ANNUAL REPORT 2018-2019

Wentworth District Capital Limited

ABN 76 085 989 804

Celebrating 20 years 18 March 1999 to 18 March 2019

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

Contents

Chair's Report

For year ending 30 June 2019

My name is Andrew Cottrell and it is my honour and pleasure to present the 2018-2019 Annual Report. Firstly I would like to thank and introduce my fellow Directors, Ted O'Shannessy, Sam Cross, Becky Bysouth, Donna Scopelliti, Glenn Thompson, Stefanie Heaysman, Kerryn Swarbrick, and Junior Observers Mitchell Bysouth and Jade Andrews. A special thanks to Sam Cross for his now 20 Years as a Director, a formidable voice for the community.

This year marks the 20th year for our Wentworth & District Community Bank®. This is a tremendous milestone and one in which everyone involved from the Founding Directors, past Directors, members, customers and staff should be justifiably proud. From an initial concept of saving banking within Wentworth our Community Bank® has continued to grow and contribute positively to not only Wentworth but the entire district, whilst maintaining a quality banking service with a high level of customer service and community engagement.

Over the 20 years we have supported most local community groups and invested over $3.6 million into the region; we are a catalyst in getting major projects off the ground including the Wentworth Ambulance Station, the George Gordon Oval improvements, Carramar Oval Improvements, Pioneer Homes and Murray House. This year we have also seen the completion of the Wentworth Area Skate Park, a major community project and one we have been very proud to be part of. It is exciting to see the entire community get behind these projects and I am confident that the Long Day Care Centre is next.

We are fortunate to have wonderful staff that understand the part our Community Bank® plays in the community and the part they play in making it a success. Congratulations to our Branch Manager Daryl Wescombe and his team for a successful year with the Community Bank® growing its books to $171 million and enabling the support of $240,000 out to the community.

I would like to congratulate and thank our extended staff of Jill Davidson and Kate Stockman and Company Secretary Robert Verstappen; they make a formidable team and are a great support to the Board of Directors.

The Wentworth & District Community Bank® branch office renovations and extensions has now been completed; a solid commitment to our continued focus on face to face banking, and to provide a safe and comfortable environment for staff and customers.

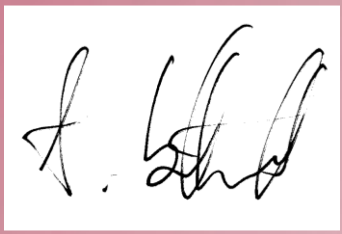
Bendigo Bank continue in its support of the Community Bank® model and is transitioning to the challenges of the new banking environment, including electronic banking , new fintech models and the ramification of the banking commission. Bendigo and Adelaide Bank is undertaking these challenges and working with the Community Bank®s to provide these services and maintain the customer focus that is so important. We thank Paul Rains and the entire Bendigo and Rural Bank Staff for their support.

We now embark upon building the legacy of the last 20 years, supporting the community, reinforcing the relationships with our key community partners, including the Wentworth Shire Council, Coomealla Memorial Sporting Club and all the Community Groups that are part of the spirit of this region.

On behalf of the Board of Directors I would especially like to thank our customers and members. Please spread the word about your local Community Bank®, about the great service, products and the impact it has on your community.

Chair's Report (continued)

Thank you



Andrew Cottrell Director
Chair

Branch Manager's Report

For year ending 30 June 2019

20 years and going from strength to strength.

Our 20th year of operation has been another successful year. Over the past financial year, we have experienced a good growth spurt with footings increasing $ 152.2M to $ 171.1M or $18.9M. We now have 3,238 customers after starting day one with 0 customers on the books all those years ago.

I believe this result proves we are a real alternative to the major banks and we are capitalising on that goodwill and uncertainty within the overall banking sector. The move to digital banking is exciting and Bendigo and Adelaide Bank has committed to making this a priority. We are already ahead when it comes to our online offerings. For those customers who don't want to step into a traditional bank, that's great news and we're looking forward to advances in this area by Bendigo and Adelaide Bank.

For those people who want to continue the tradition of coming into the Branch Office – we are not going anywhere. We're still committed to helping you over the counter with all your banking needs. This commitment is extended to the Buronga/Gol Gol end of the Shire with our Gol Gol Lending Office now open and available for lending appointments. We are also investigating the opening of an Agency at the Midway Centre to further assist the Buronga/Gol Gol community to engage with us.

Once again, a big thank you to all our long-term customers and all the new customers that have come on board over the past 12 months. It's true that once a Wentworth & District Community Bank® branch customer, always a Wentworth & District Community Bank® branch customer. We value each and every one of our customers who entrust us with their banking.

What we do in the community is fantastic, but we are also operating a Financial Service and need to provide our customers with cutting edge products, competitive pricing and excellent customer service. I believe our staff team at the Branch Office provide our customers with a level of service that is second to none. We are so lucky to have such a great team and I thank them immensely for their efforts over the past 12 months.

One of the distinct advantages customers experience when banking with us is access to local dedicated Managers who specialise in Business Banking, Agribusiness and Home Lending. This is not always available at the other Big 4 Banks. We continue to receive great support from our Business Banking team of Paul, Creagh and Gaylene along with our Rural Bank Agribusiness team of Mark and Jess based in Mildura. Thank you for your assistance over the past year also.

We are well supported by Regional Manager, Paul Rains and his team and look forward to working with them into the future.

In 20 years of operation we have invested over $3.5M into community projects and programs that have been enjoyed by many community groups across the area. These funds come from the community supporting us with their banking.

Unfortunately, each year we are unable to support all worthwhile grant applications and we have so much more to do in our community. Can I ask that all community groups, their Committees and members that have enjoyed funding of projects, sponsorships and programs become advocates for our Wentworth & District Community Bank® branch? We need help from you all to promote our Community Bank® branch to your fellow members, friends, relatives and business associates.

Branch Manager's Report (continued)

The more business directed to us, the more income we can hold in our community to fund more worthwhile projects and programs and make our community a better place to live. It just might be that the additional funding generated by this extra business that enables us to support funding that your community group needs.

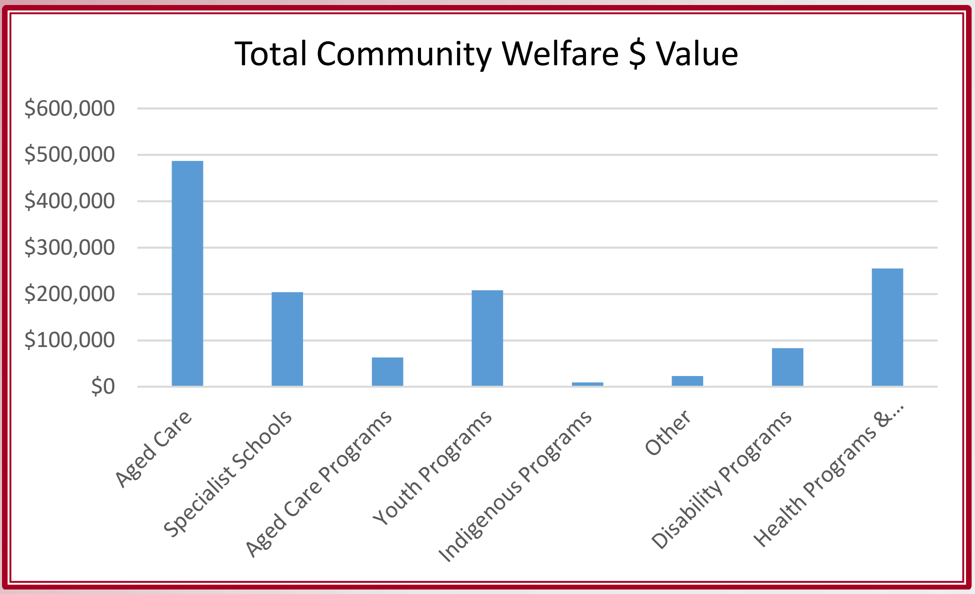
The performance of the business and the support given to our local community just doesn't happen. We have a fantastic group of volunteer Board of Directors who strive to improve and increase our business so we can keep more local money local. On behalf of myself and the Community Bank® branch team, thank you for your continued support and direction.

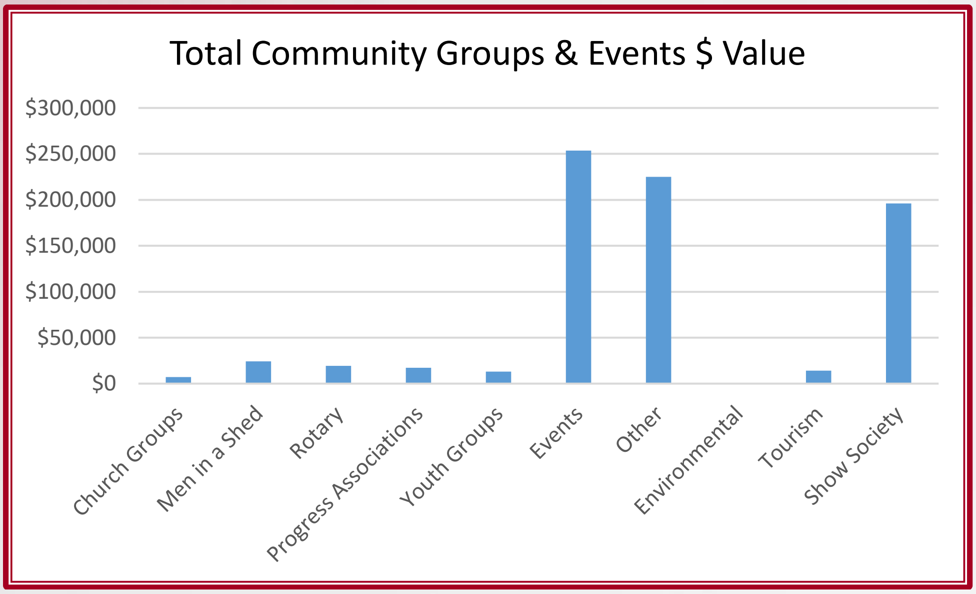
Essentially everyone must bank somewhere, and a Bank or Finance institution is going to generate profits from that banking. If you are not a customer, why not? Why not bank locally and keep those profits local? It is a wonderful thing to see your banking profits being invested back into your community to make it a better place to live - and not leave the area.

Daryl Wescombe
Branch Manager

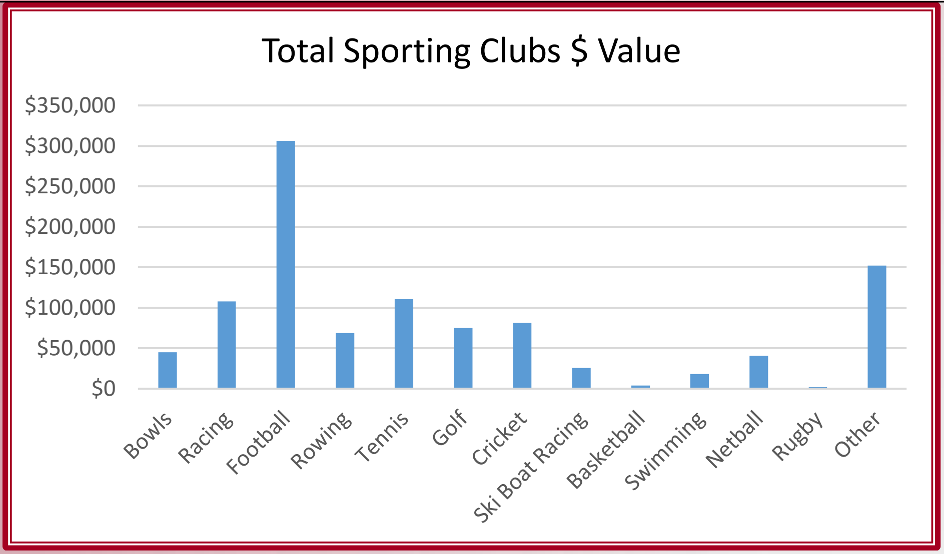
Report of Sponsorships & Contributions

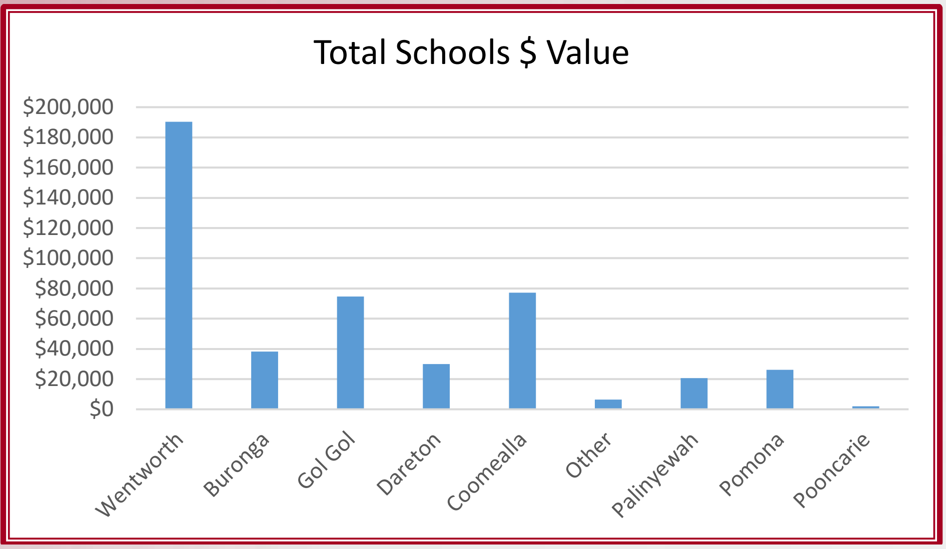
Total Community Contributions by Wentworth District Capital Ltd (1999 - 2019)	
Financial Year	**Value**
2018/2019	$240,902.17
2017/2018	$321,082.96
2016/2017	$279,520.20
2015/2016	$135,466.00
2014/2015	$266,343.00

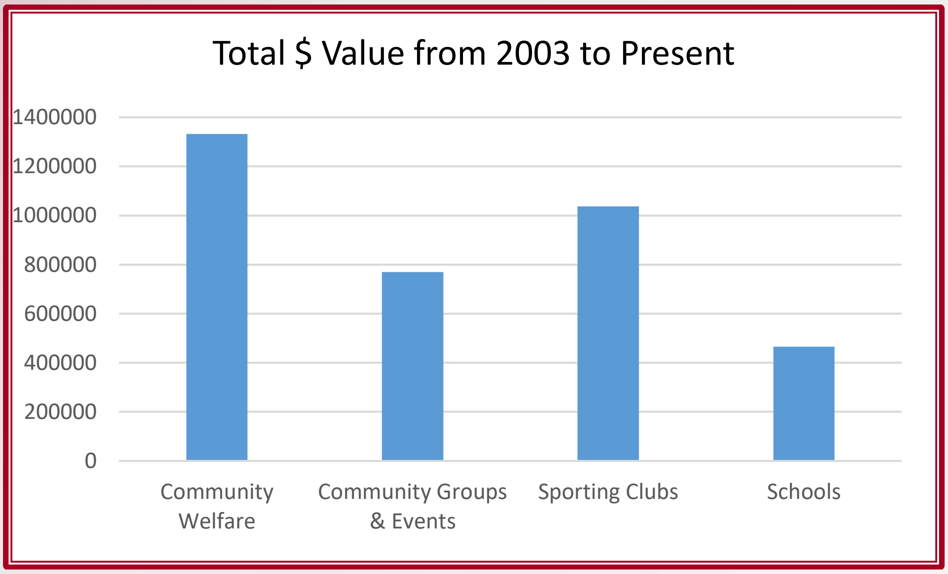




Report of Sponsorships & Contributions *(continued)*







Directors' Report

For year ending 30 June 2019

The Directors present their report of the company for the financial year ended 30 June 2019.

Directors

The following persons were Directors of the Wentworth District Capital Limited during or since the end of the financial year up to and including the date of this report:

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.

Directors' Report (*continued)*

Kerryn Dawn Swarbrick	
Position	Treasurer
Professional qualifications	B.Com (Latrobe); BAS Agent; MAICD
Experience and expertise	Small Business Owner; BAS Services; Accounting Consultant; Mentor to local community organisations.

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 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	10	7
Andrew Mark Cottrell	10	8
Edward Brian O'Shannessy	10	10
Emily Rebecca Bysouth	10	10
Donna Kristine Scopelliti	10	10
Kerryn Dawn Swarbrick	10	7
Stefanie Christiane Heaysman	10	5
Glenn Thompson	10	9

A - The number of meetings eligible to attend.

B - The number of meetings attended.

Directors' Report (*continued)*

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 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 charitable donations, sponsorships and grants was $38,644 (2018: a Loss of $65,090).

The net assets of the company have decreased to $1,637,411 (2018: $1,676,055).

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, and now has a lending office and an ATM facility at the 24/7 Shell outlet operating 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 2019 the total amount that members of the company are liable to contribute if the Company wound up is $1,660 (2018: $1,660).

Significant changes in the state of affairs

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

Directors' Report (*continued)*

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.

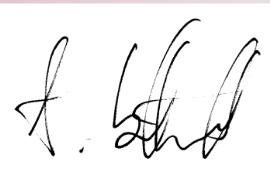
Proceedings on behalf of company

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 14 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 29th October 2019.



Andrew Mark Cottrell
Director

Auditor's Independence Declaration

rsd Audit

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 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

Phil Delahunty
Partner
41A Breen Street
Bendigo VIC 3550

Dated: 29 October 2019

Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 60 616 244 309
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 2019

	Notes	2019 $	2018 $
Revenue	2	1,243,834	1,214,625
Expenses			
Employee benefits expense	3	(660,873)	(647,920)
Depreciation and amortisation expense	3	(77,381)	(22,031)
Administration and general costs		(108,448)	(116,439)
Bad and doubtful debts expense	3	24	402
Occupancy expenses		(52,354)	(36,553)
IT Costs		(27,018)	(24,163)
Other expenses		(112,244)	(110,133)
Total Expenses		**(1,038,294)**	**(956,837)**
Operating profit before charitable donations, sponsorships and grants		**205,540**	**257,788**
Charitable donations, sponsorships and grants	3/12	(244,184)	(322,878)
Loss before income tax expense		**(38,644)**	**(65,090)**
Tax expense / (benefit)	4	-	-
Loss for the year		**(38,644)**	**(65,090)**
Other comprehensive income		-	-
Total comprehensive income for the year		**(38,644)**	**(65,090)**

Financial Statements (continued)

Statement of Financial Position as at 30 June 2019

	Notes	2019 $	2018 $
Assets			
Current Assets			
Cash and cash equivalents	5	158,043	236,084
Trade and other receivables	6	94,579	93,125
Investments and other financial assets	7	1,471,172	1,433,524
Other Assets	8	7,892	16,420
Total Current Assets		**1,731,686**	**1,779,153**
Non-Current Assets			
Property, plant and equipment	9	251,427	193,279
Intangible assets	10	62,623	42,741
Total Non-Current Assets		**314,050**	**236,020**
Total Assets		**2,045,736**	**2,015,173**
Liabilities			
Current Liabilities			
Trade and other payables	12	279,146	249,564
Provisions	13	84,038	53,158
Total Current Liabilities		**363,184**	**302,722**
Non Current Liabilities			
Trade and other payables	12	45,141	-
Provisions	13	-	36,396
Total Non Current Liabilities		**45,141**	**36,396**
Total Liabilities		**408,325**	**339,118**
Net Assets		**1,637,411**	**1,676,055**
Equity			
Retained earnings	14	1,637,411	1,676,055
Total Equity		**1,637,411**	**1,676,055**

Financial Statements (continued)

Statement of Changes in Equity for the year ended 30 June 2019

	Retained Earnings $	Total Equity $
Balance at 1 July 2018	**1,676,055**	**1,676,055**
Loss for the year	(38,644)	(38,644)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**(38,644)**	**(38,644)**
Balance at 30 June 2019	**1,637,411**	**1,637,411**
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**

Financial Statements (continued)

Statement of Cash Flows for the year ended 30 June 2019

	Notes	2019 $	2018 $
Cash Flows From Operating Activities			
Receipts from customers		1,322,330	1,288,338
Payments to suppliers and employees		(1,301,662)	(1,227,186)
Interest received		39,617	40,326
Other Income		18	9
Net cash flows from operating activities	15b	**60,303**	**101,487**
Cash Flows From Investing Activities			
Proceeds from sale of property, plant and equipment		-	16,364
Purchase of property, plant and equipment		(89,492)	(40,715)
Purchase of intangible assets		(11,204)	-
Purchase of Investments		(37,648)	(39,324)
Net cash flows used in investing activities		**(138,344)**	**(63,675)**
Net increase (decrease) in cash held		**(78,041)**	**37,812**
Cash and cash equivalents at start of year		236,084	198,272
Cash and cash equivalents at end of year	15a	**158,043**	**236,084**

Notes to the Financial Statements

For year ended 30 June 2019

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 29th October 2019.

Note 1. Summary of significant accounting policies

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The company is a not for profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

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

Economic Dependency

The company has entered into a franchise agreement with Bendigo and Adelaide Bank Limited that governs the management of the **Community Bank®** 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;
- The formulation and implementation of advertising and promotional programs; and
- Sale techniques and proper customer relations.

Note 1. Summary of significant accounting policies (continued)

(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.

(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.

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.

Note 1. Summary of significant accounting policies (continued)

(e) Critical accounting estimates and judgements (continued)

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.

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

With the exception of the below, these financial statements have been prepared in accordance with the same accounting policies adopted in the entity's last annual financial statements for the year ended 30 June 2018. Note that the changes in accounting policies specified below **ONLY** apply to the current period. The accounting policies included in the company's last annual financial statements for the year ended 30 June 2018 are the relevant policies for the purposes of comparatives.

AASB 15 Revenue from Contracts with Customers and AASB 9 Financial Instruments (2014) became mandatorily effective on 1 January 2018. Accordingly, these standards apply for the first time to this set of annual financial statements. The nature and effect of changes arising from these standards are summarised in the section below.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 *Revenue,* AASB 111*Construction Contracts* and several revenue-related interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balances of retained earnings as at 1 July 2018 and comparatives are not restated.

Based on our assessment, there has not been any effect on the financial report from the adoption of this standard.

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139's '*Financial Instruments: Recognition and Measurement*' requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the entity elected not to restate prior periods. Rather, differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

Based on our assessment, other than changes in classification, there has not been any effect on the financial report from the adoption of this standard

Note 1. Summary of significant accounting policies (continued)

(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.

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 standard will primarily affect the accounting for the company's operating leases. As at the reporting date, the company has non-cancellable operating lease commitments of $40,210. However, the company has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the company's profit and classification of cash flows.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The company does not intend to adopt the standard before its effective date.

(h) Change in accounting policies

Revenue
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.

To determine whether to recognise revenue, the company follows a 5-step process:
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Given the nature of the agreement with Bendigo and Adelaide Bank Limited, there are no performance obligations, therefore the revenue is recognised at the earlier of:
a) when the entity has a right to receive the income and it can be reliably measured; or
b) upon receipt.

Note 1. Summary of significant accounting policies (continued)

(h) Change in accounting policies (continued)

Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

a) Financial assets at amortised cost

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The company's trade and most other receivables fall into this category of financial instruments as well as deposits that were previously classified as held-to-maturity under AASB 139.

Impairment of financial assets

AASB 9's new forward looking impairment model applies to company's investments at amortised cost. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

The company makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the company uses its historical experience, external indicators and forward-looking information to determine the expected credit losses on a case-by-case basis.

As the accounting for financial liabilities remains largely unchanged from AASB 139, the company's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

Financial liabilities

Financial liabilities include trade payables, other creditors, loans from third parties and loans from or other amounts due to related entities. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Note 1. Summary of significant accounting policies (continued)

(h) Change in accounting policies (continued)

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value plus transaction costs, except where the instrument is classified as "fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

Reconciliation of financial instruments on adoption of AASB 9

The table below shows the classification of each class of financial asset and financial liability under AASB 139 and AASB 9 as at 1 July 2018:

	AASB 139 Classification	AASB 9 Classification	AASB 139 Carrying value ($)	AASB 9 Carrying value ($)
Financial Asset				
Trade and Other receivables	Loans and receivables	Amortised cost	93,125	93,125
Term deposits	Held to maturity	Amortised cost	1,433,524	1,433,524
Financial Liabilities				
Trade and other payables	Amortised cost	Amortised cost	249,564	249,564

Notes to the Financial Statements *For year ended 30 June 2019 (continued)*

Note 2. Revenue

	2019	2018
	$	$
Revenue		
- services commissions	1,204,199	1,174,290
	1,204,199	1,174,290
Other revenue		
- interest received	39,617	40,326
- other revenue	18	9
	39,635	40,335
Total Revenue	1,243,834	1,214,625

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
As detailed in the franchise agreement, companies earn three types of revenue - margin, commission and fee income. Bendigo and Adelaide Bank Limited decide the method of calculation of revenue the company earns on different types of products and services and this is dependent on the type of business the company generates also taking into account other factors including economic conditions, including interest rates.

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 *For year ended 30 June 2019 (continued)*

Note 3. Expenses

	2019	2018
	$	$
Profit before income tax includes the following specific expenses:		
Employee benefits expense		
- wages and salaries	556,172	530,307
- superannuation costs	53,731	52,641
- workers' compensation costs	1,281	1,321
- other costs	49,689	63,651
	660,873	647,920
Depreciation and amortisation		
Depreciation		
- furniture and fittings	2,122	2,324
- leasehold improvements	19,527	4,711
- motor vehicle	8,650	7,811
- computer equipment	1,045	1,077
	31,344	15,923
Amortisation		
- Franchise Fees	46,037	6,108
Total depreciation and amortisation	77,381	22,031
Bad and doubtful debts expenses (recovered)	(24)	(402)
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	3,500	3,600

Charitable donations, sponsorships and grants
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 and amortisation
The depreciable amount of all fixed and intangible 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.

Note 3. Expenses (continued)

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

Class of asset	*Rate*	*Method*
Furniture and fittings	10 - 20%	Straight line / Diminishing Value
Leasehold improvements	6.72 - 10%	Straight line
Motor Vehicles	25%	Diminishing Value
Computer Equipment	40%	Diminishing Value
Franchise Fees	20%	Straight line

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

	2019	2018
	$	$
Cash at bank and on hand	158,043	236,084

Cash and cash equivalents include cash on hand, deposits available on demand with banks.

Note 6. Trade and other receivables

	2019	2018
	$	$
Current		
Trade debtors	78,362	79,817
Other Receivables	16,217	13,308
	94,579	93,125

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.

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.

Note 6. Trade and other receivables (continued)

Credit Risk (continued)

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

	Gross amount	Not past due	Past due but not impaired			Past due and impaired
			< 30 days	31-60 days	> 60 days	
2019	$	$	$	$	$	$
Trade receivables	78,362	78,362	-	-	-	-
Other receivables	16,217	16,217	-	-	-	-
Total	**94,579**	**94,579**	**-**	**-**	**-**	**-**
2018						
Trade receivables	79,817	79,817	-	-	-	-
Other receivables	13,308	13,308	-	-	-	-
Total	**93,125**	**93,125**	**-**	**-**	**-**	**-**

Note 7. Financial assets

	2019	2018
	$	$
Amortised cost		
Term deposits	1,471,172	1,433,524
	1,471,172	1,433,524

The effective interest rate on the bank deposits was 2.62% (2018: 2.82%). These deposits have terms of 12 months, maturing at various times during the year.

(a) Classification of financial assets

The company classifies its financial assets in the following categories:

- amortised cost

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets.

Note 7. Financial assets (continued)

(b) Measurement of financial assets

Financial Assets at amortised cost
Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):
• they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows

• the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding
After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. Cash and cash equivalents, trade and other receivables fall into this category of financial instruments as well as government bonds that were previously classified as held-to-maturity under AASB 139.

(c) Impairment of financial assets

AASB 9's impairment requirements use more forward looking information to recognise expected credit losses - the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVTOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.
The company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.
In applying this forward-looking approach, a distinction is made between:
• financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
• financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

(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.

Note 8. Other assets

	2019	2018
	$	$
Prepayments	7,892	16,420
	7,892	**16,420**

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.

Note 9. Property, plant and equipment

	2019 $			2018 $		
	At cost	Accumulated depreciation	Written down value	At cost	Accumulated depreciation	Written down value
Leasehold improvements	293,950	(76,633)	217,317	205,848	(57,106)	148,742
Furniture and fittings	49,272	(43,071)	6,201	49,272	(40,949)	8,323
Motor vehicles	39,838	(13,889)	25,949	39,838	(5,239)	34,599
Computer equipment	10,666	(8,706)	1,960	9,276	(7,661)	1,615
Total property, plant and equipment	**393,726**	**(142,299)**	**251,427**	**304,234**	**(110,955)**	**193,279**

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
.
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.

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

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)

Note 9. Property, plant and equipment (continued)

(b) Movements in carrying amounts of PP&E

2019	**Opening written down value $**	**Additions $**	**Disposals $**	**Impairments / write-offs $**	**Depreciation $**	**Closing written down value $**
Leasehold improvements	148,742	88,102	-	-	(19,527)	217,317
Furniture and fittings	8,323	-	-	-	(2,122)	6,201
Motor vehicles	34,599	-	-	-	(8,650)	25,949
Computer equipment	1,615	1,390	-	-	(1,045)	1,960
Total property, plant and equipment	**193,279**	**89,492**	**-**	**-**	**(31,344)**	**251,427**

2018	**Opening written down value $**	**Additions $**	**Disposals $**	**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**

Note 10. Intangible assets

	2019 $			2018 $		
	At cost	Accumulated amortisation	Written down value	At cost	Accumulated amortisation	Written down value
Franchise fees	134,632	(72,009)	62,623	68,713	(25,972)	42,741
Establishment costs	60,000	(60,000)	-	60,000	(60,000)	-
Total intangible assets	**194,632**	**(132,009)**	**62,623**	**128,713**	**(85,972)**	**42,741**

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 20% 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.

2019	Opening written down value $	Additions $	Amortisation $	Closing written down value $
Franchise fees	42,741	65,919	(46,037)	62,623
Establishment costs	-	-	-	-
Total intangible assets	**42,741**	**65,919**	**(46,037)**	**62,623**

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

Note 11. Financial liabilities

Financial liabilities include trade payables, other creditors, loans from third parties and loans from or other amounts due to related entities. Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
Financial liabilities are initially measured at fair value plus transaction costs, except where the instrument is classified as "fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Note 12. Trade and other payables

	2019	2018
	$	$
Current		
Unsecured liabilities:		
Trade creditors	20,618	26,202
Community Pledges (i)	225,000	199,400
Other creditors and accruals	33,528	23,962
	279,146	249,564
Non-current		
Unsecured liabilities:		
Other creditors and accruals	45,141	-
Total trade and other payables	324,287	249,564

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 recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. A non-current liability is shown where the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.
(i) The company has resolved to contribute towards community projects. These pledges will become due and payable when these projects commence.

Note 13. Provisions

	2019	2018
	$	$
Current		
Employee Benefits	84,038	53,158
Non-current		
Employee Benefits	-	36,396
Total provisions	84,038	89,554

Note 13. Provisions (continued)

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.
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.

Note 14. Retained earnings

	2019 $	2018 $
Balance at the beginning of the reporting period	1,676,055	1,741,145
Loss after income tax	(38,644)	(65,090)
Balance at the end of the reporting period	1,637,411	1,676,055

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 2019 the number of members was 166 (2018: 166).

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.

Note 15. Statement of cash flows

	2019	2018
	$	**$**
(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)	158,043	236,084
As per the Statement of Cash Flow	158,043	236,084
(b) Reconciliation of cash flow from operations with profit after income tax		
Loss after income tax	(38,644)	(65,090)
Non cash items		
- Depreciation	31,344	15,923
- Amortisation	46,037	6,108
- Net Loss from sale of plant & equipment	-	2,772
Changes in assets and liabilities		
- (Increase) decrease in receivables	(1,454)	5,742
- (Increase) decrease in other assets	8,528	(2,660)
- Increase (decrease) in payables	20,008	128,296
- Increase (decrease) in provisions	(5,516)	10,396
Net cash flows from operating activities	60,303	101,487

Note 16. 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 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.

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:

Note 16. Key management personnel and related party disclosures (continued)

(c) Transactions with key management personnel and related parties (continued)

Name of related party	Description of goods / services provided	Value $
Edward O'Shannessy	Coomealla High School - Donation	500
	Coomealla High School - Donation	5,000
David Cross	Wentworth Rowing Club - Sponsorship	4,000
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 17. 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 18. Contingent liabilities and contingent assets

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

Note 19. 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 (2018:100%).

Note 20. Commitments

	2019 $	2018 $
Operating lease commitments		
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	45,530	45,569
- between 12 months and 5 years	156,983	69,737
- greater than 5 years	-	-
Total minimum lease payments	202,513	115,306

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.

Note 20. Commitments (continued)

Sponsorship and funding commitments

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

	2019	2018
Payable - minimum sponsorship and funding payments	$	$
- no later than 12 months	24,150	34,420
- between 12 months and 5 years	117,750	94,600
Total minimum sponsorship and funding commitments	141,900	129,020

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 21. Company Details

The registered office and principle place of business is:

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

Note 22. 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 9 Financial Instruments.*

	Note	2019	2018
		$	$
Financial Assets			
Cash and cash equivalents	5	158,043	236,084
Trade and other receivables	6	94,579	93,125
Investments and other financial assets	7	1,471,172	1,433,524
Total Financial Assets		1,723,794	1,762,733
Financial Liabilities			
Trade and other payables	12	324,287	249,564

Note 22. Financial risk management (continued)

(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.

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 (2018: 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.

Note 22. Financial risk management (continued)

(b) Liquidity risk (continued)

Financial liability and financial asset maturity analysis:

30 June 2019	**Weighted average interest rate %**	**Note**	**Total $**	**Within 1 year $**	**1 to 5 years $**	**Over 5 years $**
Financial Assets						
Cash and cash equivalent	0.92%	5	158,043	158,043	-	-
Trade and other receivables		6	94,579	94,579	-	-
Investments and other	2.60%	7	1,471,172	1,471,172		
Total anticipated inflows			1,723,794	1,723,794	-	-
Financial Liabilities						
Trade and other payables		12	324,287	279,146	45,141	
Total expected outflows			324,287	279,146	45,141	-
Net (Outflow)/Inflow on financial instruments			1,399,507	1,444,648	(45,141)	-

30 June 2018	**Weighted average interest rate %**	**Note**	**Total $**	**Within 1 year $**	**1 to 5 years $**	**Over 5 years $**
Financial Assets						
Cash and cash equivalent	0.92%	5	236,084	236,084	-	-
Trade and other receivables		6	93,125	93,125	-	-
Investments and other	2.92%	7	1,433,524	1,433,524		
Total anticipated inflows			1,762,733	1,762,733	-	-
Financial Liabilities						
Trade and other payables		12	249,564	249,564	-	-
Total expected outflows			249,564	249,564	-	-
Net inflow on financial ir			1,513,169	1,513,169	-	-

Note 22. Financial risk management (continued)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

Interest rate risk
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.

	Profit	Equity
Year ended 30 June 2019	**$**	**$**
+/- 1% in interest rates (interest income)	16,292	16,292
	16,292	16,292
Year ended 30 June 2018		
+/- 1% in interest rates (interest income)	16,696	16,696
	16,696	16,696

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:

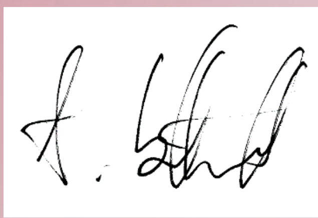
1. The financial statements and notes of the company as set out on pages 15 to 41 are in accordance with the *Corporations Act 2001* and:

   (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 2019 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 29th October 2019.

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INDEPENDENT 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 2019, 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 2019 and of its performance for the year then ended; and

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

(ii) 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.

In preparing the financial report, the directors are responsible for assessing the ability of the Group 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.

Richmond Sinnott & Delahunty, trading as RSD Audit
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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.

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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 2019, 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

Phil Delahunty
Partner
Bendigo
Dated: 29 October 2019

Your Chair, Directors, Staff and Young Observers

(From LtoR: Chair Andrew Cottrell, Director Ted O'Shannessy, Director Donna Scopelliti, Director Becky Bysouth, Young Observer Mitchell Bysouth, Young Observer Jade Andrews)

(From LtoR: CDC Jill Davidson, Staff Members Liz Thomson, Andrew Suckling, Janine Smith, Breeon Cole, Eliza Kerr, Debbie Moule, Daryl Wescombe, Marketing Manager Kate Stockman and Staff Member Bonnie Thompson)

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Facebook: www.facebook.com/WentworthDistrictCommunityBankBranch/

DATE: November 2019