Annual Report 2017-2018

Wentworth District Capital Limited

ABN 76 085 989 804

Wentworth & District **Community Bank**® Branch **Bendigo Bank**

Contents

Chairman's report	**3**
Manager's report	**5**
Directors' report	**7-12**
Auditor's independence declaration	**13**
Financial statements	**14-17**
Notes to the financial statements	**18-41**
Directors' declaration	**42**
Independent audit report	**43-45**

Chairman's report

For year ending 30 June 2018

On behalf of the Board of Directors it gives me great pleasure to present the 2017-18 Annual Report.

It's been a tough year for banking, the Royal commission has put the industry under a spotlight and the current banking environment has created a very competitive market. Given everything we were satisfied with a Profit before Community benefits and Grants of $250,514.00.

In 2018 we provided major funding commitments to; the Wentworth Show Society towards a new pavilion ($100,000.00), Coomealla High School towards a shed for a horticultural program (25,000.00), and the Wentworth District Football Netball Club towards their new sports oval ($30,000.00). Along with these grants we were proud to support a broad variety of community groups including Chances for Children, Wentworth Angling Club, Pooncarie Field Day, New South Western Standard, Workers Gol Gol Cricket Club and many others. This year's grants and benefits totalled $320,890.00 and as we head into our 20th year with over $3,500,000.00 in total support to the local community I believe the impact and future of this your Community Bank® will only continue to make us a stronger and more resilient community.

We have reinforced our commitment to Wentworth and the branch, extending the leased area and committing to the refurbishment of the branch. The interior of the building was looking tired, and we believe a refurbishment along with extending into the back of the building will improve the use and experience for customers and staff. This decision is based on our commitment for face to face banking and is geared to allow for a more flexible work force that can get out to the customers and continue the excellent customer service provided by our staff.

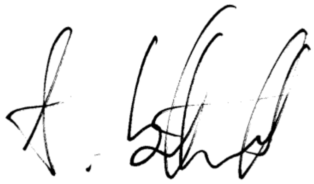
Our Staff are the best asset we have, they promote our model, show the friendly and personal side of banking, and put the customer first. As a Board we are extremely proud of the reputation our Community Bank® has for service and the quality of work that gets done at the branch for that I would like to thank Daryl, Liz, Janine, Andrew, Bonnie, Marie, Breeon, Debbie, and Amanda, we would also like to thank Amanda for everything she has done for the Community Bank® in the past and we wish her all the best in her new job.

We are also fortunate to have Rob, Jill and Kate as part of our team in the Secretarial, Accounting, Community Liaison and marketing roles; they continue to add tremendous value to the community and to the Board.

I would like to thank the Board who have worked productively and with a great spirit to build on the foundations created by previous Board's and we all look forward to celebrating a wonderful 20 years in 2019. We were also proud to have Brodie and Imogen join us as junior observers, and their contribution has been fantastic.

Bendigo Bank continues to support the Community Bank® model and offering a competitive banking service that is different from other banks in their commitment to service and local communities. As a branch based in a remote area we are lucky to receive fantastic support from our Regional Community Manager Wayne Tobin and Region Lead Paul Rains, they are both an important part of making our branch a success. 2019 will be a challenge and the business of banking will continue to change and adapt with technological advances and a fierce competitive market place, within this, the Bendigo Bank is moving with the technological environment whilst upholding the community and customer service focus that differentiates us from our competitors.

I know with the support of the Bendigo Bank and the commitment and quality of our staff that we will continue to grow and in turn support our community. 20 years is a brilliant milestone and one we will celebrate with our community, we hope you share our pride.



Andrew Cottrell Director
Chair

Branch Manager's report

For year ending 30 June 2018

The year in review.

2018 has been and gone and we are now entering our 20th year of operation. Who would have thought what a success this business has been all those years ago let alone investing over $3.5M into the prosperity of our local community?

As at the 30th June 2018 we have seen moderate growth in footings from $150.8M to $ 152.2M which is still heading in the right direction. We welcomed another 83 new customers to our business over the past financial year. Thank you for your support.

We have now been operating for just under 20 years and the initial community angst of the Big Bank's closing branches in small towns is probably not at the forefront of people's minds like it was back in the day. Our challenge into the future is to be relevant to new generations coming through. Many of our 20-year-old community members weren't even born when our town was left without a bank and our Community Branch was opened. Our challenge going forward is to connect with the younger generations and move into the digital online world and remain relevant by providing exceptional customer service, products and services that will suit their needs. More importantly, listening to what they want their community to look like into the future and what are the issues that are important to them.

Our staffing has changed again in recent months with our long-standing Customer Service Officer Amanda Gooding leaving the business to seek alternative employment. She will be missed by our staff and our customers as she provided fantastic service and was held in high regard with her fellow staff members. We wish her all the best of luck for the future. We now welcome aboard new Customer Service Officer, Eliza Kerr who has joined us and is making good inroads in completing her training to become an integral part of our customer service team. Marie Pappin has moved from Part time Customer Relationship Officer to Part Time Customer Service Supervisor and will now lead our Branch Customer Service team.

In last year's report, I outlined that one of our long-term strategic business objectives is to support development growth in the southern end of the Shire namely Buronga and Gol Gol with a banking presence. We have now established a Lending Office in Gol Gol which will be staffed Tuesdays and Thursdays to assist the community with the borrowing needs. We are confident that our presence in Gol Gol will be well supported given our funding contributions over the years into the Buronga/Gol Gol Community.

On the downside, we unfortunately had to close our long-term Agency in Dareton due to circumstances outside of our control. Given both Dareton and Buronga agency sites were owned by the same company, it meant we had to close the Buronga Agency as well. The board and I are still receptive to considering re-establishing these two agencies should suitable business sites come forward that would suit our Agency requirements.

To all our existing customers thank you for your continued support; without you we couldn't achieve the funding of some great community projects and support our local community groups. We also welcome new customers that have joined us throughout the year, I am sure you will see the change your banking can make into the future.

Like all years, we cannot succeed without the efforts of our local Branch team and again wish to thank them for their efforts during the year. We have some challenges ahead as banking is ever evolving but I'm sure we can embrace those challenges and move on to bigger and better outcomes for our community.

Thanks to the Business Banking team of Paul, Creagh and Gaylene for their support from their Mildura office in looking after our larger business customers. Thanks also to our Rural Bank Agribusiness team Mark and Jess for their support over the past 12 months.

Thanks to our board of Directors for their support to myself and our staff. Our Directors are truly representative of our community and strive to make it a better place to live.

Thanks to our Regional Support team who had a couple of changes over the past 12 months with Chris Patullo moving on and being replaced by Regional Lead, Paul Rains. We are looking forward to working with Paul and Wayne Tobin our Regional Community Manager and their support staff.

Call to Action

With the recent Royal Commission into banking and some tightening of lending guidelines by APRA, borrowing money is a little harder. We have a very experienced, approachable and responsible lending team here at the branch to guide any of our prospective new and existing lending customers through the process. Give us a call to assist with any borrowing needs you may have.

Feedback from new customers who have refinanced over the past 12 months is that they did not have access to a dedicated Manager to help them with their finance needs. I believe we can offer a great local service where all our lending team who are local people who know the district and have a wealth of experience. What's more, you can ring the team via the Branch or for business and agribusiness customers they can contact myself on my mobile most times of the day. (I'm getting old I need a sleep at night).

To all our community groups that have enjoyed the spoils of our Annual Community Development Grants program this year and in years past, please spread the message to your members and committees. The more people who support us with their banking the more we can invest back into our much-loved communities.

To infinity and beyond!

Daryl Wescombe
Branch Manager

Directors’ report

For year ending 30 June 2018

Your Directors submit their report of the company for the financial year ended 30 June 2018.

Directors

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

David John Cross	
Position	Director
Professional qualifications	BSc / RMIT; Geology
Experience and expertise	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.
Andrew Mark Cottrell	
Position	Chairperson
Professional qualifications	B Bus Admin / Ec
Experience and expertise	Directorships in: Andpak Pty Ltd; Alcheringa Tennis Club; EPSA; 28 years’ experience as a Company Director and Manager of Family farming enterprises.
Edward Brian O'Shannessy	
Position	Vice Chairperson
Professional qualifications	Dip Ed
Experience and expertise	Head of Department at Coomealla High School; Member of Coomealla High School Executive; Small Business owner.
Emily Rebecca Bysouth	
Position	Director
Professional qualifications	HSC; Office / Finance Traineeship
Experience and expertise	Small Business Owner; Executive roles & membership in numerous community organisations.
Donna Kristine Scopelliti	
Position	Director
Professional qualifications	HSC
Experience and expertise	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	
Position	Treasurer
Professional qualifications	B.Com (Latrobe); BAS Agent; MAICD
Experience and expertise	Small Business Owner; BAS Services; Accounting Consultant; Treasurer WDHS Inc; Mentor to local community organisations.

Directors' report (continued)

Stefanie Christiane Heaysman	
Position	Director
Professional qualifications	B.Com (Latrobe); CPA; Reg Tax Agent; FTA; MAICD
Experience and expertise	Business and Tax advisory Accountant at Crowe Horwath; Mentoring & Executive roles in numerous community organisations; CFO at Comla Farms.
Glenn Stuart Thompson	
Position	Director Appointed 26/11/17
Professional qualifications	Diploma of Accounting; Advanced Diploma of Leadership and Management
Experience and expertise	Manager Education Development Services – Sunraysia Institute of TAFE; Executive roles with Alcheringa Tennis Club, Gol Gol Buronga Development Group, Coomealla Cricket Club.

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:

Director	Board meetings	
	A	**B**
David John Cross	11	10
Andrew Mark Cottrell	11	9
Edward Brian O'Shannessy	11	10
Emily Rebecca Bysouth	11	10
Donna Kristine Scopelliti	11	10
Kerryn Dawn Swarbrick	11	6
Stefanie Christiane Heaysman	11	9
Glenn Stuart Thompson	6	5

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.

Directors' report (continued)

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 banking services under management rights to operate a franchised branch of Bendigo and Adelaide Bank Limited.

There have 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 our annual community grants was $65,090 (2017: Profit of $24,124).

The net assets of the company have decreased to $1,676,055 (2017: $1,741,145).

Wentworth District Capital Limited was formed in 1998 to return a key community service, a bank, to the township of Wentworth. The bank was opened in Wentworth on 18 March 1999 with subsequent services being opened in Dareton and Buronga by way of an agency and an ATM in Buronga. The company employs 9 staff and continues to invest annually into the community through its grants program.

Short-term objectives

The Board reflects, at a local community level, the same partnership principles that have been the foundation stone of the Community Bank® model at the local level since the model's inception in 1998.

These principles are:

- Partnership based on trust, respect and goodwill
- Shared effort, risk and reward (50/50 relationship with Bendigo Adelaide Bank Limited)
- Local Ownership
- Local decision making
- Local investment
- Focussed on broad based community benefit
- Commercially focussed, community spirited

The Board supports the overall Vision set down for the network in that The Company will be a substantial, sustainable and unique community built business that contributes to the economic, environmental and social prosperity of our community.

To achieve this Vision the Company must continue to:

- Employ quality management and staff who understand the Wentworth community.
- Have a united Board of Management, which cannot be compromised.
- Provide face to face services that meet our customer's needs.
- Grow the banking business through our existing customer base while also attracting new customers.
- Maintain capital reserves which underpin the business and provide financial security.
- Maintain a community development grants program which can be used for the betterment of the community.

Directors’ report (continued)

Long-term objectives

The Company’s long term objective is to be a strong and stable non-profit business which can help the community to develop, grow and achieve. It will provide friendly, accessible, efficient services ensuring the highest financial satisfaction to all of our customers.

Strategy for achieving short and long-term objectives

To achieve these objectives, the company has adopted a strategic plan that has identified seven key elements that realise the vision of the Board and are core to the sustainability and success of our local business in both the short and long term.

Community and Partnerships
Contributing to and partnering with others to grow the community balance sheet to ensure the long term viability and resilience of our community. Ensuring our partnerships are respectful, robust and enduring.

Business
Ensuring our unique value proposition builds a growing successful customer base to ensure the Company and Bendigo and Adelaide Bank Limited are building financially successful businesses.

Governance
Ensuring we are fulfilling our ethical, legal and professional responsibilities.

Director development
Ensuring we are building the strength and capacity of the Directors through ongoing development and generational succession.

Staff
Ensuring our staff see this Company as an employer of choice.

Preserving the principles and integrity of the model
Exploring and developing future components, and the continued evolution, of the Company in accordance with the foundation principles.

Communication
Ensuring there is an ongoing engagement and connection through two way communication with our key stakeholders.

Contribution in winding up

The Company is incorporated under the Corporations Act 2001 and 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 outstanding obligations of the entity. At 30 June 2018 the total amount that members of the company are liable to contribute if the Company wound up is $1,660 (2017: $1,680).

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 the end of the reporting period

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

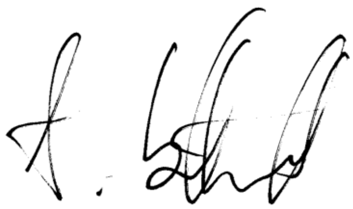
No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings 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 13 of this financial report. No officer of the company is or has been a partner of the Auditor of the company.

Directors' report (continued)

Signed in accordance with a resolution of the Board of Directors at Wentworth on 24th October 2018.



Andrew Cottrell
Chair

Auditor's Independence Declaration

rsd Audit

41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC,
3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

Auditors Independence Declaration under section 307C of the *Corporations Act 2001* to the Directors of Wentworth District Capital Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018 there have been no contraventions of:

(i) The auditor independence requirements 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.

RSD Audit

P. P. Delahunty
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 24 October 2018

Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 85 619 186 908
Liability limited by a scheme approved under Professional Standards Legislation

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2018

	Notes	2018 $	2017 $
Revenue	2	1,214,625	1,169,900
Expenses			
Employee benefits expense	3	(647,920)	(569,566)
Depreciation and amortisation expense	3	(22,031)	(22,627)
Administration and general costs		(116,439)	(122,983)
Bad and doubtful debts expense	3	402	(402)
Occupancy expenses		(36,553)	(36,880)
IT Costs		(24,163)	(22,708)
Other expenses		(110,133)	(94,870)
Total Expenses		(956,837)	(870,036)
Operating profit before charitable donations, sponsorships and grants		**257,788**	**299,864**
Charitable donations, sponsorships and grants	3/11	(322,878)	(275,740)
Profit (loss) before income tax expense		**(65,090)**	**24,124**
Tax expense / (benefit)	4	-	-
Profit (loss) for the year		**(65,090)**	**24,124**
Other comprehensive income		-	-
Total comprehensive income for the year		**(65,090)**	**24,124**

These financial statements should be read in conjunction with the accompanying notes.

Financial Statements (continued)

Statement of Financial Position as at 30 June 2018

	Notes	2018 $	2017 $
Assets			
Current Assets			
Cash and cash equivalents	5	236,084	198,272
Trade and other receivables	6	93,125	98,867
Investments and other financial assets	7	1,433,524	1,394,200
Other Assets	8	16,420	13,760
Total Current Assets		**1,779,153**	**1,705,099**
Non-Current Assets			
Property, plant and equipment	9	193,279	187,623
Intangible assets	10	42,741	48,849
Total Non-Current Assets		**236,020**	**236,472**
Total Assets		**2,015,173**	**1,941,571**
Liabilities			
Current Liabilities			
Trade and other payables	11	249,564	121,268
Provisions	12	53,158	44,786
Total Current Liabilities		**302,722**	**166,054**
Non Current Liabilities			
Provisions	12	36,396	34,372
Total Non Current Liabilities		**36,396**	**34,372**
Total Liabilities		**339,118**	**200,426**
Net Assets		**1,676,055**	**1,741,145**
Equity			
Retained earnings	13	1,676,055	1,741,145
Total Equity		**1,676,055**	**1,741,145**

These financial statements should be read in conjunction with the accompanying notes

Financial Statements (continued)

Statement of Changes in Equity for the year ended 30 June 2018

	Retained Earnings $	Total Equity $
Balance at 1 July 2016	**1,717,021**	**1,717,021**
Profit for the year	24,124	24,124
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**24,124**	**24,124**
Balance at 30 June 2017	**1,741,145**	**1,741,145**
Balance at 1 July 2017	**1,741,145**	**1,741,145**
Loss for the year	(65,090)	(65,090)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**(65,090)**	**(65,090)**
Balance at 30 June 2018	**1,676,055**	**1,676,055**

These financial statements should be read in conjunction with the accompanying notes

Financial Statements (continued)

Statement of Cash Flows for the year ended 30 June 2018

	Notes	2018 $	2017 $
Cash Flows From Operating Activities			
Receipts from customers		1,288,338	1,227,919
Payments to suppliers and employees		(1,227,186)	(1,135,783)
Interest received		40,326	41,536
Other Income		9	27
Net cash flows from operating activities	14b	**101,487**	**133,699**
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment		16,364	-
Purchase of property, plant and equipment		(40,715)	(1,670)
Purchase of Investments		(39,324)	(39,794)
Net cash flows used in investing activities		**(63,675)**	**(41,464)**
Net increase in cash held		**37,812**	**92,235**
Cash and cash equivalents at start of year		198,272	106,037
Cash and cash equivalents at end of year	14a	**236,084**	**198,272**

These financial statements should be read in conjunction with the accompanying notes.

Notes to the financial statements

For year ended 30 June 2018

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 Board of Directors on 24th October 2018.

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.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

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;
- The formulation and implementation of advertising and promotional programs; and
- Sale techniques and proper customer relations.

(b) Impairment of assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information. 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.

(c) 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.

(d) Comparative figures

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

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

(e) Critical accounting estimates and judgements

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

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation 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.

Fair value assessment of non-current physical assets

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.

Employee benefits provision

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.

Income Tax

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.

Impairment

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

Note 1. Summary of significant accounting policies (continued)

(f) New and revised standards that are effective for these financial statements

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

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:

AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses

AASB 2016-1 amends AASB 112 Income Taxes to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost.

(g) 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 out on the proceeding pages

(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.

These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

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.

Notes to the financial statements (continued)

Note 1. Summary of significant accounting policies (continued)

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

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

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.

Note 1. Summary of significant accounting policies (continued)

(g) 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)

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.

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.

Notes to the financial statements (continued)

Note 2. Revenue

	2018 $	2017 $
Revenue		
- services commissions	1,174,290	1,128,337
	1,174,290	1,128,337
Other revenue		
- interest received	40,326	41,536
- other revenue	9	27
	40,335	41,563
Total Revenue	1,214,625	1,169,900

Revenue arises from the rendering of services through its franchise agreement with the Bendigo and Adelaide Bank Limited. The revenue recognised is measured by reference to the fair value of consideration received or receivable, excluding sales taxes, rebates, and trade discounts.

The entity applies the revenue recognition criteria set out below to each separately identifiable sales transaction in order to reflect the substance of the transaction.

Rendering of services
The entity generates service commissions on a range of products issued by the Bendigo and Adelaide Bank Limited. The revenue includes upfront and trailing commissions, sales fees and margin fees.

Interest and other income
Interest income is recognised on an accrual basis using the effective interest rate method.

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

Notes to the financial statements (continued)

Note 3. Expenses

	2018 $	2017 $
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
- wages and salaries	530,307	474,854
- superannuation costs	52,641	45,033
- workers' compensation costs	1,321	1,848
- other costs	63,651	47,831
	647,920	569,566
Depreciation and amortisation		
Depreciation		
- furniture and fittings	2,324	2,672
- leasehold improvements	4,711	4,879
- motor vehicle	7,811	7,236
- computer equipment	1,077	,732
	15,923	16,519
Amortisation		
- Franchise Fees	6,108	6,108
Total depreciation and amortisation	22,031	22,627
Bad and doubtful debts expenses (recovered)	(402)	402
(Gain) / Loss on disposal of property, plant & equipment	2,772	-
Auditors' remuneration		
Remuneration of the Auditor RSD Audit for:		
- Audit or review of the financial report	3,600	3,500

Charitable donations, sponsorships and grants
These transactions are recognised as expenses when the company makes the commitment to the recipient, and that is communicated to them. Any confirmed but not yet paid commitments as at balance date are included as a current liability in the statement of financial position.

Operating expenses
Operating expenses are recognised in profit or loss on an accruals basis, which is typically upon utilisation of the service or at the date upon which the entity becomes liable.

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 improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Notes to the financial statements (continued)

Note 3. Expenses (continued)

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

Class of asset	*Rate*	*Method*
Furniture and fittings	2.5 - 20%	Straight line / Diminishing Value
Leasehold improvements	2.5 - 5%	Diminishing Value
Motor Vehicles	25%	Diminishing Value
Computer Equipment	40%	Diminishing Value

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.

Note 5. Cash and cash equivalents

	2018 $	2017 $
Cash at bank and on hand	236,084	198,272

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

Note 6. Trade and other receivables

	2018 $	2017 $
Current		
Trade debtors	79,817	84,556
Other Receivables	13,308	14,311
	93,125	98,867

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 there is 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.

Notes to the financial statements (continued)

Note 6. Trade and other receivables (continued)

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.

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

	Gross	Not past	Past due but not impaired			Past due
			< 30	31-60	> 60	and
	amount	due	days	days	days	impaired
2018	$	$	$	$	$	$
Trade receivables	79,817	79,817	-	-	-	-
Other receivables	13,308	13,308	-	-	-	-
Total	**93,125**	**93,125**	**-**	**-**	**-**	**-**
2017						
Trade receivables	84,556	84,556	-	-	-	-
Other receivables	14,311	14,311	-	-	-	-
Total	**98,867**	**98,867**	**-**	**-**	**-**	**-**

Note 7. Financial assets

(a) Classification of financial assets

The company classifies its financial assets in the following categories:

- loans and receivables, and
- 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.

Notes to the financial statements (continued)

Note 7. Financial assets (continued)

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.

(b) Measurement of financial assets

At initial recognition, the group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

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

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.

(c) Impairment of financial assets

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.

Note 7. Financial assets (continued)

(c) Impairment of financial assets (continued)
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.

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.

(d) 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.

	2018	2017
	$	$
Held to maturity financial assets		
Term Deposits	1,433,524	1,394,200
	1,433,524	1,394,200

Note 8. Other Assets

	2018	2017
	$	$
Prepayments	16,420	13,760
	16,420	**13,760**

Other assets represent items that will provide the entity with future economic benefits controlled by the entity as a result of past transactions or other past events.

Notes to the financial statements (continued)

Note 9. Property, plant and equipment

	2018 $			2017 $		
	At cost	Accumulated depreciation	Written down value	At cost	Accumulated depreciation	Written down value
Leasehold improvements	205,848	(57,106)	148,742	205,848	(52,395)	153,453
Furniture and fittings	49,272	(40,949)	8,323	48,395	(38,625)	9,770
Motor vehicles	39,838	(5,239)	34,599	41,521	(19,813)	21,708
Computer Equipment	9,276	(7,661)	1,615	9,276	(6,584)	2,692
Total property, plant and equipment	**304,234**	**(110,955)**	**193,279**	**305,040**	**(117,417)**	**187,623**

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 in profit or loss. 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.

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

Notes to the financial statements (continued)

Note 9. Property, plant and equipment (continued)

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

(a) Capital expenditure commitments

The entity does not have any capital expenditure commitments at 30 June 2018 (2017: None)

(b) Movements in carrying amounts of PP&E

2018	Opening written down value $	Additions	Disposals	Revaluations	Impairments / write-offs	Depreciation	Closing written down value $
Leasehold improvements	153,453	-	-	-	-	(4,711)	148,742
Furniture and fittings	9,770	877	-	-	-	(2,324)	8,323
Motor vehicles	21,708	39,838	(16,364)	-	(2,772)	(7,811)	34,599
Computer Equipment	2,692	-	-	-	-	(1,077)	1,615
Total property, plant and equipment	**187,623**	**40,715**	**(16,364)**	**-**	**(2,772)**	**(15,923)**	**193,279**

2017	Opening written down value $	Additions	Disposals	Revaluations	Impairments / write-offs	Depreciation	Closing written down value $
Leasehold improvements	137,006	-	-	21,326	-	(4,879)	153,453
Furniture and fittings	33,768	-	-	(21,326)	-	(2,672)	9,770
Motor vehicles	28,944	-	-	-	-	(7,236)	21,708
Computer Equipment	2,754	1,670	-	-	-	(1,732)	2,692
Total property, plant and equipment	**202,472**	**1,670**	**-**	**-**	**-**	**(16,519)**	**187,623**

Notes to the financial statements (continued)

Note 10. Intangible assets

	2018 $ At cost	2018 $ Accumulated amortisation	2018 $ Written down value	2017 $ At cost	2017 $ Accumulated amortisation	2017 $ Written down value
Franchise fees	68,713	(25,972)	42,741	68,713	(19,864)	48,849
Establishment costs	60,000	(60,000)	-	60,000	(60,000)	-
Total intangible assets	**128,713**	**(85,972)**	**42,741**	**128,713**	**(79,864)**	**48,849**

Franchise fees and establishment costs have been initially recorded at cost and amortised on a straight line basis at a rate of 20% per annum for renewal fees, and 6.67% per annum for franchise fees. The current amortisation charges for intangible assets are included under depreciation and amortisation in the Statement of Profit or Loss and Other Comprehensive Income.

2018	**Opening written down value $**	**Additions**	**Disposals**	**Revaluations**	**Impairments / write-offs**	**Amortisation**	**Closing written down value $**
Franchise fees	48,849	-	-	-	-	(6,108)	42,741
Establishment costs	-	-	-	-	-	-	-
Total intangible assets	**48,849**	**-**	**-**	**-**	**-**	**(6,108)**	**42,741**

2017	**Opening written down value $**	**Additions**	**Disposals**	**Revaluations**	**Impairments / write-offs**	**Amortisation**	**Closing written down value $**
Franchise fees	54,957	-	-	-	-	(6,108)	48,849
Establishment costs	-	-	-	-	-	-	-
Total intangible assets	**54,957**	**-**	**-**	**-**	**-**	**(6,108)**	**48,849**

Notes to the financial statements (continued)

Note 11. Trade and other payables

	2018 $	2017 $
Current		
Unsecured liabilities:		
Trade creditors	26,202	19,408
Pledges	199,400	79,400
Other creditors and accruals	23,962	22,460
	249,564	121,268

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.

Note 12. Provisions

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 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. Any remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

Notes to the financial statements (continued)

Note 12. Provisions (continued)

The company's obligations 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.

	2018 $	2017 $
Current		
Employee Benefits	53,158	44,786
Non-current		
Employee Benefits	36,396	34,372
Total provisions	89,554	79,158

Note 13. Retained earnings

	2018 $	2017 $
Balance at the beginning of the reporting period	1,741,145	1,717,021
Profit (loss) after income tax	(65,090)	24,124
Balance at the end of the reporting period	1,676,055	1,741,145

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 2018 the number of members was 166 (2017: 168).

Capital management

The Board's policy, is to maintain a strong capital base so as to sustain future development of the company. Capital is represented by total equity as recorded in the Statement of Financial Position.

The Board manages the growth of the business in line with this requirement. There are no other externally imposed capital requirements, although the nature of this company is such, that significant amounts will be paid in the form of charitable donations, sponsorships & grants dependent upon annual applications as assessed. Charitable donations, sponsorships & grants paid during the year can be seen in the Statement of Profit or Loss and Comprehensive Income.

Notes to the financial statements (continued)

Note 14. Statement of cash flows

	2018 $	2017 $
(a) 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 (note 5)	236,084	198,272
As per the Statement of Cash Flow	236,084	198,272
(b) Reconciliation of cash flow from operations with profit after income tax		
Profit / (loss) after income tax	(65,090)	24,124
Non cash items		
- Depreciation	15,923	16,519
- Amortisation	6,108	6,108
- Net (profit) / loss from sale of plant & equipment	2,772	-
Changes in assets and liabilities		
- (Increase) decrease in receivables	5,742	(7,613)
- (Increase) decrease in other assets	(2,660)	(7,379)
- Increase (decrease) in payables	128,296	94,635
- Increase (decrease) in provisions	10,396	7,305
Net cash flows from/(used in) operating activities	101,487	133,699

Note 15. Key management personnel and related party disclosures

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 on the next page, 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.

Notes to the financial statements (continued)

Note 15. Key management personnel and related party disclosures (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, or provided Grants, Sponsorships and Donations to related parties as follows:

Name of related party	Description of goods / services provided	Value $
Edward O'Shannessy	Coomealla High School - Donation	500
	Coomealla High School - Grant	493
	Coomealla High School - Grant	591
	Coomealla High School - Grant	25,000
David Cross	Wentworth Rowing Club - Sponsorship	1,000
Andrew Cottrell	Wentworth Football Netball Club - Grant	10,000
Donna Scopelliti	Wentworth Regional Tourism - Grant	9,000
Glenn Thompson	Coomealla Cricket Club - Donation	500

(d) Other Key Management transactions
There have 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 ad 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 (2017:100%).

Notes to the financial statements (continued)

Note 19. Commitments

	2018 $	2017 $
Operating lease commitments		

Non-cancellable operating leases contracted for, entered into, not capitalised in the Statement of Financial Position.

	2018 $	2017 $
Payable - minimum lease payments		
- no later than 12 months	45,569	28,804
- between 12 months and 5 years	69,737	35,332
Total minimum lease payments	115,306	64,136

The three property leases are non-cancellable leases, one for a one year term, one for a two year term, and one for 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 further period of the same term.

Sponsorship and funding commitments

Committed sponsorship and funding agreements entered into, not capitalised in the Statement of Financial Position.

	2018 $	2017 $
Payable - minimum sponsorship and funding payments		
- no later than 12 months	34,420	40,220
- between 12 months and 5 years	94,600	97,720
Total minimum sponsorship and funding commitments	129,020	137,940

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

Notes to the financial statements (continued)

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	2018 $	2017 $
Financial Assets			
Cash and cash equivalents	5	236,084	198,272
Trade and other receivables	6	93,125	98,867
Investments and other financial assets	7	1,433,524	1,394,200
Total Financial Assets		1,762,733	1,691,339
Financial Liabilities			
Trade and other payables	11	249,564	121,268
Total Financial Liabilities		249,564	121,268

(a) Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company.
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.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

(a) Credit Risk (continued)

Credit risk exposures

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 table above.
The company has 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 (2017: 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.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

(b) Liquidity risk (continued)

Financial liability and financial asset maturity analysis:

30 June 2018	Weighted Average Interest rate %	Total $	Within 1 year $	1 to 5 years $	Over 5 years $
Financial Assets					
Cash and cash equivalents	0.92%	236,084	236,084	-	-
Trade and other receivables		93,125	93,125	-	-
Investments and other financial assets	2.92%	1,433,524	1,433,524		
Total anticipated inflows		1,762,733	1,762,733	-	-
Financial Liabilities					
Trade and other payables		249,564	249,564		
Total expected outflows		249,564	249,564	-	-
Net inflow on financial instruments		1,513,169	1,513,169	-	-
30 June 2017					
Financial Assets					
Cash and cash equivalents	0.58%	198,272	198,272	-	-
Trade and other receivables		98,867	98,867	-	-
Investments and other financial assets	2.82%	1,394,200	1,394,200		
Total anticipated inflows		1,691,339	1,691,339	-	-
Financial Liabilities					
Trade and other payables		121,268	121,268	-	-
Total expected outflows		121,268	121,268	-	-
Net inflow on financial instruments		1,570,071	1,570,071	-	-

Notes to the financial statements (continued)

Note 21. Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The company has no exposure to fluctuations in foreign currency, or any exposure to a material price risk.
The financial instruments that primarily expose the company to interest rate risk are fixed interest securities, and cash and cash equivalents.

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.

Year ended 30 June 2018	**Profit $**	**Equity $**
+/- 1% in interest rates (interest income)	16,696	16,696
	16,696	16,696
Year ended 30 June 2017		
+/- 1% in interest rates (interest income)	15,925	15,925
	15,925	15,925

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Directors’ declaration

In accordance with a resolution of the Directors of Wentworth District Capital Limited, the Directors of the company declare that:

1 The financial statements and notes of the company as set out on pages 14 to 41 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 2018 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.

Andrew Mark Cottrell
Director

Signed at Wentworth on 24th October 2018.

Independent audit report

rsd Audit
41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

Ph: (03) 4435 3550
admin@rsdaudit.com.au
www.rsdaudit.com.au

AUDITOR'S REPORT
TO THE MEMBERS OF WENTWORTH DISTRICT CAPITAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Wentworth District Capital Limited, which comprises the statement of financial position as at 30 June 2018, 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, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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 2018 and of its performance for the year then ended; and

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

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements related to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report.

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

Independence

We are independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Director's 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.

Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 60 616 244 309
Liability limited by a scheme approved under Professional Standards Legislation

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.
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 entity's preparation of the financial report that gives a true and fair view 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 entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of 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 conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. On connection with our audit of the financial report, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RSD Audit
Chartered Accountants

P. P. Delahunty

P. P. Delahunty
Partner
Bendigo
Dated: 25 October 2018

Your Chair, Directors, Staff and Young Observers

2017/2018 Young Observers Brodie Miller and Imogen Smith

Directors, Staff and Young Observers

(L-R: Jill Davidson, Glenn Thompson, Stefanie Heaysman, Donna Scopelliti, Sam Cross, Amanda Gooding, Andrew Suckling, Breeon Cole, Daryl Wescombe, Liz Thomson, Debbie Moule, Andrew Cottrell, Janine Smith, Bonnie Thompson, Ted O'Shannessy, Kate Stockman, Becky Bysouth, Brodie Miller and Imogen Smith)

Wentworth & District **Community Bank®** Branch
36-38 Darling Street, Wentworth NSW 2648
Phone: (03) 50273362
Email: WentworthMailbox@bendigobank.com.au

Franchisee: Wentworth District Capital Limited
32 Darling Street, Wentworth NSW 2648
Phone: (03) 50273518
Email: admin@wdcl.com.au
ABN: 76 085 989 804
Website: www.bendigobank.com.au/public/community/our-branches/wentworth
Facebook: www.facebook.com/WentworthDistrictCommunityBankBranch/