Executive roles & memberships in numerous local community organisations
Kerryn Dawn Swarbrick Director since 25/02/2015 Treasurer	B.Com (Latrobe) BAS Agent; MAICD	Small Business Owner BAS Services; Accounting Consultant; Treasurer WDHS Inc; Mentor to local community organistaions.

Directors' report (continued)

Directors (continued)

Name and position held	Qualifications	Experience and Other Directorships
Stefanie Christiane Heaysman Director since 25/03/2015 Director	B.Com (Latrobe) CPA; Reg Tax Agent; FTA; MAICD	Business and Tax advisory Accountant at Crowe Horwath. Mentoring & Executive roles in numerous community organisations. CFO at Comla Farms

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

No Directors have material interests in contracts or proposed contracts with 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:

	Board meetings	
Director	A	B
David John Dawes	5	5
David John Cross	9	11
Margaret Elizabeth Thomson	9	11
Andrew Mark Cottrell	11	11
Edward Brian O'Shannessy	10	11
Emily Rebecca Bysouth	10	11
Donna Kristine Scopelliti	9	11
Kerryn Dawn Swarbrick	8	11
Stefanie Christiane Heaysman	11	11

A - The number of meetings eligible to attend.
B - The number of meetings attended.

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.

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 community grants was $63,603 (2015: Loss of $38,150).

The net assets of the company have increased to $1,717,021 (2015: $1,653,418).

Directors' report (continued)

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.

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.

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.

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.

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 8 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 19 October 2016.

M E Thomson

Margaret Elizabeth Thomson
Director

Auditor's independence declaration

Richmond Sinnott & Delahunty

Chartered Accountants

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20th October 2016

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 2016 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.

P. P. Delahunty
Partner
Richmond Sinnott & Delahunty

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

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

Financial statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016

	Notes	2016 $	2015 $
Revenue	2	1,054,929	1,080,739
Expenses			
Employee benefits expense	3	(571,438)	(533,992)
Depreciation and amortisation expense	3	(25,015)	(22,747)
Administration and general costs		(134,410)	(144,526)
Bad and doubtful debts expense	3	(155)	(340)
Occupancy expenses		(37,562)	(36,076)
IT Costs		(23,916)	(24,124)
Other expenses		(70,270)	(86,222)
Operating profit before charitable donations, sponsorships and grants		**192,163**	**232,712**
Charitable donations, sponsorships and grants		(128,560)	(270,862)
Profit (loss) before income tax expense		**63,603**	**(38,150)**
Tax expense / (benefit)	4	-	-
Profit (loss) for the year		**63,603**	**(38,150)**
Other comprehensive income		-	-
Total comprehensive income for the year		**63,603**	**(38,150)**

The accompanying notes form part of these financial statements.

Statement of Financial Position
as at 30 June 2016

	Notes	2016 $	2015 $
Assets			
Current assets			
Cash and cash equivalents	5	106,037	96,717
Trade and other receivables	6	91,254	66,659
Investments and other financial assets	7	1,354,406	1,328,438
Other assets	8	6,381	6,910
Total current assets		**1,558,078**	**1,498,724**
Non-current assets			
Property, plant and equipment	9	202,472	219,072
Intangible assets	10	54,957	61,065
Total non-current assets		**257,429**	**280,137**
Total assets		**1,815,507**	**1,778,861**
Liabilities			
Current liabilities			
Trade and other payables	11	26,633	63,260
Provisions	12	43,354	36,162
Total current liabilities		**69,987**	**99,422**
Non current liabilities			
Provisions	12	28,499	26,021
Total non current liabilities		**28,499**	**26,021**
Total liabilities		**98,486**	**125,443**
Net assets		**1,717,021**	**1,653,418**
Equity			
Retained earnings	13	1,717,021	1,653,418
Total equity		**1,717,021**	**1,653,418**

The accompanying notes form part of these financial statements.

Financial statements (continued)

Statement of Changes in Equity
for the year ended 30 June 2016

	Retained earnings $	Total quity $
Balance at 1 July 2014	1,691,568	1,691,568
Loss for the year	(38,150)	(38,150)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**(38,150)**	**(38,150)**
Balance at 30 June 2015	**1,653,418**	**1,653,418**
Balance at 1 July 2015	1,653,418	1,653,418
Profit for the year	63,603	63,603
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**63,603**	**63,603**
Balance at 30 June 2016	**1,717,021**	**1,717,021**

The accompanying notes form part of these financial statements.

Statement of Cash Flows
for the year ended 30 June 2016

	Notes	2016 $	2015 $
Cash flows from operating activities			
Receipts from clients		1,097,659	1,138,935
Payments to suppliers and employees		(1,100,231)	(1,328,649)
Interest received		40,149	58,928
Other income		18	45
Net cash flows from/(used in) operating activities	**14**	**37,595**	**(130,741)**
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		-	20,000
Purchase of property, plant and equipment		(2,307)	(44,748)
Proceeds from sale of investments		-	161,102
Purchase of investments		(25,968)	-
Net cash flows from/(used in) investing activities		**(28,275)**	**136,354**
Net increase in cash held		9,320	5,613
Cash and cash equivalents at start of year		96,717	91,104
Cash and cash equivalents at end of year	**5**	**106,037**	**96,717**

The accompanying notes form part of these financial statements.

Notes to the financial statements

For year ended 30 June 2016

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 19 October 2016.

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.

<u>Economic dependency</u>

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

The branch operates 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**® branch on behalf of Bendigo and Adelaide Bank Limited, however all transactions with customers conducted through the **Community Bank**® branch 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 in 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;
- Security and cash logistic controls;
- Calculation of company revenue and payment of many operating and administrative expenses;

Note 1. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Economic dependency (continued)

- 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 may measure 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 liabilitiy in an orderly (ie unforced) transaction between independent, knowledgable and willing market participants at the measurement date.

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.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets, is depreciated over the asset's useful life to the company commencing from the time the asset is held ready for use. Leasehold improvemens 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 and fittings	2.5 - 20%
Leasehold improvements	2.5 - 5%
Motor Vehicles	25%
Computer Equipment	40%

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 compairing 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

Short-term employee benefits

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.

The liability for annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlemenst 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.

(j) Revenue and other income

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.

Note 1. Summary of significant accounting policies (continued)

(j) Revenue and other income (continued)

Interest revenue is recognised on a time proportional basis that taken into account the effective yield on the financial asset.

All revenue is stated net of the amount of goods and services tax (GST).

(k) Investments and other financial assets

(i) Classification

The company classifies its financial assets in the following categories:

- loans and receivables,
- held to maturity investments.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting period.

Loans and receivables

This category is the most relevant to the company. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the period end, which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

Held to maturity investments

The group classifies investments as held-to-maturity if:

- they are non-derivative financial assets
- they are quoted in an active market
- they have fixed or determinable payments and fixed maturities
- the group intends to, and is able to, hold them to maturity.

Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which would be classified as current assets.

Available for sale financial asset

The financial assets are presented as non-current assets unless they mature, or management intends to dispose of them within 12 months of the end of the reporting period.

(ii) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value are recognised as follows:

Note 1. Summary of significant accounting policies (continued)

(k) Investments and other financial assets (continued)

(ii) Measurement (continued)

- for available-for-sale financial assets that are monetary securities denominated in a foreign currency – translation differences related to changes in the amortised cost of the security are recognised in profit or loss and other changes in the carrying amount are recognised in other comprehensive income
- for other monetary and non-monetary securities classified as available-for-sale – in other comprehensive income.

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. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in the profit or loss.

(iii) Impairment

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a ‘loss event’) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

Assets carried at amortised cost

For loans and receivables, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset’s original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the company may measure impairment on the basis of an instrument’s fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor’s credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

(iv) Derecognition

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 1. Summary of significant accounting policies (continued)

(l) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less any provision for doubtful debts. Trade and other receivables are due for settlement usually no more than 30 days from the date of recognition.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts, which are known to be uncollectable, are written off. A provision for doubtful debts is established when ther eis objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised on profit or loss.

(m) 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.

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

There are no new and amended accounting policies that have been adopted by the company this financial year.

(o) Comparative figures

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

(p) 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 beginning on or after 1 January 2018).

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities and includes a forward-looking 'expected loss' impairment model and a substantially-changed approach to hedge accounting.

a) Financial assets that are debt instruments will be classified based on:

(i) the objective of the entity's business model for managing the financial assets; and

(ii) the characteristics of the contractual cash flows.

b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c) Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments.

Note 1. Summary of significant accounting policies (continued)

(p) New accounting standards for application in future periods (continued)

(i) AASB 9 Financial Instruments and associated Amending Standards (applicable for annual reporting periods beginning on or after 1 January 2018). (continued)

d) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

e) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

- the change attributable to changes in credit risk are presented in Other Comprehensive Income (OCI)
- the remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- classification and measurement of financial liabilities; and
- derecognition requirements for financial assets and liabilities

AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements.

Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.

When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.

(ii) AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with customers;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

In May 2015, the AASB issued ED 260 Income of Not-forProfit Entities, proposing to replace the income recognition requirements of AASB 1004 Contributions and provide guidance to assist not-for-profit entities to apply the principles of AASB 15. The ED was open for comment until 14 August 2015 and the AASB is currently in the process of redeliberating its proposals with the aim of releasing the final amendments in late 2016."

Note 1. Summary of significant accounting policies (continued)

(p) New accounting standards for application in future periods (continued)

(ii) AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2018). (continued)

This Standard will require retrospective restatement, as well as enhanced disclosure regarding revenue.

When this Standard is first adopted for the year ending 30 June 2019, it is not expected that there will be a material impact on the transactions and balances recognised in the financial statements.

(iii) AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019).

AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations;
- requires all leases to be accounted for ‘on-balance sheet’ by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117; and
- requires new and different disclosures about leases.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity’s preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

(q) 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 charges 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>Fair value assessment of non-current physical assets</u>

The AASB 13 Fair Value standard requires fair value assessments that may involved both complex and significant judgement and experts. The value of land and buildings may be materially misstated and potential classification and disclosure risks may occur.

<u>Employee benefits provision</u>

Assumptions required for wage growth and CPI movements. The likelihood of employees reaching unconditional service is estimated. The timing of when employee benefit obligations are to be settled is also estimated.

<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.

	2016 $	2015 $

Note 2. Revenue and other income

	2016 $	2015 $
Revenue		
- services commissions	1,014,762	1,018,118
	1,014,762	**1,018,118**
Other revenue		
- interest received	40,149	58,928
- other revenue	18	3,693
	40,167	**62,621**
Total Revenue	**1,054,929**	**1,080,739**

Note 3. Expenses

	2016 $	2015 $
Employee benefits expense		
- wages and salaries	473,256	443,600
- superannuation costs	45,517	43,052
- workers' compensation costs	1,105	1,286
- other costs	51,560	46,054
	571,438	**533,992**
Depreciation and amortisation		
Depreciation		
- furniture and fittings	3,612	4,393
- leasehold improvements	4,507	4,782
- motor vehicle	9,648	6,406
- computer equipment	1,140	1,057
	18,907	**16,638**
Amortisation		
- Franchise Fees	6,108	6,108
Total depreciation and amortisation	**25,015**	**22,747**
Bad and doubtful debts expenses	155	340
(Gain) / Loss on disposal of property, plant & equipment	-	2,827
Auditors' remuneration		
Remuneration of the Auditor for:		
- Audit or review of the financial report	**3,400**	**3,300**

Note 4. Income tax

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.

	2016 $	2015 $

Note 5. Cash and cash equivalents

	2016 $	2015 $
Cash at bank and on hand	106,037	96,717
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	106,037	96,717
	106,037	**96,717**

Note 6. Trade and other receivables

	2016 $	2015 $
Current		
Trade debtors	72,176	66,659
Other Receivables	19,078	-
	91,254	**66,659**

Credit risk

The main source of credit risk relates to a concentration of trade receivables owing by Bendigo and Adelaide Bank Limited, which is the source of the majority of the company's income.

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.

	Gross amount $	Past due and impaired $	Past due but not impaired			Not past due $
			< 30 days $	31-60 days $	> 60 days $	
2016						
Trade receivables	72,176	-	-	-	-	72,176
Other receivables	19,078	-	-	-	-	19,078
Total	**91,254**	**-**	**-**	**-**	**-**	**91,254**
2015						
Trade receivables	66,659	-	-	-	-	66,659
Other receivables	-	-	-	-	-	-
Total	**66,659**	**-**	**-**	**-**	**-**	**66,659**

	2016 $	2015 $

Note 7. Investments and other financial assets

Held to maturity financial assets

Term Deposits	**1,354,406**	**1,328,438**

Note 8. Other assets

Prepayments	6,381	6,910
	6,381	**6,910**

Note 9. Property, plant and equipment

Furniture and Fittings		
At cost	82,149	82,149
Less accumulated depreciation	(48,381)	(44,769)
	33,768	**37,380**
Leasehold Improvements		
At cost	172,094	172,094
Less accumulated depreciation	(35,088)	(30,581)
	137,006	**141,513**
Motor Vehicle		
At cost	41,521	41,521
Less accumulated depreciation	(12,577)	(2,929)
	28,944	**38,592**
Computer Equipment		
At cost	7,606	5,299
Less accumulated depreciation	(4,852)	(3,712)
	2,754	**1,587**
Total written down amount	**202,472**	**219,072**
Movements in carrying amounts		
Furniture and fittings		
Balance at the beginning of the reporting period	37,380	43,104
Additions	-	3,227
Disposals	-	(4,558)
Depreciation expense	(3,612)	(4,393)
Balance at the end of the reporting period	**33,768**	**37,380**

	2016 $	2015 $

Note 9. Property, plant and equipment (continued)

	2016 $	2015 $
Leasehold Improvements		
Balance at the beginning of the reporting period	141,513	148,971
Disposals	-	(2,676)
Depreciation expense	(4,507)	(4,782)
Balance at the end of the reporting period	**137,006**	**141,513**
Motor Vehicle		
Balance at the beginning of the reporting period	38,592	19,375
Additions	-	41,521
Disposals	-	(15,898)
Depreciation expense	(9,648)	(6,406)
Balance at the end of the reporting period	**28,944**	**38,592**
Computer Equipment		
Balance at the beginning of the reporting period	1,587	2,644
Additions	2,307	-
Depreciation expense	(1,140)	(1,057)
Balance at the end of the reporting period	**2,754**	**1,587**
Total property, palnt and equipment		
Balance at the beginning of the reporting period	219,072	214,094
Additions	2,307	44,748
Disposals	-	(23,132)
Depreciation expense	(18,907)	(16,638)
Balance at the end of the reporting period	**202,472**	**219,072**

Note 10. Intangible assets

	2016 $	2015 $
Establishment Costs		
At cost	60,000	60,000
Less accumulated amortisation	(60,000)	(60,000)
	-	**-**
Franchise and Renewal Fees		
At cost	68,713	68,713
Less accumulated amortisation	(13,756)	(7,648)
	54,957	**61,065**
Total Intangible assets	**54,957**	**61,065**

	2016 $	2015 $

Note 10. Intangible assets (continued)

Movements in carrying amounts

	2016 $	2015 $
Franchise and Renewal Fees		
Balance at the beginning of the reporting period	61,065	67,173
Amortisation expense	(6,108)	(6,108)
Balance at the end of the reporting period	**54,957**	**61,065**

Note 11. Trade and other payables

Current

	2016 $	2015 $
Unsecured liabilities:		
Trade creditors	9,871	37,117
Other creditors and accruals	16,762	26,143
	26,633	**63,260**

Note 12. Provisions

	2016 $	2015 $
Current		
Employee Benefits	43,354	36,162
Non-current		
Employee Benefits	28,499	26,021
Total provisions	**71,853**	**62,183**

Note 13. Retained earnings

	2016 $	2015 $
Balance at the beginning of the reporting period	1,653,418	1,691,568
Profit (loss) after income tax	63,603	(38,150)
Balance at the end of the reporting period	**1,717,021**	**1,653,418**

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 2016 the number of members was 167 (2015:167).

Note 14. Statement of cash flows

	2016 $	2015 $
Reconciliation of profit / (loss) after tax to net cash provided from/(used in) operating activities		
Profit / (loss) after income tax	63,603	(38,150)
Items Classified as investing/financing activities		
(Profit) / loss on disposal of property, plant and equipment	-	3,131
Non cash items		
- Depreciation	18,907	16,639
- Amortisation	6,108	6,108
Changes in assets and liabilities		
- (Increase) decrease in receivables	(24,595)	17,344
- (Increase) decrease in other assets	529	(303)
- Increase (decrease) in payables	(36,627)	(142,270)
- Increase (decrease) in provisions	9,670	6,760
Net cash flows from/(used in) operating activities	**37,595**	**(130,741)**

(c) Credit standby arrangement and loan facilities

None in place at the date of this report.

Note 15. 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.

Note 15. Related party transactions (continued)

(c) Transactions with Key Management Personnel and related parties (continued)

During the year, the company purchased goods and services under normal terms and conditions, from related parties as follows:

Name of related Party	Description of goods / service	Value $
E.Rebecca Bysouth	Bysouth's garage to service company motor vehicle	516

(d) Other Key Management transactions

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

Note 16. 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 17. Contingent liabilities and contingent assets

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

Note 18. 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 (2015:100%).

	2016 $	2015 $

Note 19. Commitments

Operating lease commitments

	2016 $	2015 $
Non-cancellable operating leases contracted for, entered into, not capitalised in the Statement of Financial Position.		
Payable - minimum lease payments		
- no later than 12 months	19,142	25,233
- between 12 months and 5 years	50,429	61,342
Total minimum lease payments	69,571	86,575

The two property leases are non-cancellable leases, one for a two year term, the other a five year term, with rent payable monthly in advance, and with lease payments increased by CPI each year. At end of each lease period, options exist to renew the lease for a futher period of the same term.

Sponsorship and funding commitments

Non-cancellable committed sponsorship and funding agreements entered into, not capitalised in the Statement of Financial Position.

	2016 $	2015 $

Note 19. Commitments (continued)

Payable - minimum sponsorship and funding payments		
- no later than 12 months	46,000	62,500
- between 12 months and 5 years	104,000	127,000
Total minimum sponsorship and funding commitments	**150,000**	**189,500**

The company has entered into sponsorship and funding agreements with various local sporting clubs and associations for periods of committed funding covering three to five years, in lieu of regular applications by these organisations for funding on an annual basis, through the annual community grants process.

Note 20. Company details

The registered office and principle place of business is:

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

Note 21. Financial risk management

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.

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.

The company's financial instruments consist mainly of deposits with banks, short term investments, account receivables and payables. The totals for each category of financial instruments measured in accordance with AASB 139 Financial Instruments: Recognition and Measurement as detailed in the accounting policies are as follows:

	Note	2016 $	2015 $
Financial Assets			
Cash and cash equivalents	5	106,037	96,717
Trade and other receivables	6	91,254	66,659
Investments and other financial assets	7	1,354,406	1,328,438
Total Financial Assets		**1,551,697**	**1,491,814**

Note 21. Financial risk management (continued)

Specific Financial Risk Exposure and Management (continued)

	Note	2016 $	2015 $
Financial Liabilities			
Trade and other payables	11	26,633	63,260
Total Financial Liabilities		**26,633**	**63,260**

(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 has no significant concentrations of credit risk with Bendigo and Adelaide Bank Limited. The company's exposure to credit risk is limited to Australia by geographic area.

None of the assets of the company are past due (2015: 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.

(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 21. Financial risk management (continued)

(b) Liquidity risk (continued)

Financial liability and financial asset maturity analysis:

30 June 2016	Weighted average interest rate %	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial assets					
Cash and cash equivalents	1.38%	106,037	106,037	-	-
Trade and other receivables	0.00%	91,254	91,254	-	-
Investments and other financial assets	2.96%	1,354,406	1,354,406		
Total anticipated inflows		**1,551,697**	**1,551,697**	**-**	**-**
Financial liabilities					
Trade and other payables	0.00%	26,633	26,633		
Total expected outflows		**26,633**	**26,633**	**-**	**-**
Net inflow on financial instruments		**1,525,064**	**1,525,064**	**-**	**-**

30 June 2015	Weighted average interest rate %	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial assets					
Cash and cash equivalents	0.00%	96,717	96,717	-	-
Trade and other receivables	0.00%	66,659	66,659	-	-
Investments and other financial assets	4.44%	1,328,438	1,328,438		
Total anticipated inflows		**1,491,814**	**1,491,814**	**-**	**-**
Financial liabilities					
Trade and other payables	0.00%	63,260	63,260	-	-
Total expected outflows		**63,260**	**63,260**	**-**	**-**
Net inflow on financial instruments		**1,435,464**	**1,435,464**	**-**	**-**

(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 21. Financial risk management (continued)

(c) Market risk (continued)

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 2016		
+/- 1% in interest rates (interest income)	14,604	14,604
	14,604	**14,604**
Year ended 30 June 2015		
+/- 1% in interest rates (interest income)	14,252	14,252
	14,252	**14,252**

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

Fair value estimation

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.

Differences between fair values and the carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied to the market since their initial recognition by the company.

Note 21. Financial risk management (continued)

(d) Price risk (continued)

Fair values (continued)

	2016		2015	
	Carrying amount $	**Fair value $**	**Carrying amount $**	**Fair Value $**
Financial assets				
Cash and cash equivalents (i)	106,037	106,037	96,717	96,717
Trade and other receivables (i)	91,254	91,254	66,659	66,659
Financial assets	1,354,406	1,354,406	1,328,438	1,328,438
Total financial assets	**1,551,697**	**1,551,697**	**1,491,814**	**1,491,814**
Financial liabilities				
Trade and other payables (i)	26,633	26,633	63,260	63,260
Total financial liabilities	**26,633**	**26,633**	**63,260**	**63,260**

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

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 9 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 2016 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 19 October 2016.

Independent audit report

Richmond
Sinnott &
Delahunty

Chartered Accountants

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

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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 2016, 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
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 2016 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

P. P. Delahunty
Partner

Dated at Bendigo, 20 October 2016

Wentworth District Capital Limited

Branch Manager

Daryl Wescombe

Directors

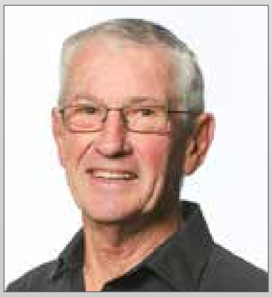
Margaret Thomson, Chair

Andrew Cottrell

Becky Bysouth

Donna Scopelliti

Kerryn Swarbrick



Sam Cross

Stefanie Heaysman

Ted O'Shannessy

Junior Observers

Bailey Tyers

Oliver Mangan

Stephanie Wescombe

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